JOINT SPECIAL MEETING OF THE MILPITAS CITY COUNCIL AND HOUSING AUTHORITY

AGENDA

TUESDAY, JUNE 9, 2026
CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA
3:00 PM (CLOSED SESSION / 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_-HY-9779RHWq46XLRtWomQ

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.
- Use electronic devices appropriately 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 (3:00 PM)

ADJOURN TO CLOSED SESSION

(a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

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 (Councilmember Lam)

PRESENTATIONS

PUBLIC FORUM

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

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 2026.

C2. 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.

C3. 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: Willie Hopkins, City Manager, 408-586-3000)

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 17, 2026 through August 10, 2026.

C4. Authorize the City Manager, or Their Designee, to Execute an Amendment to the Professional Services Agreement with Liebert Cassidy Whitmore for Labor Relations and Other Legal Services (Staff Contact: Kelli Parmley, Human Resources Director, 408-586-3086; and Christian Curtis, City Attorney, 408-586-3041)

Recommendation: Authorize the City Manager, or their designee, to execute an amendment to the Professional Services Agreement with Liebert Cassidy Whitmore for labor relations and other legal services to extend the term through June 30, 2028 and add $300,000 for a revised maximum compensation of $900,000, subject to the appropriation of funds.

C5. 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 Fire Station No.1 Modular Building (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: (1) Adopt a resolution to accept the improvements for the Fire Station No. 1 Modular Building, CIP No. 3465; and (2) Authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty.

C6. Adopt a Resolution Accepting Completed Public Improvements and Authorizing a Bond Reduction and Release for the McCarthy Parking Lot Project at 1207 N. McCarthy Boulevard (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: Adopt a resolution to (1) accept the completed public improvements; (2) approve a reduction in the faithful performance bond to $156,874; and (3) authorize the City Engineer to release the performance bond after the one-year warranty period without further City Council action, provided all required warranty work has been completed to the satisfaction of the City Engineer for the McCarthy Parking Lot Project at 1207 N. McCarthy Blvd.

C7. Adopt a Resolution to Accept the Improvements, Authorizing the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance After the One-Year Warranty and Approve Budget Amendment for Bicycle Improvement Project, CIP No. 4299 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: Adopt a resolution to: (1) accept the improvements; (2) authorizing the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty; and (3) approve the Budget Amendment to increase the Caltrans 2022 Priority Legislative Budget Project Earmarks funding in the amount of $72,560.13 for Bicycle Improvement Project, CIP No. 4299.

C8. Adopt a Resolution Accepting Completed Public Improvements and Authorizing a Bond Reduction and Release for the Innovation Campus Project at 1331 E Calaveras Blvd (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: Adopt a resolution to (1) accept the completed public improvements; (2) approve a reduction in the faithful performance bond to $780,250; and (3) authorize the City Engineer to release the remaining portion of the bond after the one-year warranty period without further City Council action, provided all required warranty work has been completed to the satisfaction of the City Engineer for the Innovation Campus Project at 1331 E. Calaveras Blvd.

C9. Approve an Update to the Donation and Fee Waiver/Reduction City Council Policy (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)

Recommendation: Approve the updated Donation and Fee Waiver/Reduction City Council Policy.

PUBLIC HEARINGS

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.

10. Adopt Resolutions to Approve the Fiscal Year 2026-27 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, Approve the Fiscal Year 2026-27 Gann Appropriations Limit, Authorize Various Financial Actions, Fiscal Policies and Budget Guidelines, and Amend the Classification Plan for Alignment with the FY 2026-27 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)

Recommendation: Adopt the following Resolutions: (a) Joint Resolution of the City Council and Milpitas Housing Authority to approve the Fiscal Year 2026-27 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, approve the Fiscal Year 2026-27 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) Amending Resolution No. 1626, the Classification Plan, to authorize additional positions and amend budgeted allocated positions; (c) 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) Amending Resolution No. 1626, the Classification Plan of Unrepresented Management Employees and Authorizing Fringe Benefits; (e) Amending Resolution No. 1626, the Classification Plan, to adjust the Salary Schedules for various classifications to align with the current memorandums of understandings (MOUs).

11. Conduct a Public Hearing and Adopt a Resolution Adopting the 2025 Urban Water Management Plan (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)

Recommendation: Adopt a resolution adopting the 2025 Urban Water Management Plan.
TO BE HEARD NO EARLIER THAN 7:00 PM

12. Conduct a Public Hearing and Adopt a Resolution Adopting the 2025 Water Shortage Contingency Plan, and Introduce Ordinance No. 240.8 Amending Sections of Chapter 6 of Title VIII of the Milpitas Municipal Code Relating to the Water Shortage Contingency Plan and Permanent Water Waste Restrictions including a Ban on Watering of Nonfunctional Turf (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)

Recommendation: (1) Conduct a public hearing on the 2025 Water Shortage Contingency Plan and introduce Ordinance No. 240.8 amending Chapter 6 (Water Conservation) of Title VIII (Public Works) of the Milpitas Municipal Code relating to Water Shortage Contingency Plan and permanent water waste restrictions pursuant to California Water Code §0608.14 including a ban on watering of nonfunctional turf; and (2) Adopt a resolution adopting the 2025 Water Shortage Contingency Plan.
TO BE HEARD NO EARLIER THAN 7:00 PM

13. Introduce Ordinance No. 232.2 Regarding Backflow Prevention and Cross-Connection Control (Staff Contract: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Recommendation: Following the reading of the title by the City Attorney, move to waive reading beyond the title and introduce Ordinance No. 232.2, amending various sections of Chapter 3 (Backflow Prevention and Cross-Connection Control) of Title VIII of the Milpitas Municipal Code.
TO BE HEARD NO EARLIER THAN 7:00 PM

LEADERSHIP AND SUPPORT SERVICES

14. Introduce an Ordinance Amending the Milpitas Municipal Code Regarding Open Governance (Staff Contact: Christian Curtis, City Attorney, 408-586-3040)

Recommendation: Introduce and waive first reading of an ordinance repealing and replacing sections of Title I, Chapter 310 of the Milpitas Municipal Code regarding open governance.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

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

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: cao@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 408-586-3005 or send an e-mail to CityClerk@milpitas.gov prior to the meeting. Larger font agendas are available upon request.

May 2026

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31						

Milpitas City Council Calendar

June 2026

July 2026

S	M	T	W	T	F	S
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5	6	7	8	9	10	11
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	**2** **6:00 PM**-Closed Session **7:00 PM**-City Council	**3** **2:00 PM**-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara) **5:30 PM**-Veterans Commission (GB)	**4** **5:30 PM**-Milpitas Chamber of Commerce Board (GB) **5:30 PM**-Santa Clara VTA Board of Directors (CM)	**5**	**6**
7	**8** **4:30 PM**-Economic Development and Trade Commission (WL)	**9** **3:00 PM**- Special City Council	**10** **7:00 PM**-Silicon Valley Clean Energy Board of Directors (GB) (Sunnyvale) **7:00 PM**-Planning Commission	**11** **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)	**12**	**13**
14	**15** **7:00 PM**-Technology Commission (WL)	**16** **5:00 PM**-Closed Session **7:00 PM**-City Council	**17** **4:00 PM**-City Council Finance Subcommittee (CM/EC) **6:00 PM**-Energy and Environmental Sustainability Commission (EC)	**18** **9:00 AM**-ABAG General Assembly Conference (HL) **5:30 PM**-Measure F Oversight Committee	**19**	**20**
21	**22**	**23** **1:30 PM**-Senior Advisory Commission (HL)	**24** **5:30 PM**-Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) **7:00 PM**-Planning Commission	**25**	**26**	**27**
28	**29**	**30**				

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:
1	Return to the City Council with a recommendation regarding transitioning thefood pantry lease to a market rate model through the Housing Authority	Montano	5/5/2026	An update on this item will be included in the next quarterly prioritization update.
2	Consider prioritization of a formal, third-party staffing analysis for te Fire Department similar to the 2019 study	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
3	Prepare an information report on the current Fire Department deployment model and alternative shift schedule options	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
4	Review the permitting process, including the site development permit process, to determine whether updates were needed to address technology advancements such as the proliferation of small cell towers.	Barbadillo	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
5	Explore youth programs and intervention initiatives in the wake of the passing of Milpitas high school student Jared Kavan on March 31st, including possible partnerships with MUSD on counseling, sports, or after-school programming.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
6	Return with a revision to the Council Policy allowing the school district a limited number of additional fee waivers.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
7	Agendize a review by the Facility Naming Subcommittee of facilities with "Cesar Chavez" in the name and make recommendations to the full Council on new names, including proposed changes to the Municipal Code, any standing resolutions, and the City holiday observed on March 31st.	Montano	4/7/2026	An update on this item will be included in the next quarterly prioritization update.
8	Conduct a review of commission names to better reflect their focus	Montano	11/18/2025	On 4/7/2024 this was removed from the list and the focus will be on changing the name of the Science and Technology Commission only
9	Review the Council prioritization process	Chua	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
10	Research how public funds could be used to advertise local restaurants during the upcoming Super Bowl	Montano	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
11	Have a community forum on the Crown Castle Small Cell towers.	Montano	11/18/2025	Completed
12	Install debrillators on city properties	Barbadillo	10/28/2025	Completed
13	Place a billboard at the Sport Center to inform the community about events and activities	Montano	10/21/2025	Not prioritzed on 4/7/2026, will be removed from future lists.
14	Explore the creation of small parks in neighborhoods without them	Montano	10/21/2025	Not prioritzed on 4/7/2026, will be removed from future lists.

ACTIVE ITEMS

Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
15	Overtime reporting requirements be modified to include all overtime rather than only amounts	Lam	3/17/2026	An update on this item will be included in the next quarterly prioritization update.
16	Consider shortening the name from Library and Education Advisory Commission to Library Commission	Montano	3/3/2026	Not prioritzed on 4/7/2026, will be removed from future lists.
17	Request a name change for Science, Technology and Innovation Commission to the Technology	Lam	3/3/2026	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:**
18	Alcohol and Massage Parlor Permits come before the City Council.	Montano	2/3/2026	An update on this item will be included in the next quarterly prioritization update.
19	Providing city-branded jackets, hat, and t-shirts to Councilmembers	Lam	2/3/2026	An update on this item will be included in the next quarterly prioritization update.
20	Look into the process of establishing a Friendship City relationship	Montano	11/18/2025	An update on this item will be included in the next quarterly prioritization update.
21	Increase the amount of funding for the ADU Permit Subsidy	Council	4/1/2025	This was funded and will be removed from future lists.
22	Council Special Events Fund to provide funding for City Councilmembers to attend local, non-political,	Montano/Chua	4/1/2025	This was funded and will be removed from future lists.
23	Add to the existing Strategic Land Acquisition Revenue Reserve	Council		This was funded and will be removed from future lists.
24	Storefront and Crime Prevention Initiative by making funding available for businesses to focus	Montano		An update on this item will be included in the next quarterly prioritization update.
25	Revisit the mural selection committee process to make it more inclusive by involving all	Montano	8/19/2025	An update on this item will be included in the next quarterly prioritization update.
26	Exapnd the Milpitas SMART program to include service to the San Jose Airport	Lam	8/12/2025	An update on this item will be included in the next quarterly prioritization update.
27	Staff explore a program similar to San Leandro's, which provides Ring doorbell cameras to residents	Chua	8/12/2025	An update on this item will be included in the next quarterly prioritization update.
28	Develop a project management informational memo.	Barbadillo	4/1/2025	An update on this item will be included in the next quarterly prioritization update.
29	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.
30	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.
31	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.
32	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.
33	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.
34	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.
35	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.
36	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.
37	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.
38	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.
39	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.
40	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.
41	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.
42	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.
43	Main Street International Festival	Lien	10/3/2023	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:**
44	Pickleball Pilot Project	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
45	Main Street Infrastructure Projects	Montano	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
46	Main Street Flooding at Library	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
47	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.
48	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.
49	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.
50	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.
51	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:	**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: Willie Hopkins, City Manager, 408-586-3000)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/9/2026
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 17, 2026 through August 10, 2026.

BACKGROUND:
The City Council and City of Milpitas Housing Authority have a scheduled recess from June 17, 2026 through August 10, 2026, following the last regular meeting on June 16, 2026 and preceding the first regular meeting on August 11, 2026, 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 the City Council recess. Therefore, it is requested the City Council and City of Milpitas Housing Authority authorize the City Manager, or designee, to take appropriate action during the recess.

ANALYSIS:
Authorizing the City Manager, or designee, to take appropriate actions, including signing contracts within City Council financial authority under the Municipal Code, will ensure projects stay on schedule and 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 provided to the City Council in August 2026.

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 not 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 from June 17, 2026 through August 10, 2026, following the last regular meeting on June 16, 2026 and preceding the first regular meeting on August 11, 2026,, 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 provided to the City Council and Housing Authority in August 2026.

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 during the City Council and Housing Authority summer recess from June 17, 2026 through August 10, 202.

2. A report summarizing any actions taken by the City Manager or their designee during the recess under this delegated authority will be provided to the City Council and Housing Authority in August 2026.

PASSED AND ADOPTED this 9th day of June 2026, by the following vote:

AYES: (0)

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Authorize the City Manager, or Their Designee, to Execute an Amendment to the Professional Services Agreement with Liebert Cassidy Whitmore for Labor Relations and Other Legal Services (Staff Contact: Kelli Parmley, Human Resources Director, 408-586-3086; and Christian Curtis, City Attorney, 408-586-3041)**
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/2/2026
Recommendation:	Authorize the City Manager, or their designee, to execute an amendment to the Professional Services Agreement with Liebert Cassidy Whitmore for labor relations and other legal services to extend the term through June 30, 2028 and add $300,000 for a revised maximum compensation of $900,000, subject to the appropriation of funds.

BACKGROUND:

Liebert Cassidy Whitmore (LCW) is a premier labor, education, and employment law firm that has been providing services to public agencies, educational institutions, and nonprofit organizations across the state of California since 1980. LCW has provided services to the City of Milpitas under various engagements since 2020. On April 1, 2023, the City entered into a Professional Services Agreement with LCW to assist the City with labor and employee relations and other legal services, such as labor negotiations, advice and support for complex grievance and disciplinary issues, investigations, and arbitration representation. The agreement was for an initial term of April 1, 2023 to June 30, 2024 and a maximum compensation of $100,000.

On September 19, 2023, the City Council authorized staff to execute an amendment to extend the agreement through June 30, 2026 and add an additional $200,000 for a revised maximum compensation of $300,000. On December 3, 2024, the City Council authorized staff to execute an amendment to add an additional $200,000 for a revised maximum compensation of $500,000. On November 4, 2025, the City Council authorized staff to execute an amendment to extend the agreement through June 30, 2027 and add an additional $100,000 for a revised maximum compensation of $600,000.

At the time of the November 2025 amendment, the Human Resource department intended to request $100,000 per year for the two year contract extension (for a total of $200,000), in order to match resources included in the base budget. Due to an administrative error, however, the Agenda Report only requested one year's worth of contracting authority (for a total of $100,000 instead of $200,000).

Additionally, this has been a particularly challenging year with prolonged labor negotiations and complex employee-relations matters that were not anticipated at the time of that amendment. This combined with the ongoing successor-agreement negotiations for three bargaining units and more to follow in the next fiscal year, described below, Additional maximum spending authority is required to continue LCW's representation through the current and future fiscal years.

ANALYSIS:

LCW is the City's lead negotiator at the bargaining table for labor contract negotiations and the City's primary outside counsel for labor and employment matters. LCW represents the City in successor-agreement negotiations with each of the City's bargaining units, conducts complex employee-relations investigations, represents the City in arbitration proceedings, and provides ongoing labor and employment advice to City management. Through this multi-year engagement, LCW has developed deep familiarity with the City's

bargaining history, labor relationships, internal stakeholders, and policy positions – institutional knowledge that is not readily transferable to another firm.

The City is currently engaged in, or about to commence, successor-agreement negotiations with five bargaining units, with current contracts expiring on the following dates:

Bargaining Unit	Current Contract Expiration
Milpitas Employees Association (MEA)	June 30, 2026
Milpitas Professional and Technical Group (ProTech)	June 30, 2026
Mid-Management and Confidential Unit (MidCon)	June 30, 2026
Milpitas Police Officers Association (MPOA)	December 31, 2026
International Association of Firefighters, Local 1699 (IAFF)	June 30, 2027

The MEA, ProTech, and MidCon negotiations are active and, given their scope, are expected to continue past the June 30, 2026 contract-expiration date. MPOA and IAFF negotiations will commence with overlapping timelines. Across this thirteen-month period, the City will depend on consistent, experienced labor counsel to lead the negotiation team and advise on strategy for each bargaining unit.

Continuity of representation is particularly important at this juncture. The City Attorney position was vacant for an extended period; Christian Curtis was appointed the City of Milpitas permanent City Attorney on February 17, 2026. The Office of the City Attorney is rebuilding its institutional capacity. In this environment, transitioning labor counsel mid-negotiation – across five bargaining units, on overlapping timelines, with no comparable substitute for LCW's accumulated knowledge of the City's bargaining history and approach – would introduce significant risk to the City's bargaining position and to the timely conclusion of successor agreements.

Pursuant to Milpitas Municipal Code §I-2-3.06 (Sole Source Procurement), the Purchasing Agent has determined there is a compelling reason for the City to continue receiving these services from LCW: their active lead role in five concurrent or impending labor negotiations, the City's substantial accumulated investment in the strategy, relationships, and institutional history they hold, and the impracticality of changing labor counsel mid-portfolio. The sole source approval extends through June 30, 2028.

Staff recommends amending the Agreement to extend the term through June 30, 2028 and add $350,000 for a revised maximum compensation of $950,000, subject to the appropriation of funds. The extended term also provides a planning horizon for the Office of the City Attorney to develop in-house capacity for routine labor and employment matters, with the goal of transitioning a portion of this work to in-house counsel as capacity grows.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the City Manager, or their designee, to negotiate and execute the amendment.

Pros: The City would avoid the $300,000 increase to the agreement's maximum compensation.

Cons: Without the amendment, LCW representation would lapse before the end of FY 2025-26 – in the middle of active successor-agreement negotiations with MEA, ProTech, and MidCon. The City would lose its lead negotiator at the bargaining table at the most consequential stage of those negotiations and would lack continuity of counsel heading into the MPOA and IAFF negotiations. The Office of the City Attorney, which is rebuilding capacity following an extended vacancy, is not currently positioned to absorb the negotiation, arbitration, and complex employee-relations workload that LCW carries. Likely consequences include delays in concluding successor agreements, weakened bargaining outcomes, and unrepresented or under-represented matters in pending arbitrations.

Reason for Not Recommending: The City has five bargaining-unit contracts expiring within a thirteen-month window, multiple active arbitrations, and a City Attorney's Office still rebuilding institutional capacity. Discontinuing LCW representation in this environment would jeopardize the City's bargaining position across the entire labor portfolio and create operational and legal risk that far outweighs the cost savings.

PROJECT SCHEDULE/KEY MILESTONES

Milestone	Date	Status
City Council Authorization	June 2, 2026	Pending
Execute Amendment with LCW	By June 30, 2026	Pending
MEA contract expires (successor under negotiation)	June 30, 2026	Negotiations active
PROTECH contract expires (successor under negotiation)	June 30, 2026	Negotiations active
MIDCON contract expires (successor under negotiation)	June 30, 2026	Negotiations active
MPOA contract expires (successor to be negotiated)	December 31, 2026	Negotiations to commence
IAFF contract expires (successor to be negotiated)	June 30, 2027	Negotiations to commence
Amended LCW Agreement term ends	June 30, 2028	

FISCAL IMPACT:

Fiscal Year	Estimated Need	Funding Source / Status
FY 2026-27 (July 1, 2026 – June 30, 2027)	$150,000	Included in the Human Resources Department FY 2026-27 budget request, subject to City Council approval in June 2026
FY 2027-28 (July 1, 2027 – June 30, 2028)	$150,000	To be included in the FY 2027-28 Proposed Operating Budget, subject to appropriation through the City's annual budgeting process
Total	**$300,000**	

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This is not a project under 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):

None.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**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 Fire Station No.1 Modular Building (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/9/2026
Recommendation:	(1) Adopt a resolution to accept the improvements for the Fire Station No. 1 Modular Building, CIP No. 3465; and (2) Authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty.

BACKGROUND:
On June 18, 2024, the City Council approved a cooperative purchase agreement with Williams Scotsman, Inc. in an amount of $818,894 for Fire Station No.1 Modular Building, Project No. 3465 (Project). The Project provides for the replacement of existing modular building at Main Fire Station No.1 that has exceeded its useful life.

ANALYSIS:
The Project has been successfully completed within budget. Staff recommends that 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.

PROJECT/PROGRAM SCHEDULE:
Following this action, the City Engineer will issue the Notice of Final Acceptance after the one-year warranty period provided all required warranty work is completed upon satisfaction.

POLICY ALTERNATIVES:
Alternative: Deny the adoption of the Resolution granting acceptance of the Project 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 Project and commence the one-year warranty period in accordance with the contract documents 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 agreement, 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 associated with accepting the Project, which was completed within the approved budget. The Public Works Department will be responsible for any maintenance of the facility. Any required additional funding for ongoing maintenance will be requested through future budget appropriations as the City Council considers and adopts the annual operating budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:
The Project entails replacement of existing structures 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.

ATTACHMENTS:
(a) Resolution and Notice of Completion

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING ACCEPTANCE OF THE FIRE STATION NO. 1 MODULAR BUILDING, CIP NO. 3465

WHEREAS, the City of Milpitas has heretofore entered into a contract with Williams Scotsman, Inc., in the amount of $818,894.00, for the Fire Station No. 1 Modular Building, Project No. 3465 ("Project"); and

WHEREAS, 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 improvement as completed on this 9th day of June, 2026, 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 9th day of June, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, 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 June 18, 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: **Fire Station No. 1 Modular Building, CIP No. 3465.**

2. A description of the site of which the City is owner for said work of improvement is: **751 S Main St** 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: **Williams Scotsman, Inc., 901 South Bond Street, Suite 600, Baltimore, MD 21231.**

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 36' x 60' modular building and corresponding improvements.**

5. Said work of improvement was accepted by the Milpitas City Council as complete on June 9th, 2026.

****

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 _____, 2026 at Milpitas, California.

_____
Michael Silveira, P.E., 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:	**Adopt a Resolution Accepting Completed Public Improvements and Authorizing a Bond Reduction and Release for the McCarthy Parking Lot Project at 1207 N. McCarthy Boulevard (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:	6/9/2026
Recommendation:	Adopt a resolution to (1) accept the completed public improvements; (2) approve a reduction in the faithful performance bond to $156,874; and (3) authorize the City Engineer to release the performance bond after the one-year warranty period without further City Council action, provided all required warranty work has been completed to the satisfaction of the City Engineer for the McCarthy Parking Lot Project at 1207 N. McCarthy Blvd.

BACKGROUND:
On April 20, 2021, the City Council approved an Improvement Agreement with Creekside Milpitas 3, LLC (Developer) for the completion of public improvements as part of the McCarthy Parking Lot Project at 1207 N. McCarthy Boulevard (Project) that constructed a surface parking lot with 247 private parking spaces and 11 public parking spaces at the entrance to the Coyote Creek Trail . The public improvements constructed along N. McCarthy Blvd included installation of an irrigation service; concrete improvements such as curb and gutter, driveway aprons and sidewalk; reconfiguration of landscape median to install left turn pocket; restoration of the asphalt pavement; and other miscellaneous items of work identified on the improvement plans.

The Project was physically completed previously; however, outstanding documentation from the Developer delayed formal acceptance. All pertinent documentation has now been received to allow closeout.

ANALYSIS:
The Developer has successfully completed all required public improvements for the Project in accordance with the City approved Public Improvement Plans, No. 2-1344. The completed public improvements are now ready for acceptance by the City Council and thereby commencing the 1-year warranty period.

In accordance with City Municipal Code XI-1-17.05 – Improvement Security: Release or Reduction, staff recommends the City Council adopt a Resolution (Attachment A) granting acceptance of the public improvements; approve a reduction of the performance bond to $156,874, which is 25% of the security's original value; and grant authorization to the City Engineer to release the performance bond after the one-year warranty period without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.

PROJECT/PROGRAM SCHEDULE:
Following this action, the City Engineer will release the performance bond after the one-year warranty period provided all required warranty work is completed.

POLICY ALTERNATIVE(S):
Alternative: Not approve resolution granting acceptance of public improvements including the reduction of the faithful performance bond.

Pros: None

Cons: Not granting acceptance of public improvements would limit public use of improvements and does not promote orderly completion and closeout of the Project. Also, not granting acceptance would conflict with the City's obligation under the Improvement Agreement.

Reason for Not Recommending: Granting acceptance of the completed public improvements would allow public use of the improvements, and allows for the completion and closeout of the Project as required by the Improvement Agreement.

FISCAL IMPACT:
Public improvements completed as part of the Project will be perpetually owned and maintained by the City following acceptance by the City Council and expiration of the one-year warranty period. Ongoing maintenance of the improvements will be the responsibility of the Public Works Department and funded through future budget appropriations as the City Council considers and adopts the annual 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. At most, the action relates to construction and acceptance of a limited number of new, small facilities or structures or the installation of small new equipment and facilities – including a limited number of water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve approved construction – and therefore is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, §15303. Environmental analysis of the construction of public improvements was analyzed at the time the overall project, including the Subdivision Improvement Agreement, was considered and approved by the City Council, and no further environmental analysis is required, including because none of the factors identified in Pub. Res. Code §21166 and Cal. Code Regs., tit. 14, §15162 are met.

Attachment(s):
(a) Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ACCEPTING PUBLIC IMPROVEMENTS; REDUCING FAITHFUL PERFORMANCE BOND; AND GRANTING AUTHORIZATION TO THE CITY ENGINEER TO RELEASE THE PERFORMANCE BOND AFTER THE ONE-YEAR WARRANTY PERIOD FOR THE MCCARTHY PARKING LOT PROJECT AT 1207 N. MCCARTHY BOULEVARD

WHEREAS, the City Council of the City of Milpitas on April 20, 2021 approved the plans and specifications for the McCarthy Parking Lot Project, (the "Project") to be completed by Creekside Milpitas 3, LLC as part of its development at 1207 N. McCarthy Blvd; and

WHEREAS, the City of Milpitas has heretofore entered into an improvement agreement on April 20, 2021 with Creekside Milpitas 3, LLC., for the Project; and

WHEREAS, Creekside Milpitas 3, LLC., as Principal, and Everest Reinsurance Company, as Surety, executed and posted a certain Performance Bond Number ES00007542 conditioned upon the faithful performance of the provisions of said improvement agreement and upon the faithful performance of all improvement work required thereunder; and

WHEREAS, said public improvements for the Project have been completed and the improvement agreement provides that the security shall extend for a period of one year after the date of acceptance of said improvements to cover the warranty period of said improvements under said agreement; and

WHEREAS, the City Council is willing to consent to a reduction in the penal sum of said security during said one year warranty period; and

WHEREAS, the City Engineer of the City of Milpitas has made a final inspection of said improvements for the Project and recommends that the City Council of the City of Milpitas accept the same as constructed in accordance with the approved plans and specifications.

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. Those certain public improvements constructed as part of the Project, are hereby accepted as constructed in accordance with the approved plans and specifications upon recommendation of the City Engineer of the City of Milpitas.
3. The penal sum of the faithful performance bond securing said improvements may be reduced to the sum of $156,874, upon request of Principal and Surety, with said penal sum as reduced to apply from the date of completion and acceptance of said improvements and to extend for the balance of the term of one year of said security. Provided, however, that nothing herein contained shall in any way be deemed to be a waiver, release or relinquish by City of any obligations imposed upon the developer or his surety, or sureties, by law or by the above referenced public improvement agreement, save and except as expressly set forth herein.
4. The City Council grants authorization to the City Engineer to release the performance bond after the one-year warranty period without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.

PASSED AND ADOPTED this 9th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

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 and Approve Budget Amendment for Bicycle Improvement Project, CIP No. 4299 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/9/2026
Recommendation:	Adopt a resolution to: (1) accept the improvements; (2) authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty; and (3) approve the Budget Amendment to increase the Caltrans 2022 Priority Legislative Budget Project Earmarks funding in the amount of $72,560.13 for Bicycle Improvement Project, CIP No. 4299.

BACKGROUND:
On November 4, 2025, the City Council awarded a construction contract to Chrisp Company in the amount of $620,412.75 for Bicycle Improvement Project, CIP No. 4299 (Project). The City received an earmark from the State to fund the improvement of the existing bicycle facilities along Abel Street, Main Street, and Milpitas Boulevard corridors for bicyclist safety, reduce traffic stress for bicycle users, and promote bicycle use by eliminating facility gaps. The Project either improved the existing Class II bike lane or upgraded the bike lanes to Class IIB or IV along Abel Street, Main Street, North Milpitas Boulevard. The improvements included the installation of protected green bike conflict zones, bike indicator lights at signalized intersections, delineator posts, and signage, and striping of bike and travel bike lanes and pavement markings.

ANALYSIS:
The Project has been successfully completed within budget. Staff recommend the City Council adopt a Resolution (Attachment A) granting acceptance of the Project and authorizing the City Engineer to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code. Staff also recommend 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.

PROJECT/PROGRAM SCHEDULE:
Following this action, the City Engineer will issue the Notice of Final Acceptance after the one-year warranty period provided all required warranty work is completed.

POLICY ALTERNATIVE(S):
Alternative 1: Deny the adoption of the Resolution granting acceptance of the Project and then 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 period in accordance with the contract documents 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 agreement, a denial to accept the Project could be considered as a breach of contract and risk a possible claim by the Contractor.

Alternative 2: Do not approve the Budget Amendment for the Project.

Pros: None.

Cons: Not approving the Budget Amendment will not appropriate the accrued interest earned from the Caltrans Grant into the Project.

Reason for Not Recommending: The City will not be able to use the additional funding for additional bike improvements.

FISCAL IMPACT:
On January 23, 2024, the City Council adopted a resolution to execute a Fund Transfer Agreement with the California Department of Transportation to receive $1 million through the Caltrans 2022 Priority Legislative Budget Project Earmarks (Caltrans Grant) to fund the Project and earned $72,560.13 in interest. Staff recommend City Council approve a Budget Amendment (Attachment B) to appropriate the interest and increase of the Caltrans Grant in the amount of $72,560.13 to be used by the Project. The following is a summary of the requested Budget Appropriations for the Project:

CIP No. 4299	Current Adopted Budget	Proposed Budget Increase/(Decrease)	Proposed Budget Total
Caltrans Grant	$1,000,000	$ 72,560.13	$1,072,560.13

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The Project entails operation, repair, maintenance and minor alteration of existing facilities that involves negligible or no expansion of use and do not create additional automobile lane which is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, §15301. The Notice of Exemption was filed with the County of Santa Clara on November 4, 2024.

The Project also entails pedestrian and bicycle facilities that improve safety, access, and/or mobility within the public right of way, and therefore is exempt from CEQA review pursuant to Pub. Resources Code, §21080.25(b)

ATTACHMENT(S):
(a) Resolution and Notice of Completion
(b) Budget Change Form

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING ACCEPTANCE AND APPROVING THE BUDGET AMENDMENT TO INCREASE CALTRANS 2022 PRIORITY LEGISLATIVE BUDGET PROJECT EARMARK FUNDING IN THE AMOUNT $72,560.13 FOR THE BICYCLE IMPROVEMENT PROJECT, CIP 4299

WHEREAS, the City of Milpitas has heretofore entered into a contract with Chrisp Company in the amount of $620,412.75 for Bicycle Improvement Project, CIP No. 4299 ("Project");

WHEREAS, 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; and

WHEREAS, staff recommends the City Council approve the Budget Amendment to increase in Caltrans 2022 PLBP – Earmark funding in the amount of $72,560.13 for Project.

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 the improvements as completed on this 9th day of June, 2026, 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.

4. The City Council hereby approves the Budget Amendment to increase in Caltrans 2022 Priority Legislative Budget Project Earmarks funding in the amount of $72,560.13 for the Project.

PASSED AND ADOPTED this 9th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, 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 November 4th, 2025, 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: **Bicycle Improvement Project, CIP No. 4299.**

2. A description of the sites of which the City is the owner for said work of improvement are: Abel Street between Marylinn Drive and N. Milpitas Blvd.; Main Street between Abel Street and Great Mall Parkway; N. Milpitas Blvd. between Abel Street and Calaveras Blvd.

3. The name and address of the direct contractor is: **Chrisp Company, 43650 Osgood Road, Fremont, CA, 94539**

4. A general statement of the kind of work done or materials furnished to the City is as follows: improvements included the installation of protected green bike conflict zones, bike indicator lights at signalized intersections, delineator posts, and signage, and striping of bike and travel bike lanes and pavement markings.

5. Said work of improvement was accepted by the Milpitas City Council as complete on **June 9th, 2026**.

****

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 _____, 2026 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, California

BUDGET CHANGE FORM

Type of Change	To (Debit)		From (Credit)	
	Account	Amount	Account	Amount
Check one: ■ **Budget Appropriation** ❒ **Budget Transfer**			CP4299	**$72,560.13**

BACKGROUND:
On November 4, 2025, the City Council awarded a construction contract to Chrisp Company in the amount of $620,412.75 for Bicycle Improvement Project, CIP No. 4299 ("Project"). The City received Earmark from State to fund the improvement of the existing bicycle facilities along Abel Street, Main Street, and Milpitas Boulevard corridors for bicyclist safety, reduce traffic stress for bicycle users, and promote bicycle use by eliminating facility gaps. The Project either improved the existing Class II bike lane or upgraded the bike lanes to Class IIB or IV along Abel Street, Main Street, North Milpitas Boulevard. The improvements included the installation of protected green bike conflict zones, bike indicator lights at signalized intersections, delineator posts, and signage, and striping of bike and travel bike lanes and pavement markings.

ANALYSIS:
The Project has been successfully completed within budget. Staff recommend 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 recommend 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.

Budget Amendment:
On January 23, 2024, the City Council adopted a resolution to execute a Fund Transfer Agreement with California Department of Transportation to receive $1 million from the State through the Caltrans 2022 Priority Legislative Budget Project Earmarks (Caltrans Grant) to fund the Project and earned $72,560.13 in interest. Staff recommend City Council approve a Budget Amendment (**Attachment C**) to appropriate the increase of the Caltrans Grant in the amount of $72,560.13 to be used by the Project. The following is a summary of the requested Budget Appropriations for the Project:

CIP No. 4299	Current Adopted Budget	Proposed Budget Increase/(Decrease)	Proposed Budget Total
Caltrans Grant	$1,000,000	$ 72,560.13	$1,072,560.13

PROJECT/PROGRAM SCHEDULE:
Following this action, the City Engineer will release the Notice of Final Acceptance after the one-year warranty period provided all required warranty work is completed.

POLICY ALTERNATIVE(S):

Alternative 1: Deny the adoption of the Resolution granting acceptance of the Project and the filling 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 period in accordance with the contract documents 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 agreement, a denial to accept the Project could be considered as a breach of contract and risk a possible claim by the Contractor.

Alternative 2: Do not approve the Budget Amendment for the Project.

Pros: None.

Cons: Not approving the Budget Amendment will not appropriate the accrued interest earned from the Caltrans Grant into the Project.

Reason for Not Recommending: The City will not be able to use the additional funding for addition bike improvements.

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 budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The Project entails operation, repair, maintenance and minor alteration of existing facilities that involves negligible or no expansion of use and do not create additional automobile lane which is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, § 15301. The Notice of Exception was filed with the County of Santa Clara on November 4, 2024.

The Project also entails pedestrian and bicycle facilities that improve safety, access, and/or mobility within the public right of way, and therefore is exempt from CEQA review pursuant to Pub. Resources Code, § 21080.25(b)

ATTACHMENT(S):
(1) Resolution
(2) Notice of Completion
(3) Budget Change Form

❒ **Check if City Council Approval required.** **Meeting:**

Requested by:	**Department Head:**	**Date:**
Reviewed by:	**Finance Staff:**	**Date:**
Approved by:	**Budget Manager:**	**Date:**

Date approved by City Council, if required:	Confirmed by:

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution Accepting Completed Public Improvements and Authorizing a Bond Reduction and Release for the Innovation Campus Project at 1331 E. Calaveras Blvd (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:	6/9/2026
Recommendation:	Adopt a resolution to: (1) accept the completed public improvements; (2) approve a reduction in the faithful performance bond to $780,250; and (3) authorize the City Engineer to release the performance bond after the one-year warranty period without further City Council action, provided all required warranty work has been completed to the satisfaction of the City Engineer for the Innovation Campus Project at 1331 E. Calaveras Blvd.

BACKGROUND:
On April 18, 2023, the City Council approved an Improvement Agreement with the Milpitas Unified School District (MUSD) for completion of public improvements as part of the Innovation Campus Project at 1331 E. Calaveras Blvd. (Project) that included six two-story prefabricated modular buildings and associated infrastructure. The public improvements constructed along E. Calaveras Blvd included asphalt improvements such as grind and overlay, pavement restoration, and/or slurry seal, and striping and signage improvements from N. Park Victoria Drive to N. Gadsen Drive; concrete improvements such as ADA curb ramps, curb, gutter, driveway aprons, median, and sidewalk; a fire service connection; landscape and irrigation improvements; replacement of a landscape median with left turn pocket; traffic signal installation at the intersection of E. Calaveras Blvd and Carnegie Drive; and other miscellaneous items of work identified on the improvement plans.

ANALYSIS:
MUSD has successfully completed all required public improvements for the Project in accordance with the City approved Public Improvement Plans, No. 2-1442. The completed public improvements are now ready for acceptance by the City Council thereby commencing the 1-year warranty period.

In accordance with City Municipal Code XI-1-17.05 – Improvement Security: Release or Reduction, staff recommends the City Council adopt a resolution (Attachment A) granting acceptance of the public improvements; approve a reduction of the performance bond to $780,250, which is 25% of the security's original value; and grant authorization to the City Engineer to release the performance bond after the one-year warranty period without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.

PROJECT/PROGRAM SCHEDULE:
Following this action, the City Engineer will release the performance bond after the one-year warranty period provided all required warranty work is completed satisfactorily.

POLICY ALTERNATIVE(S):
Alternative: Not approve resolution granting acceptance of public improvements including the reduction of the faithful performance bond.

Pros: None

Cons: Not granting acceptance of public improvements would limit public use of improvements and does not promote orderly completion and closeout of the Project. Also, not granting acceptance would conflict with the City's obligation under the Improvement Agreement.

Reason for Not Recommending: Granting acceptance of the completed public improvements would allow public use of the improvements and allows for the completion and closeout of the Project as required by the Improvement Agreement.

FISCAL IMPACT:
Public improvements completed as part of the Project will be perpetually owned and maintained by the City following acceptance by the City Council and expiration of the one-year warranty period. Ongoing maintenance of the improvements will be the responsibility of the Public Works Department and funded through future budget appropriations as the City Council considers and adopts the annual 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. At most, the action relates to construction and acceptance of a limited number of new, small facilities or structures or the installation of small new equipment and facilities – including a limited number of water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve approved construction – and therefore is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, §15303. Environmental analysis of the construction of public improvements was analyzed at the time the overall project, including the Subdivision Improvement Agreement, was considered and approved by the City Council, and no further environmental analysis is required, including because none of the factors identified in Pub. Res. Code §21166 and Cal. Code Regs., tit. 14, §15162 are met.

Attachment(s):
(a) Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ACCEPTINGPUBLIC IMPROVEMENTS; REDUCING FAITHFUL PERFORMANCE BOND; AND GRANTING AUTHORIZATION TO THE CITY ENGINEER TO RELEASE THE PERFORMANCE BOND AFTER THE ONE-YEAR WARRANTY PERIOD FOR INNOVATION CAMPUS PROJECT AT 1331 E. CALAVERAS BLVD.

WHEREAS, the City Council of the City of Milpitas on April 18, 2023 approved the plans and specifications for Innovation Campus Project, (the "Project") to be completed by Milpitas Unified School District ("MUSD") as part of its development at 1331 E. Calaveras Blvd.; and

WHEREAS, the City of Milpitas has heretofore entered into an improvement agreement on June 6, 2023 with MUSD, for the Project; and

WHEREAS, the governing board ("Board") of the MUSD and Blach Construction Company, ("Principal"), and Liberty Mutual Insurance Company, ("Surety"), executed and posted a certain Performance Bond Number 070218844 conditioned upon the faithful performance of the provisions of said improvement agreement and upon the faithful performance of all improvement work required thereunder; and

WHEREAS, said public improvements for the Project have been completed and the improvement agreement provides that the security shall extend for a period of one year after the date of acceptance of said improvements to cover the warranty period of said improvements under said agreement; and

WHEREAS, the City Council is willing to consent to a reduction in the penal sum of said security during said one year warranty period; and

WHEREAS, the City Engineer of the City of Milpitas has made a final inspection of said improvements for the Project and recommends that the City Council of the City of Milpitas accept the same as constructed in accordance with the approved plans and specifications.

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. Those certain public improvements constructed as part of the Project, are hereby accepted as constructed in accordance with the approved plans and specifications upon recommendation of the City Engineer of the City of Milpitas.
3. The penal sum of the faithful performance bond securing said improvements may be reduced to the sum of $780,250, upon request of Principal and Surety, with said penal sum as reduced to apply from the date of completion and acceptance of said improvements and to extend for the balance of the term of one year of said security. Provided, however, that nothing herein contained shall in any way be deemed to be a waiver, release or relinquishment by City of any obligations imposed upon the developer or his surety, or sureties, by law or by the above referenced public improvement agreement, save and except as expressly set forth herein.
4. The City Council grants authorization to the City Engineer to release the performance bond after the one-year warranty period without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.

PASSED AND ADOPTED this 9th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Approve an Update to the Donation and Fee Waiver/Reduction City Council Policy (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)**
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/9/2026
Recommendation:	Approve the updated Donation and Fee Waiver/Reduction City Council Policy.

BACKGROUND:
On April 7, 2026, Mayor Carmen Montano, with the consensus of the City Council, requested that staff bring forward an amendment to the City Council Donation and Fee Waiver/Reduction Policy (Policy) to allow the Milpitas Unified School District (MUSD) eligibility to receive more than one donation or fee waiver/reduction per year, but limited to a specific amount, to account for their numerous school clubs.

ANALYSIS:
Milpitas City Council adopted an updated "City Council Donation and Fee Waiver/Reduction Policy" on June 21, 2022. Per the policy, eligible organizations can request City fees to be waived up to $1,500 or a donation amount up to $500 to be granted upon request. Eligible organizations are defined as "a non-profit organization as described by the Internal Revenue Section such as 501(c)(3) or an intergovernmental agency; non-discriminatory, and non-political in nature." Fee Waiver or Donation requests for events must provide a community benefit within the City of Milpitas proper.

In support of the City Council's request, staff have drafted amendments to the existing Policy to allow for multiple Donation and Fee Waiver/Reduction requests from the MUSD per fiscal year. The MUSD has over 100 student clubs with varying interests and initiatives across the two (2) junior high schools and three (3) high schools, including but not limited to:

- Leadership / ASB
- Robotics and STEM-related groups
- Music and performing arts
- Yearbook
- Academic competitions
- Cultural clubs
- Sports teams and intramurals

To account for the five (5) school campuses and their clubs, the proposed policy update would allow up to ten (10) unique club applications for a total organization award amount not to exceed $5,000 in donations and/or Fee Waiver/reductions per fiscal year. The policy update also further defines the current process of school clubs receiving MUSD Superintendent office approval before a donation and/or fee waiver/reduction request is considered by the City Council.

Section 2. POLICY language has been updated to:

2.8. The City Council may grant donation or fee waiver/reduction to each organization once annually, regardless of how many branches or affiliations it may have, *with the exception of the Milpitas Unified School District (MUSD).*

2.9. The fee waiver/reduction amount is subject to $1,500 maximum per fiscal year and the donation amount is subject to $500 maximum annually for each organization. A fee waiver/reduction request cannot be combined with a donation request.

2.9.1. *The MUSD may submit up to ten (10) unique club requests for a total organization annual award amount not to exceed $5,000.*

Section 3. PROCEDURE language has been updated to:

3.2. Upon receipt of an application, the Recreation and Community Services Department shall determine eligibility for a Donation and/or Fee Waiver/Reduction consistent with this Policy and inform the applicant of its determination in writing.

3.2.1. MUSD club applications must receive Superintendent approval before being considered for funding by the City Council.

3.2.2. The Recreation and Community Services Department shall forward MUSD club requests to the Superintendent's Office for review at least quarterly.

POLICY ALTERNATIVE(S):

Alternative: Do not approve the draft policy changes.

Pros: The City's General Fund will not incur the costs of increased fee waivers associated with the draft policy changed.

Cons: Denial of the draft policy changes will inhibit access to funds available to help benefit the youth in the community.

Reason not recommended: The draft policy changes respond to the City Council's request.

FISCAL IMPACT:

There is no fiscal impact with the approval of this policy as the amendment does not recommend any changes to the program's annual budget of $25,000. On average, approximately $10,000 is awarded to organizations annually.

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) Draft Donation and Fee Waiver/Reduction Policy

CITY OF MILPITAS

Revision	Date
Original	04/16/2013
	6/21/2022
	6/9/2026

CITY COUNCIL POLICY

Policy No: Click or tap here to enter text.	**DONATION AND FEE WAIVER/ REDUCTION POLICY**	**Effective Date:** ~~6/21/2022~~6/9/2026
Revision No: ~~1~~2	**Policy Administrator:** Recreation and Community Services	**Next Review Due:** As needed
Related Policies and Procedures: Click or tap here to enter text.	**Approved by:** Click or tap here to enter text. Council meeting date, agenda item #, and vote	**Date Approved:** ~~6/21/2022~~6/9/2026

1. PURPOSE

1.1. The City recognizes the value of partnership with other agencies and organizations in providing services that benefit the community and its residents.

1.2. The City may provide a donation or grant a reduction and/or waiver of fees to intergovernmental agencies or non-profit organizations that provide Milpitas community benefit.

2. POLICY

2.1. The City shall have the sole authority and the City Council shall have the final authority to approve Donations and Fee Waiver/Reduction requests.

2.2. The City Council shall evaluate donation and fee waiver/reduction requests at a scheduled City Council meeting.

2.3. Any requests for donation or fee waiver/reduction must be submitted in writing using the provided application form by the Recreation and Community Services Department.

2.4. In order for an organization to be eligible for a donation or fee waiver / reduction, the following criteria have to be met:

2.4.1. The applying organization must be:

2.4.1.1 A non-profit organization as described by the Internal Revenue Code Section such as 501(c)(3) or an intergovernmental agency;

2.4.1.2 Non-discriminatory, and non-political in nature;

2.4.2. Events must provide a community benefit within the City of Milpitas proper.

2.5. If the event requested for fee waiver is a fundraiser, the organization must demonstrate that at least 60% of funds raised will be of general benefit to the Milpitas community.

2.6. If the request for donation or fee waiver/reduction is for a community event, the event must be advertised, open to the public and no entrance fee shall be charged for the event.

2.7. Fee waivers/reductions only apply to services provided by the City during its regular course of business. Such fees may include rental fees for the City's facilities or equipment, building permit fees or fire permit fees. Any deposits and/or City staff overtime costs required due to the event cannot be waived.

2.8. The City Council may grant donation or fee waiver/reduction to each organization once annually, regardless of how many branches or affiliations it may have, with the exception of the Milpitas Unified School District (MUSD).

2.9. The fee waiver/reduction amount is subject to $1,500 maximum per fiscal year and the donation amount is subject to $500 maximum annually for each organization. A fee waiver/reduction request cannot be combined with a donation request.

2.9.1. The MUSD may submit up to ten (10) unique club requests for a total organization annual award amount not to exceed $5,000.

~~2.9.~~2.10. To the extent possible, the City's contribution should be recognized in the event fliers and/or advertising with the following statement, "This event made possible, in part, by the City of Milpitas."

~~2.10.~~2.11. Within 60 days after completion of the event in which a donation was received or a fee waiver/reduction was granted by the City, the organization will provide a written report to the Director of Recreation and Community Services to include at minimum: number of participants, copies of all publicity of the event, any benefit to the community, amount of funds raised and an accounting of how the proceeds of the event will be dispersed.

~~2.11.~~2.12. Failure to abide by the rules and procedures as set forth in this document will result in the organization being denied for funding and/or fee waiver/reduction in the future.

3. PROCEDURE

3.1. The Recreation and Community Services Department shall maintain an application for Donation and Fee Waiver/Reduction Requests.

3.2. Upon receipt of an application, the Recreation and Community Services Department shall determine eligibility for a Donation and/or Fee Waiver/Reduction consistent with this Policy and inform the applicant of its determination in writing.

3.2.1. MUSD club applications must receive Superintendent approval before it is considered for funding by the City Council.

~~3.1.1.~~3.2.2. The Recreation and Community Services Department shall forward MUSD club requests to the Superintendent's Office for review at least quarterly.

~~3.2.~~3.3. If eligibility is determined, the Director of Recreation and Community Services shall bring requests for donation or fee waiver/reductions to Council for approval at any regular or special meeting.

~~3.3.~~3.4. If ineligibility is determined, the applicant can appeal the Director of Recreation and Community Services' determination to the City Manager. A request for appeal must be made, in writing, and delivered to the City Manager's Office within seven (7) days of the applicant's receipt of the determination of ineligibility. The request for appeal must state, in writing, the basis for the appeal and must contain all written documentation supporting each basis for appeal. The City Manager shall issue a decision, in writing, without hearing based on the documents presented.

~~3.4.~~3.5. Donation and Fee Waiver Budget

~~3.4.1.~~ With each budget cycle, the City Council will establish an annual budget amount for donations or fee waivers/ reductions for unspecified community events. Except for extraordinary circumstances, donations and or fee waivers/reductions will not be granted once the budgeted amount has been allocated.

3.5.1.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt Resolutions to Approve the Fiscal Year 2026-27 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, Approve the Fiscal Year 2026-27 GANN Appropriations Limit, Authorize Various Financial Actions, Fiscal Policies and Budget Guidelines, and Amend the Classification Plan for Alignment with the FY 2026-27 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)**
Category:	Public Hearings-Leadership and Support Services
Meeting Date:	6/2/2026
Recommendation:	Adopt the following Resolutions: (a) Joint Resolution of the City Council and Milpitas Housing Authority to approve the Fiscal Year 2026-27 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, approve the Fiscal Year 2026-27 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) Amending Resolution No. 1626, the Classification Plan, to authorize additional positions and amend budgeted allocated positions; (c) 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; and (d) Amending Resolution No. 1626, the Classification Plan, to adjust the Salary Schedules for various classifications to align with current memorandums of understandings (MOUs).

BACKGROUND:

The FY 2026-27 Proposed Operating Budget (Proposed Budget) is the product of months of collaboration, discussion and deliberation, resulting in a Proposed Budget developed with the leadership and engagement of the City of Milpitas Council (City Council), City management, staff and the Milpitas community at large. During the FY 2026-27 Preliminary Budget Study Session held on March 3, 2026, staff projected a structural deficit of $19.2 million over five years with a surplus of $2.1 million in FY 2026-27.

On May 5, 2026, the City Council held a Public Hearing where the Proposed Operating Budget proposals was formally presented to City Council and the public and subsequently reviewed and discussed. The requisite public hearing notices related to the adoption of the Proposed Budget as well as the FY 2026-27 Gann Appropriations Limit were published timely. During this Public Hearing, City Council brought up additional budget proposals to be considered during the adoption of the 2026-27 Operating Budget on June 2, 2026. These proposals included the following:

1. Milpitas Youth Force Program Expansion: $40,000 (one-time)
2. Ring Doorbell Initiative: $150 per device
3. Care Solace: $160,000 (two-years)
4. Community Choir and Band Support: $3,500 (ongoing)

ANALYSIS:

As noted above, staff formally presented the $292.3 million FY 2026-27 Proposed Operating Budget to the City Council for review and discussion. This Agenda Report transmits the Proposed Budget, documenting changes to the Proposed Budget as reviewed and discussed at the May 5, 2026 Public Hearing. The Agenda Report also includes the various resolutions required for the adoption of the Proposed Budget.

The first four potential proposals below were discussed by City Council on May 5, 2026 and require City Council to vote on them to include them in the FY 2026-27 Adopted Operating Budget. Additionally, the last two items, Milpitas SMART and Community Center, are being brought forward by staff for discussion:

1. Milpitas Youth Force Program Expansion: $40,000 (one-time)
2. Ring Doorbell Initiative: $150 per device
3. Care Solace: $160,000 (two-years)
4. Community Choir and Band Support: $3,500 (ongoing)

5. Milpitas SMART: $1.5 million (annually)
6. Community Center Roof: $4.92 million ($370,000 design and $4.55 million build)

Funding for these items, if approved by City Council, will require sources to be identified. Council may elect to fund one-time projects with the remaining one-time monies of $937,619.

In addition, staff was recently made aware of an increase of $433,749 to our wholesale water purchase agreement with San Francisco Public Utilities Commission. Staff recommend a proposal to increase 2026-27 budget for wholesale water purchase in the amount of $433,749 (from $27.3 million to $27.8 million) in the Water Maintenance and Operations Fund. This action will reduce the Capital Reserve in the Water Maintenance and Operations Fund from $7.3 million to $6.9 million.

The revised General Fund 5-Year Forecast, which incorporates the changes in the 2026-27 Proposed Operating Budget, is presented below:

Sources and Uses	FY 2025-26 Adopted, Amended Budget	FY 2026-27 Proposed Budget	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Revenues and Other Sources	$145.5	$149.9	$154.0	$158.4	*$163.0*	*$168.2*
Use of Reserves	5.4	2.7	0.0	0.0	*0.0*	*0.0*
Expenditures	(150.9)	(152.1)	(156.9)	(162.9)	*(169.1)*	*(175.5)*
Reduce CMO Unanticipated Expenditures		0.8	0.0	0.0	*0.0*	*0.0*
Annual Surplus/(Deficit)	***Balanced***	***$ 1.3***	**$ (2.9)**	**$ (4.5)**	***$ (6.1)***	***$ (7.3)***
Structural Surplus/(Deficit)		***Surplus***	***$ (1.6)***	***$ (6.2)***	***$ (12.3)***	***$ (19.6)***

Enabling Resolutions

The FY 2026-27 Proposed Operating Budget and related recommendations are approved by various resolutions as discussed below.

Joint Budget Resolution

With the adoption of the attached Joint Budget Resolution of the City Council and Milpitas Housing Authority, the City Council will approve the FY 2026-27 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority as amended in this Agenda Report per previous City Council direction. Further through the joint resolution, the City Council will approve the Gann Appropriations Limit, fiscal policies and authorizes various financial actions, including authorizing the City Manager to execute certain contracts in amounts above $100,000 during FY 2026-27. An attachment to the Joint Budget Resolution identifies a list of contracts with an estimated not-to-exceed amount above the City Manager's contract approval authority of $100,000 as well as annual payments over $100,000 in the aggregate for insurance and utilities. Funding for

these contracts and payments has been incorporated into the proposed budget and/or the FY 2027-2031 Capital Improvement Program. As part of the adoption of this Proposed, staff is seeking authority to award these contracts and make certain payments. The list includes annual routine contracts (e.g., PLAN JPA insurance premiums), contracts with specific funding items related to this budget (e.g., Valley Water wholesale water purchase), and contracts related to capital improvement projects.

The Gann Appropriations Limit

Article XIIIB of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Appropriations Limit, was approved by California voters in November 1979 and placed limits on the amount of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval. Based on the attached analysis, using the population and per capita personal income change factors provided by the State of California, the City Gann Appropriations Limit for FY 2026-27 has been computed to be $156,894,846. Appropriations subject to the limitation in FY 2026-27 budget total $110,279,526, which is $46,615,320 less than the computed limit. The City has not exceeded its annual Appropriations Limit in any fiscal year since this requirement was approved by the voters in 1979.

Personnel Related Resolutions

Based on the Proposed Budget as amended in this Agenda Report based on Council direction, staff is bringing forward several personnel-related resolutions to amend the classification plan for all employees as it relates to authorized positions, changes to hourly rate ranges for certain classifications due to an increase in the City's minimum wage, and salary schedule amendments based on previous Council direction consistent with MOUs for the respective bargaining groups.

Authorized positions – This resolution aligns the number of positions on the Authorized Position List, amends specific budgeted positions consistent with the Proposed Budget, and creates a new classification for an Asset Management Program Administrator and the reclassification of a Purchasing Agent to a Purchasing Manager.

Minimum Wage Adjustments – This resolution adjusts the hourly rate ranges upwards for various classifications with the bottom of the hourly range set at the new minimum wage and compacted supervisory positions effective July 1, 2026. Consistent with the City Council approved ordinance, the minimum wage is scheduled to increase by $0.30 from $18.20 to $18.50 by July 1, 2026 based on the February 2026 annual Consumer Price Index (CPI) increase for the San Francisco-Oakland-Hayward Metropolitan Statistical Area.

Salary Schedules for Council Approved Wage Increases – This resolution is required per the California Code of Regulations §570.5. Per State law, the City is required to bring all pay schedules before the governing board for review and approval. The updated salary schedule reflects the respective increases for the International Association of Firefighters Local 1699 (IAFF) and related Unrepresented Fire employees wage increases. The Milpitas Employee Association (MEA), Milpitas Professional and Technical Group (ProTech), Mid-Management Confidential Unit (MidCon), Milpitas Police Officers Association, and Unrepresented (miscellaneous) increases will be updated once memorandum of understanding (MOU) negotiations have concluded.

Bargaining Group	Wage Percentage Increase	Effective Date
Unrepresented Fire Employees (Unrep Fire)*	4%	Effective the first full pay period in July 2026
International Association of Firefighters Local 1699 - Sworn	4%	Effective the first full pay period in July 2026

** To address any potential internal salary compaction issues, Unrepresented Fire Employees' increases align with IAFF per City Council action on March 4, 2025*

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt the FY 2026-27 Proposed Operating Budget

Pros: None.

Cons: The City would not have an adopted operating budget for FY 2026-27 resulting all City operations ceasing until an adopted budget was passed.

Reason for Not Recommending: Under Government Code Section 53901, Unless exempted by the county auditor 60 days after the beginning of its fiscal year, every local agency shall file with the county auditor of the county in which it conducts its principal operations, a copy of its annual budget. Without an adopted budget by July 1, 2026, the City of Milpitas cannot provide services or perform City operations until a budget is adopted and appropriated.

PROJECT SCHEDULE/KEY MILESTONES

Milestone	Date
City Council Public Hearing – Presenting FY 2026-27 Proposed Operating Budget	May 5, 2026
2026-27 Appropriations Limit Public Notice	May 18, 2026
City Council Public Hearing to Adopt FY 2026-27 Operating Budget	June 2, 2026
Effective start date of FY 2026-27 Operating and Capital Budgets	July 1, 2026

FISCAL IMPACT:
Upon adoption, the FY 2026-27 Budget for the City of Milpitas and the Milpitas Housing Authority, for all funds including debt service, will be $292.3 million plus any additional proposals that City Council approves as part of the adoption of the FY 2026-27 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. The action is a fiscal activity of the City government or an action to create a City government funding mechanism 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) FY 2026-27 Proposed Operating Budget
(b) Joint Resolution of the City Council and Milpitas Housing Authority to approve the Fiscal Year 2026-27 Proposed Operating Budget the City of Milpitas and the Milpitas Housing Authority, approve the 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.
(c) Exhibit 1, Joint Resolution, FY 2026-27 GANN Appropriations Limit
(d) Exhibit 2, Joint Resolution, FY 2026-27 Budgeted Contracts over $100,000
(e) Amending Resolution No. 1626, the Classification Plan, to authorize additional positions and amend budgeted allocated positions
(f) 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
(g) Amending Resolution No. 1626, the Classification Plan, to adjust the Salary Schedules for various classifications to align with the current memorandums of understandings (MOUs)
(h) Exhibit A, Salary Table for FY 2026-27 Budget

ATTACHMENT A

Is available at:

https://www.milpitas.gov/DocumentCenter/View/10029/2026-2027-Proposed-Operating-Budget

RESOLUTION NO. ____

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY OF THE CITY OF MILPITAS APPROVING THE FY 2026-27 OPERATING BUDGET FOR THE CITY OF MILPITAS AND THE MILPITAS HOUSING AUTHORITY, THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-27, 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

WHEREAS, the City Manager/Executive Director has submitted a FY 2026-27 Proposed Budget and Financial Plan; and

WHEREAS, on June 2, 2026, a public hearing on the Proposed Budget and Financial Plan was opened where all interested persons were heard; and

WHEREAS, the City Council and Milpitas Housing Authority ("Authority") reviewed the City Manager's FY 2026-27 Proposed Budget and Financial Plan; and

WHEREAS, the first year, or FY 2026-27, of the Capital Improvement Program (CIP) is a part of the 2026-27 Proposed Budget and Financial Plan; and

WHEREAS, Article XIIIB, Section 1, of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided, also referred to as the GANN Appropriations Limit; and

WHEREAS, this Article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

WHEREAS, the appropriations base for 1978-79 had been determined and since adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2026-27 of $156,894,846; and

WHEREAS, the calculations for the appropriations limit are included as part of the budget document materials being considered and approved by the City Council and Authority as part of this Resolution; and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to consideration of this Resolution by the City Council and Authority; and

WHEREAS, the budget document contains fiscal policies that the City Council and Authority have reviewed and approved, and which are updated from time to time, as follows: General Financial Goals, Operating Budget Policies, Revenue and Expenditure Policies, Utility Rates and Fees, Capital Budget Policies, Debt Policies, Reserve Policies, Investment Policies, and Accounting/Auditing and Financial Reporting Policies; and

WHEREAS, the budget document contains budget guidelines that the City Council and Authority have reviewed and approved and which are updated from time to time, as follows: Basis of Budgeting; Budget Calendar requirements; form and content of the City Manager's Proposed Budget; adoption of the Budget by June 30; the City Manager budget authority; requirement that budget amendments be approved by the City Council; budget transfers and modification procedures; automatic adjustments and re-appropriations; budget monitoring and reporting; and reserve requirements for all funds.

NOW, THEREFORE, the City Council of the City of Milpitas and the Milpitas Housing Authority hereby find, determine, and resolve as follows:

1. The City Council and Authority have considered the full record before them, 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 them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The annual Budget and Financial Plan, as attached in the City Council and Authority meeting packet, inclusive of capital improvement appropriations, for the City of Milpitas and Authority for fiscal year 2026-27 is hereby affirmed and adopted totaling $292,347,818 for all appropriated funds.

3. The amounts shown as "Appropriations" and estimated fund balances are hereby approved for the various purposes designated in the 2026-2027 Adopted Budget.

4. The budgets for all departments for the period July 1, 2026 through June 30, 2027, inclusive, contained in this 2026-27 Adopted Budget, are approved as the operating budget for those departments for fiscal 2026-27.

5. The appropriations limit for fiscal year 2026-2027 shall be $156,894,846 as shown in **Exhibit 1**.

6. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annual the action in establishing the appropriations limit for fiscal year 2026-2027 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.

7. Any unused non-salary and benefits-related appropriations at the end of fiscal 2025-2026 may be re-appropriated for continued use in fiscal year 2026-27 subject to the approval of the City Manager/Executive Director. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances), or City Council approved projects using one-time funds remaining at the end of FY 2025-2026 are subject to carry-over into FY 2026-27.

8. Subject to any grant restrictions, unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets. Unspent City/Authority funded grant appropriations from prior fiscal year will automatically be carried over to the current year's budgets.

9. As part of year-end closing of the budget, previously appropriated capital project funds will be automatically carried forward to the next fiscal year for the same capital project until the project is closed out.

10. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the particular departments, and funds set forth herein.

11. The City Manager/Executive Director may authorize, when in his or her judgment such action is consistent with the purposes and intent of the 2026-2027 Adopted Budget as approved, budget revisions subject to the following conditions:

Prior Approval Not Required. Prior approval of the City Council and/or Authority is not required under the following circumstances:

- **i.** When revisions involve transfers from the Unanticipated Expenditure Reserve less than or equal to the aggregate amount adopted within the budget in any one fiscal year ($600,000 in FY 2026-27), provided that the Council/Authority is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions as part of the quarterly financial reports.
- **ii.** When revisions involve transfers from the appropriated leave cash-out account less than or equal to the aggregate amount adopted within the budget in any one fiscal year ($650,000 in FY 2026-27) to the various departments for cash-outs when employees leave City/Authority service.

iii. When revisions involve transfers, or reallocations, within any one fund among the various departments or projects, provided that the amount of transfer in any single instance does not exceed $100,000.

iv. When revisions involve reasonable deviation from the budgeted personnel allocation schedule, provided that at no time the number of permanent funded positions authorized by the City Council/Authority is exceeded.

v. When revisions involve hiring full-time employees in overstrength positions for no more than one year as long as appropriations are not exceeded to ensure adequate staffing levels for sworn positions, facilitate training of new employees by the outgoing incumbent or respond to urgent staffing needs.

vi. When revisions involve adding/deleting positions or moving positions between departments to respond to organizational needs, as long as the number of permanent funded positions and the approved personnel cost appropriations remain the same.

vii. When revisions involve allocating, redistributing and/or appropriating monies between department and non-department divisions so as to reflect budgetary savings in one or more departments.

viii. For Police goods and services to be purchased from Asset Seizure funds, the City Manager/Executive Director or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council/Authority during the Budget hearing.

ix. To use judgment to modify citywide administrative financial policies and procedures from time to time that are consistent with municipal government best practices unless those policies would otherwise be in conflict with the budget provisions incorporated in this Resolution or the City's Municipal Code.

x. **Exhibit 2** lists contracts and payments that are specifically identified in the budget document and materials enclosed herein. None of these contracts require a formal, public bidding process. The list of contracts and payments is hereby approved and the City Manager/Executive Director is authorized to execute and enter into these contracts and make these payments during fiscal year 2026-27 up to the amounts listed by contract or payment in **Exhibit 2**.

12. Prior Approval Required. Prior approval of the City Council and/or Authority is required for revisions to the 2026-2027 Final Budget as adopted if any of the following are involved:

i. An increase in overall appropriation level within any one Fund.

ii. The transfers or reallocation of appropriations greater than $100,000 between different Funds, except not for reallocations between subfunds within one Fund.

iii. Changes providing for increases or decreases in funded permanent personnel counts in the adopted Budget.

iv. Contract change orders which would cause the aggregate contract amount to exceed $100,000 and/or exceed prior approved appropriation levels for the subject contract.

v. Transfers from Unanticipated Expenditure Reserve, which would cause the aggregate amount of $600,000 during fiscal year 2026-27, to be exceeded.

vi. Result in changes not consistent with the purpose and intent of the Budget as adopted.

vii. Require an appropriation action from any unassigned fund balances or reserves.

13. Information establishing the current budget situation and steps to be taken to present balanced City Budgets have been presented during the public hearing on this meeting June 2, 2026, and in prior budget presentations.

14. The approval of the 2026-27 Adopted Budget, including the authority to enter into any contract, make payments, or undertake other actions, does not commit the City to any action that may have significant effect on the environment. This is because the actions are financial or administrative and do not directly impact the environment or the environmental impacts of any action would be speculative to analyze at this time. As a result, there is no potential impact on the environment from this action per Section 15061(b) (3) of the California Environmental Quality Act ("CEQA") Guidelines and this action does not constitute a project under CEQA per CEQA Guidelines Section 15378(b)(4). Although the budget does authorize certain types of contracts to be entered into, none are anticipated to have any environmental impact at the time of entering into the contract, and if ultimately leading to a project that could impact the environment, the impacts of that action will be analyzed once the project is designed and the analysis is no longer speculative.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor/Chair

APPROVED AS TO FORM:

_____
Christian Curtis, City Attorney/General Counsel

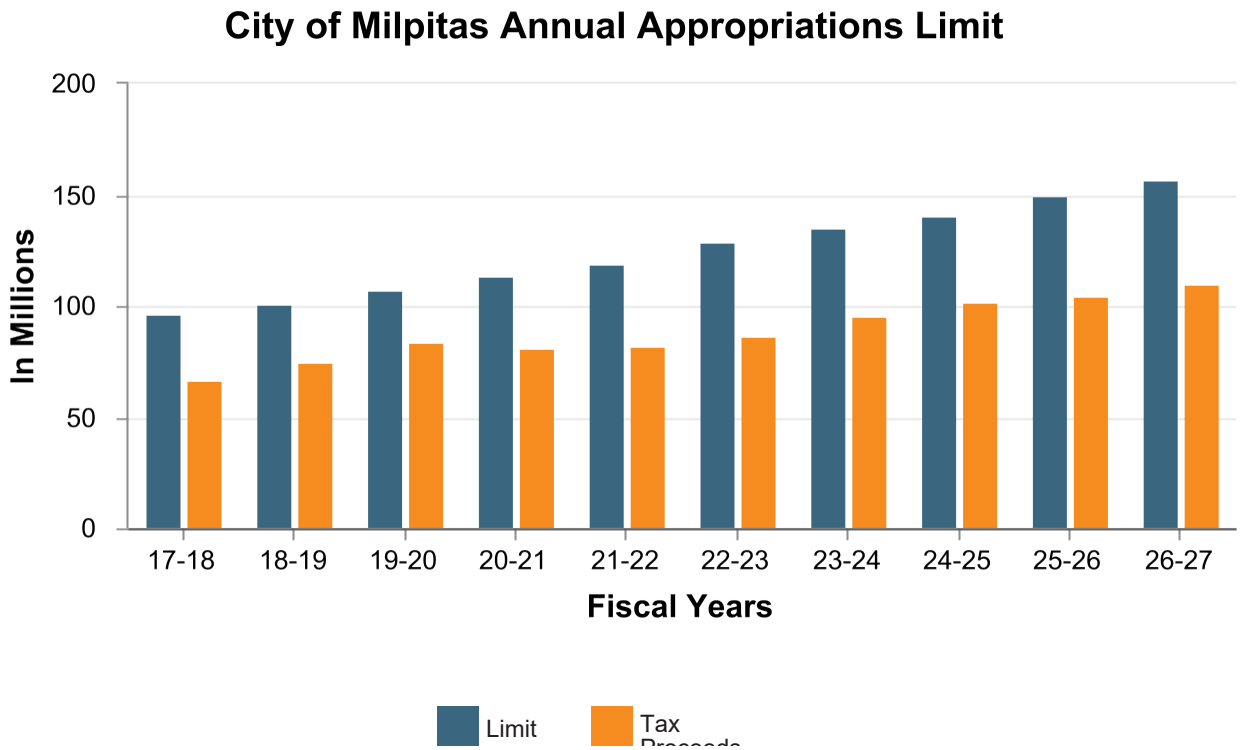
Exhibit 1

Gann Appropriations Limit Analysis

Article XIIIB of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Appropriations Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY 2026-27 has been computed to be $156,894,846. Appropriations subject to the limitation in FY2026-27 budget total $110,279,526 that is $46,615,320 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since FY 2017-18. The amounts for Tax Proceeds have been restated to exclude Franchise Fees, which were inadvertently included in the past, which is inconsistent with the law. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 80% of the limitation and should not be impacted by the Appropriations Limit.



*In prior years, Franchise Fees were inadvertently included in the calculation of the tax proceeds, which is inconsistent with the law. This chart has been corrected to show only tax proceeds subject to the limit.

Exhibit 2

Approval of FY 2026-2027 Budget Contracts/Payments over $100,000

1. FY 2026-27 Operating Budget

Department Name	Contractor Name (If known) or Type of Contract	Description of Contract/Payment	Estimated Amount	Funds
City Attorney	Meyers Nave	Outside Legal Services	$280,000	• General Fund
Finance	PLAN JPA	Attorney Fees for Claims/Lawsuits	$270,000	• General Fund • Water Fund • Sewer Fund
Finance	PLAN JPA	Liability Insurance	$3,871,159	• General Fund • Water Fund • Sewer Fund • Housing Authority Fund • Equipment Fund
Finance	PG&E	Utility - Electric	$2,525,565	• General Fund • Water Fund • Sewer Fund
Finance	Integrys	Utility - Electric	$500,000	• General Fund • Water Fund • Sewer Fund
Finance	Chandler	Investment Portfolio Management	$175,000	• General Fund
Finance	ABAG Power	Utility - Gas	$321,300	• General Fund • Water Fund • Sewer Fund
Finance	Brown & Brown	Excess Workers' Compensation Insurance	$325,000	• General Fund
Finance	Cayenta	Annual Support and Maintenance	$318,000	• General Fund • Water Fund • Sewer Fund • Utility Subsidy Fund
Fire	LN Curtis	Personal Protective Equipment	$100,000	• General Fund
Fire	LN Curtis	Miscellaneous Firefighting Equipment and Supplies	$180,000	• General Fund
Housing	HouseKeys	BMR Homeownership Program Administrator	$200,000	• Housing Authority Fund
Human Resources	Sedgwick	Third Party Administrator for Worker's Compensation	$152,162	• General Fund

Department Name	Contractor Name (If known) or Type of Contract	Description of Contract/Payment	Estimated Amount	Funds
Human Resources	Liebert Cassidy Whitmore	Labor and Employee Relations Outside Counsel (MOU negotiations)	$175,000	• General Fund
Information Technology	SHI International Corp	Microsoft Office 365 Licensing	$199,888	• General Fund
Information Technology	Central Square Technologies	VisiCAD Software Maintenance	$160,000	• General Fund
Information Technology	Mark43	Police Records Management System	$162,476	• General Fund
Planning	RideCo	MilpitaSmart	$2,766,114	• General Fund
Planning (Code Enforcement)	City of San Jose	San Jose Animal Services Contract	$736,642	• General Fund
Police	County of Santa Clara	Crime Lab Major Case Evidence Examination	$195,000	• General Fund
Police	Silicon Valley Regional Interoperability Authority	Silicon Valley Regional Communications Systems (SVRCS) - Annual Operations and Maintenance for Digital Radio System	$137,317	• General Fund
Police	County of Santa Clara	Cal-ID Fingerprinting Program	$240,405	• General Fund
Police	All City Management Services.	Crossing Guard Services	$945,035	• General Fund
Police	Axon Enterprise, Inc.	Police Body Worn Cameras / Tasers / Cloud Storage	$211,063	• General Fund
Police	Flock Safety	ALPR Cameras	$159,000	• State Grant Police
Police/Public Works	Vehicle Purchases*	Purchase of (4) replacement and vehicles	$281,416	• Equipment Replacement Fund
Public Works	SFPUC	Wholesale Water Purchase	$18,373,234	• Water Fund
Public Works	City of San Jose**	O&M for Treatment Plant	$9,969,598	• Sewer Fund
Public Works	Valley Water	Wholesale Water Purchase	$9,3692,629	• Water Fund
Public Works	City of San Jose	Recycled Water Purchase	$3,100,888	• Water Fund
Public Works	Equipment/Vehicle Purchases*	Purchase of new and replacement equipment and vehicles for aging Public Works fleet	$2,003,059	• General Fund Water Fund Sewer Fund Equipment Fund

Department Name	Contractor Name (If known) or Type of Contract	Description of Contract/Payment	Estimated Amount	Funds
Public Works	Merrimac Petroleum Inc.	Diesel & Unleaded Fuel	$575,620	• Equipment Replacement Fund
Public Works	Imperial Maintenance Services Inc.	Janitorial Services	$388,800	• General Fund
Public Works	Bay Area Water Supply and Conservation Agency (BAWSCA)	BAWSCA Membership	$228,709	• Water Fund
Public Works	Enterprise FM Trust	Fleet Lease Agreement	$168,000	• General Fund
Public Works	City of Sunnyvale	Santa Clara Valley Urban Runoff Pollution Prevention Program	$170,000	• General Fund
Public Works	Environmental Systems Inc	HVAC Maintenance	$100,000	• General Fund
Public Works	West Coast Arborist	Tree Maintenance Services	$480,000	• General Fund/CFD
Public Works	Five M, LLC	Minnis Circle Lease Agreement	$131,040	• General Fund • Water Fund • Sewer Fund
Recreation	County of Santa Clara "SNP"	Senior Nutrition Program	$103,488	• GT1007-GTMAT
Recreation	Moonchef, LLC	Multi-year agreement for Senior Nutrition Program Meals. Amending a three-year contract for a 4th year.	$236,670	• GT1007-GTMAT
Recreation	Fireworks and Stage FX America	Pyrotechnics for the annual 4th of July and Lunar New Year Fireworks shows.	$140,510	• General Fund
City-wide	Staples Business Advantage	City-wide Departmental Supplies	$150,000	• General Fund

* Includes 15% contingency. Budget amounts were estimates and actual costs may be higher.
**This is an estimated provided by the City of San Jose in March. Actual budget for O&M and CIP are not available yet.
***New agreement for park and landscape services will not be awarded until August.

2. FY 2026-27 Capital Improvement Program (CIP) Budget

Department Name	CIP Project No. & Name	Description of Contract	Estimated Amount	Funds
Community Improvement	CIP 3503 - Historic Resource Master Plan Update	Historic Resources Master Plan Update	$200,000	• General Gov. CIP Fund
Street Improvement	CIP 3504 – Milpitas Gateway-Main St. Impact Fee Study and Sense of Place Plan	Main Street Sense of Place Plan	$600,000	• Planning Grant Program through Metropolitan Transportation Commission (MTC)
Water Improvement	CIP 7110 - Hydrant Replacement Program	Purchase and replacement of hydrants and valves to meet the annual replacement goal.	$200,000	• Water Line Extension Fund
Community Improvement	CIP 3422 & 3485 - Community Center Roof Renovation	Amendment No.1 to the Design Service Agreement with AETYPIC to provide design services for the replacement of the roof including mechanical equipment at Milpitas Community Center.	$500,000	• General Gov. CIP Fund
Community Improvement	CIP 3470 - City Hall Fountain & Landscape Renovation	New Design Services Agreement to obtain a consultant to provide mastering planning services for the renovation of the landscape and pond area at City Hall.	$200,000	• General Gov. CIP Fund
Community Improvement	CIP 3494 - City Hall Air Handlers Replacement	New Design Services Agreement to obtain a consultant to provide design services and construction support for the replacement of the air handlers at City Hall.	$600,000	• General Gov. CIP Fund
Community Improvement	CIP 3716 - City Parking Lot Rehabilitation Program	New Design Services Agreement to obtain a consultant to provide design services and construction support for the expansion of parking lot at Public Works building.	$200,000	• General Gov. CIP Fund
Park Improvement	CIP 2023 - Metro Tango Subdistrict Park	Amendment No.2 to the Design Service Agreement with Callander Associates Landscape Architecture to provide construction support for the construction of the new Tango Park.	$300,000	• TASP Impact Fees

Department Name	CIP Project No. & Name	Description of Contract	Estimated Amount	Funds
Park Improvement	CIP 3491 - Cardoza Park/Dixon Landing Park Softball Improvement Feasibility	Amendment No.1 to the Design Service Agreement with Gates & Associates to provide additional planning services to accommodate the softball league at Dixon Landing Park.	$250,000	• General Gov. CIP Fund • Park Fund
Park Improvement	CIP 3505 - MSC Bleacher Replacement and ADA Replacement	Amendment No.1 to the Design Service Agreement with Verde Design, Inc. to provide construction support for the replacement of bleachers at the Sport Center football field.	$100,000	• Park Fund
Park Improvement	CIP 5117 - Delano Manongs Soccer Field Turf Replacement	New Design Services Agreement to obtain a consultant to provide design services and construction support for the replacement of natural grass with artificial turf at Delano Manongs Park.	$300,000	• TASP Impact Fees
Street Improvement	CIP 2016 - S. Milpitas Blvd. Road Extension	New Design/Professional Services Agreement to obtain a consultant to provide environmental oversight related to the deed restriction and conditions imposed by Regional Water Board for the construction of the road extension.	$300,000	• TASP Impact Fee
Street Improvement	CIP 2016 - S. Milpitas Blvd. Road Extension	Amendment No.1 to the Design Service Agreement with Bill Gould Architectural Corporation Dba Artik to provide construction support and 3rd party inspection for the installation of architectural enhancement along the rail of the vehicular bridge.	$150,000	• TASP Impact Fee
Sewer Improvement	CIP 6118 – City of San Jose - SC Regional Wastewater Facility	City of Milpitas cost share amount with City of San Jose for rehab improvements to RWF	$8,166,964	• Sewer Infrastructure Fund
Storm Drain Improvement	CIP 3726- Citywide Green Stormwater Infrastructure Improvement	New Design Service Agreement to obtain a consultant to provide planning and design services for green stormwater infrastructure improvements to meet Municipal Regional Stormwater Permit 3.0.	$200,000	• Storm Drain General Fund
Street Improvement	CIP 4309 - Street Resurfacing Project 2028	New Design Services Agreement to obtain a consultant to provide design services and construction support for the Project.	$500,000	• Gas Tax Fund

Department Name	CIP Project No. & Name	Description of Contract	Estimated Amount	Funds
Street Improvement	CIP 4312 - SS4A Improvement Project	New Design Services Agreement to obtain a consultant to provide update to the City's Safe Routes to School Plan, and design services and construction support for the safety improvements along established routes to schools.	$500,000	• Gas Tax Fund • General Government CIP Fund • Grant
Sewer Improvement	CIP 6124 - Sewer Pump Station Rehabilitation Program	Amendment No. 1 to the Design Services Agreement with Wilsey Ham to provide construction support for the replacement of the flow meters at the Main Lift Station.	$100,000	• Sewer Infrastructure Fund
Sewer Improvement	CIP 6135 - Sanitary Sewer CCTV Inspections & Improvements	New Professional Service Agreement to obtain a vendor to provide closed-circuit televisions inspections of medium to extreme risk of 24" or greater sewer pipelines, as recommended per the adopted 2021 Sewer Master Plan.	$400,000	• Sewer Infrastructure Fund
Sewer Improvement	CIP 6139 - Sanitary Sewer Pipeline Improvement - Phase 2	New Design Service Agreement to obtain a consultant to provide design services and construction supports for the Project; and planning services for Sanitary Sewer Pipeline Improvement - Phase 3, as identified in the adopted Sewer Master Plan.	$260,000	• Sewer Infrastructure Fund
Water Improvement	CIP 2002, 2009, 2020 - SCVWD Reservoir, Pump Station & Turnout Project	New Design Service Agreement to obtain a consultant to provide a feasibility study to locate a reservoir, pump station, turnout, and pressure reducing valve in Valley Water zone within the Metro and Gateway specific plan according to the adopted Water Master Plan.	$350,000	• TASP Impact Fee
Water Improvement	CIP 7133 – Minor Water Projects	Amendment No. 4 to the Design Services Agreement with MNS Engineers, Inc. to provide additional construction support for the Project.	$100,000	• Water Capital Surcharge
Sewer, Storm, Water Improvements	CIP 3715, 6124, 7133 & 7141 - VFD Replacement Project	New Design Service Agreement to obtain a consultant to conduct an assessment and provide design services for replacement or upgrades of the VDFs and associated components at Main Lift Station, Bellew, Gibraltar, and SFWD Zone 2A Pump Stations.	$500,000	• Water Capital Surcharge • Sewer Infrastructure Fund • Storm Drain General Fund

Department Name	CIP Project No. & Name	Description of Contract	Estimated Amount	Funds
Water Improvement	CIP 7143 - Risk and Resiliency Improvements	New Design Service Agreement to obtain a consultant to conduct assessments to improve security at the City's water facilities, as identified in the adopted Water Master Plan and AWIA Plan.	$135,000	• Water Capital Surcharge
Water Improvement	CIP 7144 - Pipeline & Facility Condition Assessment	New Design Service Agreement to obtain a consultant to conduct assessments of the City's pipeline and facilities, as identified in the adopted Water Master Plan. Improvement Phase 2 and 3.	$250,000	• Water Capital Surcharge
Water Improvement	CIP 7146 - Fire Flow Interconnection Improvements	New Design Service Agreement to obtain a consultant to provide planning and design services for Project, as identified in the adopted Water Master Plan.	$175,000	• Water Capital Surcharge
Water Improvement	CIP 7148 - PRV Station Improvement Project	New Design Service Agreement to obtain a consultant to conduct an assessment and provide planning and design services for improvements of the PRV stations at California Circle, McCarthy, and Junipero.	$415,000	• Water Capital Surcharge
Water Improvement	CIP 7151 Fire Flow Pipeline Improvement - Phase 2	New Design Service Agreement to obtain a consultant to provide design services and construction support for the Project and planning services for Fire Flow Pipeline Improvement - Phase 3, as identified in the adopted	$240,000	• Water Capital Surcharge
Water Improvement	Curtis Recycle Water Main Repair	New Design Service Agreement to obtain a consultant to provide design services and construction support for the repair of the recycle water main at Curtis Ave.	$200,000	• Reimbursement from San Jose as part of South Bay Recycle Water Program

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO AUTHORIZE ADDITIONAL POSITIONS, AND AMEND BUDGETED ALLOCATED POSITIONS

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 annual budget process necessitates changes in position authorizations that result from modifications made to the Classification Plan.

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, 2026 as set forth below. If any of the below-mentioned groups or classifications receive a cost-of-living adjustment separate from the adoption of the 2026-27 budget, that same percentage amount and effective date will be applied accordingly pursuant to the applicable bargaining unit agreement(s) for the below-listed classification salary ranges by further Resolution.

A. **AUTHORIZE THE FOLLOWING POSITIONS:**
Add One (1) FTE Asset Management Program Administrator*
Add One (1) Purchasing Manager*
Add One (1) FTE Assistant Engineer
*Classification Specification and Salary Range to be brought forward at an August 2026 Council meeting.

B. **DELETE/DEFUND THE FOLLOWING BUDGETED ALLOCATION POSITIONS:**
Delete One (1) FTE SCADA Instrument Control Technician
Delete One (1) FTE Senior Special Projects Associate
Delete One (1) Purchasing Agent
Delete One (1) FTE Engineering Aide

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES: (0)

NOES: (0) None.

ABSENT: (0) None.

ABSTAIN (0) None.

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian Curtis, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ADJUST HOURLY RATE RANGES FOR CLASSIFICATIONS DUE TO A MINIMUM WAGE INCREASE PURSUANT TO ORDINANCE NO. 292

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, salary increases granted to temporary classifications pursuant to changes in Resolution No. 6598, the Resolution providing compensation for unrepresented part-time temporary employees, have been incorporated into Resolution No. 1626, the Classification Plan.

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; and

WHEREAS, the City of Milpitas local minimum wage ordinance, Ordinance No. 292, established the minimum wage hourly rate effective July 1, 2025 as $18.20 per hour; and

WHEREAS, the City of Milpitas updated its minimum wage ordinance effective July 1, 2026; and

WHEREAS, the City must update its hourly rate for certain classifications currently below the $18.50 hourly rate in conformance with Ordinance No. 292.

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 table below contains hourly wage adjustments for classifications that are currently below the minimum wage of $18.50 per hour.
3. Resolution No. 1626, as amended, is hereby further amended to adjust the hourly rate ranges for the below listed classifications effective July 1, 2026, as follows:

	From		To	
Title	**Step A**	**Top Step**	**Step A**	**Top Step**
Lifeguard	$18.20	$25.36	$18.50	$25.77
Recreation Administrative Asst	$18.20	$25.36	$18.50	$25.77
Recreation Attendant	$18.20	$25.36	$18.50	$25.77
Recreation Leader	$18.20	$25.36	$18.50	$25.77
Staff Assistant	$18.20	$28.16	$18.50	$28.57
Student Intern	$18.20	$30.00	$18.50	$30.00

4. These adjusted hourly rate ranges will be included in the All Job Classifications/Salary Table attached to the June 2, 2026 Resolution of the City Council of the City of Milpitas amending Resolution No. 1626, the Classification Plan, to Adjust the Salary Schedules for all IAFF and Fire Unrepresented Classifications.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

_____

Suzanne Guzzetta, City Clerk

_____

Carmen Montano, Mayor

APPROVED AS TO FORM:

_____

Christian Curtis, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING THE CLASSIFICATION PLAN TO AMEND THE SALARY SCHEDULES FOR VARIOUS CLASSIFICATIONS TO ALIGN WITH THE CURRENT MEMORANDUMS OF UNDERSTANDING (MOUs)

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 annual budget process necessitates changes in position authorizations that result from modifications made to the Classification Plan.

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 June 2, 2026, as follows:

   The City Council hereby adopts the salary schedule attached hereto as **Exhibit A** ("All Job Classifications/Salary Table Effective July 1, 2026"), which includes updated salary ranges for the following classifications:

   a. All classifications represented by International Association of Firefighters Local 1699 (IAFF) in accordance with the following Memorandums of Understanding (MOUs):
      - International Association of Firefighters Local 1699 MOU dated July 1, 2024 – June 30, 2027

   b. All classifications included in the Unrepresented Fire group, in accordance with the following:
      - Unrepresented Fire Employees Salary increase of four percent (4%) to align with the International Association of Firefighters Local 1699 (IAFF) per Council action on March 4, 2025.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: APPROVED:

_____ _____

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

_____

Christian Curtis, City Attorney

CITY OF MILPITAS - HUMAN RESOURCES

All Job Classifications/Salary Table Projection - IAFF 4% / Min Wage Adj

				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	53.36	4,268.94	110,992.44	56.03	4,482.35	116,541.10	58.82	4,705.56	122,344.56	61.77	4,941.94	128,490.44	64.85	5,188.14	134,891.64
Accounting Technician I	50	6104	513	34.75	2,780.15	72,283.90	36.49	2,919.18	75,898.68	38.31	3,065.15	79,693.90	40.23	3,218.40	83,678.40	42.24	3,379.33	87,862.58
Accounting Technician II	50	6105	514	38.23	3,058.15	79,511.90	40.14	3,211.11	83,488.86	42.15	3,371.65	87,662.90	44.25	3,540.27	92,047.02	46.47	3,717.21	96,647.46
Administrative Analyst I	80	2102	801	45.45	3,635.80	94,530.80	-	-	-	-	-	-	-	-	-	59.83	4,786.31	124,444.06
Administrative Analyst II	80	2103	802	50.19	4,015.32	104,398.32	-	-	-	-	-	-	-	-	-	66.06	5,285.08	137,412.08
Administrative Assistant	80	6111	828	43.36	3,468.65	90,184.90	45.53	3,642.08	94,694.08	47.80	3,824.21	99,429.46	50.19	4,015.39	104,400.14	52.70	4,216.15	109,619.90
Assistant Chief of Police	60	1405	649	121.47	9,717.91	252,665.66	-	-	-	-	-	-	-	-	-	170.06	13,605.06	353,731.56
Assistant City Attorney	60	1113	645	83.24	6,659.20	173,139.20	-	-	-	-	-	-	-	-	-	112.68	9,014.30	234,371.80
Assistant City Manager	60	1104	666	104.45	8,356.01	217,256.26	-	-	-	-	-	-	-	-	-	146.23	11,698.42	304,158.92
Assistant Dir Recr & Comm Svcs	60	1121	659	71.28	5,702.03	148,252.78	-	-	-	-	-	-	-	-	-	99.79	7,982.84	207,553.84
Assistant Engineer	50	2201	502	57.82	4,625.32	120,258.32	60.71	4,856.57	126,270.82	63.74	5,099.39	132,584.14	66.93	5,354.39	139,214.14	70.28	5,622.14	146,175.64
Assistant Finance Director	60	1109	669	75.17	6,013.41	156,348.66	-	-	-	-	-	-	-	-	-	105.24	8,418.97	218,893.22
Assistant Fire Marshal	60	2501	632	96.77	7,741.54	201,280.08	-	-	-	-	-	-	-	-	-	135.48	10,838.16	281,792.22
Assistant Planner	50	2801	503	55.44	4,435.07	115,311.82	58.21	4,656.94	121,080.44	61.11	4,888.95	127,112.70	64.17	5,133.33	133,466.58	67.38	5,390.10	140,142.60
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	47.55	3,566.14	92,719.64	49.93	3,744.46	97,355.96	52.42	3,931.67	102,223.42	55.04	4,128.24	107,334.24	57.80	4,334.68	112,701.68
Assistant Water Operator - 40	20	8611	226	47.83	3,826.17	99,480.42	50.22	4,017.68	104,459.68	52.73	4,218.74	109,687.24	55.38	4,430.52	115,193.52	58.15	4,651.95	120,950.70
Associate Civil Engineer	50	2202	504	66.49	5,319.09	138,296.34	69.81	5,585.07	145,211.82	73.30	5,864.34	152,472.84	76.97	6,157.56	160,096.56	80.82	6,465.45	168,101.70
Associate Planner	50	2802	505	63.74	5,099.52	132,587.52	66.94	5,355.19	139,234.94	70.29	5,623.22	146,203.72	73.80	5,903.65	153,494.90	77.48	6,198.73	161,166.98
Budget Manager	80	1115	839	66.25	5,299.89	137,797.14	-	-	-	-	-	-	-	-	-	87.20	6,976.19	181,380.94
Building Inspection Manager	80	3809	848	69.02	5,521.25	143,552.50	-	-	-	-	-	-	-	-	-	83.89	6,711.16	174,490.16
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	79.91	6,392.43	166,203.18	-	-	-	-	-	-	-	-	-	111.87	8,949.40	232,684.40
Building Permit Technician	50	5801	508	42.33	3,386.76	88,055.76	44.46	3,556.47	92,468.22	46.69	3,734.89	97,107.14	49.01	3,920.93	101,944.18	51.46	4,116.78	107,036.28
Building/NP Inspector	50	3801	507	56.11	4,488.96	116,712.96	58.92	4,713.46	122,549.96	61.86	4,949.08	128,676.08	64.96	5,196.56	135,110.56	68.20	5,456.35	141,865.10
Business Systems Analyst/Dev	80	2119	853	60.58	4,846.79	126,016.54	-	-	-	-	-	-	-	-	-	79.75	6,379.85	165,876.10
Buyer	80	2106	803	45.04	3,602.84	93,673.84	-	-	-	-	-	-	-	-	-	59.28	4,742.46	123,303.96
Case Manager	50	5612	544	37.93	3,034.56	78,898.56	-	-	-	-	-	-	-	-	-	47.34	3,787.06	98,463.56
Chief Fire Enforcement Officer	60	1505	656	79.69	6,374.90	165,747.36	-	-	-	-	-	-	-	-	-	111.56	8,924.86	232,046.46
Chief of Police	60	1402	650	127.54	10,203.49	265,290.74	-	-	-	-	-	-	-	-	-	178.56	14,284.93	371,408.18
City Attorney	60	1112	644	163.46	13,076.92	339,999.92	-	-	-	-	-	-	-	-	-	192.31	15,384.62	400,000.12
City Clerk	60	1101	605	69.07	5,525.82	143,671.32	-	-	-	-	-	-	-	-	-	96.71	7,737.02	201,162.52
City Engineer	60	1201	606	80.58	6,446.07	167,597.82	-	-	-	-	-	-	-	-	-	112.81	9,024.50	234,637.00
City Manager	60	1102	697	153.85	12,308.00	320,008.00	-	-	-	-	-	-	-	-	-	192.31	15,384.80	400,004.80
Code Enforcement Officer	50	5804	515	49.06	3,925.02	102,050.52	51.52	4,121.33	107,154.58	54.10	4,328.27	112,535.02	56.81	4,544.67	118,161.42	59.65	4,771.74	124,065.24
Communications Dispatch Superv	40	6409	456	63.79	5,103.55	132,692.30	66.98	5,358.72	139,326.72	70.33	5,626.67	146,293.42	73.85	5,908.02	153,608.52	77.54	6,203.42	161,288.92
Communications Dispatcher	40	6408	455	55.24	4,418.84	114,889.84	58.00	4,639.76	120,633.76	60.90	4,871.74	126,665.24	63.94	5,115.28	132,997.28	67.14	5,371.05	139,647.30
Community Service Officer	40	6412	460	47.61	3,808.66	99,025.16	49.99	3,999.11	103,976.86	52.49	4,199.06	109,175.56	55.11	4,409.01	114,634.26	57.87	4,629.48	120,366.48
Councilmember	60	1107	699	20.87	417.40	10,852.40	-	-	-	-	-	-	-	-	-	20.87	417.40	10,852.40
Crime Analyst	80	2105	809	54.40	4,352.39	113,162.14	-	-	-	-	-	-	-	-	-	71.61	5,729.08	148,956.08
Cross Connection Specialist	20	8626	239	49.43	3,954.49	102,816.74	52.03	4,162.61	108,227.86	54.77	4,381.70	113,924.20	57.65	4,612.31	119,920.06	60.69	4,855.06	126,231.56
Customer Services Supervisor	80	2127	847	52.76	4,220.40	109,730.40	-	-	-	-	-	-	-	-	-	69.44	5,554.97	144,429.22
Deputy City Clerk	80	6102	835	51.81	4,144.42	107,754.92	-	-	-	-	-	-	-	-	-	62.97	5,037.56	130,976.56
Deputy Director of IT	60	1123	679	82.72	6,617.56	172,056.56	-	-	-	-	-	-	-	-	-	105.93	8,474.66	220,341.16
Deputy Fire Chief	60	1504	633	121.94	9,755.03	253,630.87	-	-	-	-	-	-	-	-	-	170.71	13,657.04	355,083.06
Deputy Public Works Director	60	1207	654	80.58	6,446.07	167,597.82	-	-	-	-	-	-	-	-	-	112.81	9,024.50	234,637.00
Digital Media Specialist	80	2121	840	46.87	3,749.30	97,481.80	-	-	-	-	-	-	-	-	-	61.69	4,935.22	128,315.72
Dir of Recr & Community Svcs	60	1208	655	88.96	7,116.82	185,037.32	-	-	-	-	-	-	-	-	-	124.79	9,982.96	259,556.96
Econ Dev Dir & Strat Init	60	1206	653	88.96	7,116.82	185,037.32	-	-	-	-	-	-	-	-	-	124.79	9,982.96	259,556.96
Economic Development Coord	80	8623	852	57.17	4,573.41	118,908.66	-	-	-	-	-	-	-	-	-	70.89	5,670.98	147,445.48
Economic Development Spec	80	8606	850	54.44	4,355.25	113,236.50	-	-	-	-	-	-	-	-	-	65.72	5,257.23	136,687.98
Electrical/Building Inspector	50	3802	511	58.92	4,713.45	122,549.70	61.86	4,949.08	128,676.08	64.96	5,196.55	135,110.30	68.20	5,456.35	141,865.10	71.61	5,729.19	148,958.94
Emergency Services Coordinator	80	2502	836	60.15	4,811.86	125,108.36	-	-	-	-	-	-	-	-	-	79.16	6,333.04	164,659.04
Engineering Aide	50	3201	512	45.98	3,678.31	95,636.06	48.28	3,862.23	100,417.98	50.69	4,055.33	105,438.58	53.23	4,258.07	110,709.82	55.89	4,470.97	116,245.22
Engineering Permit Technician	50	2210	540	41.39	3,311.12	86,089.12	43.46	3,476.68	90,393.68	45.63	3,650.50	94,913.00	47.91	3,832.98	99,657.48	50.31	4,024.66	104,641.16
Entry Firefighter/EMT - 40	10	4512	115	60.69	4,855.31	126,238.13	63.73	5,098.09	132,550.35	-	-	-	-	-	-	-	-	-
Entry Firefighter/EMT - 56	10	4510	112	43.35	4,855.31	126,238.13	45.52	5,098.09	132,550.35	-	-	-	-	-	-	-	-	-
Entry Firefighter/Paramedic-40	10	4513	116	67.97	5,437.96	141,387.02	71.37	5,709.86	148,456.36	-	-	-	-	-	-	-	-	-
Entry Firefighter/Paramedic-56	10	4511	113	48.55	5,437.96	141,387.02	50.98	5,709.86	148,456.36	-	-	-	-	-	-	-	-	-
Envir & Regulatory Comply Spec	80	8624	851	58.10	4,648.22	120,853.72	-	-	-	-	-	-	-	-	-	76.48	6,118.40	159,078.40
Environmental Inspector	50	2213	553	58.92	4,713.45	122,549.70	61.86	4,949.11	128,676.86	64.96	5,196.57	135,110.82	68.20	5,456.38	141,865.88	71.61	5,729.19	148,958.94
Equip Maint Worker I - 40	20	8612	227	43.50	3,479.61	90,469.86	45.65	3,651.83	94,947.58	47.93	3,834.76	99,703.76	50.34	4,027.27	104,709.02	52.85	4,228.37	109,937.62
Equip Maint Worker II - 40	20	8613	228	47.83	3,826.17	99,480.42	50.22	4,017.68	104,459.68	52.73	4,218.74	109,687.24	55.38	4,430.52	115,193.52	58.15	4,651.95	120,950.70
Equip Maint Worker III - 40	20	8614	229	53.88	4,310.74	112,079.24	56.59	4,526.81	117,697.06	59.42	4,753.59	123,593.34	62.39	4,991.05	129,767.30	65.52	5,241.35	136,275.10

All Job Classifications/Salary Table Projection - IAFF 4% / Min Wage Adj

				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
Equipment Maint. Worker I	20	7202	200	43.23	3,241.94	84,290.44	45.39	3,404.04	88,505.04	47.66	3,574.29	92,931.54	50.04	3,752.98	97,577.48	52.54	3,940.63	102,456.38
Equipment Maint. Worker II	20	7203	201	47.55	3,566.14	92,719.64	49.93	3,744.46	97,355.96	52.42	3,931.67	102,223.42	55.04	4,128.24	107,334.24	57.80	4,334.68	112,701.68
Equipment Maint. Worker III	20	7204	202	53.57	4,018.08	104,470.08	56.25	4,218.91	109,691.66	59.07	4,429.90	115,177.40	62.02	4,651.39	120,936.14	65.12	4,883.97	126,983.22
Executive Assistant	80	6117	812	47.69	3,814.97	99,189.22	50.07	4,005.75	104,149.50	52.58	4,206.03	109,356.78	55.20	4,416.32	114,824.32	57.96	4,637.14	120,565.64
FF/Paramedic Trainee - 40	10	4504	107	64.74	5,179.00	134,654.06	64.74	5,179.00	134,654.06	64.74	5,179.00	134,654.06	64.74	5,179.00	134,654.06	64.74	5,179.00	134,654.06
FF/Paramedic Trainee - 56	10	4514	155	46.24	5,179.00	134,654.06	46.24	5,179.00	134,654.06	46.24	5,179.00	134,654.06	46.24	5,179.00	134,654.06	46.24	5,179.00	134,654.06
Finance Director	60	1103	627	91.24	7,298.86	189,770.36	-	-	-	-	-	-	-	-	-	127.72	10,217.58	265,657.08
Finance Manager	60	1116	647	64.39	5,151.22	133,931.72	-	-	-	-	-	-	-	-	-	90.15	7,211.73	187,504.98
Financial Analyst I	80	2125	844	42.44	3,394.83	88,265.58	-	-	-	-	-	-	-	-	-	55.86	4,468.60	116,183.60
Financial Analyst II	80	2126	845	46.87	3,749.30	97,481.80	-	-	-	-	-	-	-	-	-	61.69	4,935.22	128,315.72
Fire Battalion Chief	10	2508	153	64.94	7,273.65	189,114.79	-	-	-	-	-	-	-	-	-	90.92	10,183.11	264,760.81
Fire Battalion Chief - 40	10	2509	154	90.92	7,273.65	189,114.79	-	-	-	-	-	-	-	-	-	127.29	10,183.11	264,760.81
Fire Captain	10	2504	100	56.84	6,365.69	165,508.05	59.68	6,683.98	173,783.38	62.66	7,018.19	182,472.95	65.80	7,369.11	191,596.79	69.09	7,737.57	201,176.79
Fire Captain - 40	10	2507	108	79.57	6,365.69	165,508.05	83.55	6,683.98	173,783.38	87.73	7,018.19	182,472.95	92.11	7,369.11	191,596.79	96.72	7,737.57	201,176.79
Fire Chief	60	1502	630	134.44	10,755.04	279,630.92	-	-	-	-	-	-	-	-	-	188.21	15,057.09	391,484.31
Fire Engineer/EMT	10	4501	102	50.12	5,613.28	145,945.16	52.62	5,893.95	153,242.71	55.26	6,188.64	160,904.76	58.02	6,498.09	168,950.25	60.92	6,822.99	177,397.81
Fire Engineer/EMT - 40	10	4515	156	70.17	5,613.28	145,945.16	73.67	5,893.95	153,242.71	77.36	6,188.64	160,904.76	81.23	6,498.09	168,950.25	85.29	6,822.99	177,397.81
Fire Engineer/Paramedic	10	4505	151	56.13	6,286.88	163,458.96	58.94	6,601.23	171,632.07	61.89	6,931.30	180,213.76	64.98	7,277.88	189,224.84	68.23	7,641.77	198,686.13
Fire Prevention Inspector	10	3501	106	80.35	6,427.78	167,122.34	84.36	6,749.18	175,478.78	88.58	7,086.65	184,252.99	93.01	7,440.98	193,465.52	97.66	7,813.04	203,139.08
Fire Protection Engineer	10	3507	110	80.35	6,427.78	167,122.34	84.36	6,749.18	175,478.78	88.58	7,086.65	184,252.99	93.01	7,440.98	193,465.52	97.66	7,813.04	203,139.08
Firefighter/EMT	10	4502	103	47.79	5,352.99	139,177.85	50.18	5,620.66	146,137.14	52.69	5,901.69	153,443.89	55.33	6,196.79	161,116.49	58.09	6,506.62	169,172.24
Firefighter/EMT - 40	10	4516	157	66.91	5,352.99	139,177.85	70.26	5,620.66	146,137.14	73.77	5,901.69	153,443.89	77.46	6,196.79	161,116.49	81.33	6,506.62	169,172.24
Firefighter/EMT Trainee - 40	10	4509	109	57.80	4,624.11	120,226.87	57.80	4,624.11	120,226.87	57.80	4,624.11	120,226.87	57.80	4,624.11	120,226.87	57.80	4,624.11	120,226.87
Firefighter/Paramedic	10	4503	104	53.53	5,995.35	155,879.11	56.21	6,295.13	163,673.39	59.02	6,609.89	171,857.05	61.97	6,940.39	180,450.09	65.07	7,287.42	189,472.80
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	41.52	3,321.69	86,363.94	43.60	3,488.16	90,692.16	45.78	3,662.30	95,219.80	48.06	3,845.18	99,974.68	50.47	4,037.94	104,986.44
Fleet Maint Worker II - 40	20	8616	231	45.67	3,653.53	94,991.78	47.96	3,836.42	99,746.92	50.35	4,028.06	104,729.56	52.87	4,229.59	109,969.34	55.51	4,440.97	115,465.22
Fleet Maint Worker III -40	20	8617	232	52.53	4,202.20	109,257.20	55.16	4,412.50	114,725.00	57.91	4,632.63	120,448.38	60.80	4,863.69	126,455.94	63.85	5,107.91	132,805.66
Fleet Maintenance Worker I	20	7207	213	41.52	3,114.09	80,966.34	43.60	3,269.77	85,014.02	45.78	3,433.28	89,265.28	48.07	3,604.88	93,726.88	50.47	3,785.15	98,413.90
Fleet Maintenance Worker II	20	7208	214	45.67	3,425.51	89,063.26	47.96	3,596.75	93,515.50	50.35	3,776.62	98,192.12	52.87	3,965.47	103,102.22	55.52	4,163.66	108,255.16
Fleet Maintenance Worker III	20	7209	215	52.52	3,939.30	102,421.80	55.15	4,136.24	107,542.24	57.91	4,343.03	112,918.78	60.80	4,560.16	118,564.16	63.84	4,788.25	124,494.50
GIS Technician	50	2212	552	57.82	4,625.32	120,258.32	60.71	4,856.57	126,270.82	63.74	5,099.43	132,585.18	66.93	5,354.37	139,213.62	70.28	5,622.16	146,176.16
Hazardous Materials Inspector	10	3502	105	80.35	6,427.78	167,122.34	84.36	6,749.18	175,478.78	88.58	7,086.65	184,252.99	93.01	7,440.98	193,465.52	97.66	7,813.04	203,139.08
Housing Official	60	1120	673	75.17	6,013.41	156,348.66	-	-	-	-	-	-	-	-	-	105.24	8,418.97	218,893.22
Human Resources Analyst I	80	2124	843	45.45	3,635.80	94,530.80	-	-	-	-	-	-	-	-	-	59.83	4,786.31	124,444.06
Human Resources Analyst II	80	2123	842	50.19	4,015.32	104,398.32	-	-	-	-	-	-	-	-	-	66.06	5,285.08	137,412.08
Human Resources Assistant	80	2108	846	32.37	2,589.95	67,338.70	33.99	2,719.35	70,703.10	35.69	2,855.32	74,238.32	37.48	2,998.11	77,950.86	39.35	3,147.98	81,847.48
Human Resources Director	60	1105	613	90.72	7,257.79	188,702.54	-	-	-	-	-	-	-	-	-	127.01	10,160.94	264,184.44
Human Resources Manager	60	1209	677	69.24	5,538.86	144,010.36	-	-	-	-	-	-	-	-	-	96.93	7,754.39	201,614.14
Human Resources Technician	80	2107	816	39.27	3,141.29	81,673.54	41.24	3,299.03	85,774.78	43.29	3,463.25	90,044.50	45.46	3,637.08	94,564.08	47.73	3,818.46	99,279.96
I T Director	60	2113	624	89.53	7,162.32	186,220.32	-	-	-	-	-	-	-	-	-	125.34	10,027.23	260,707.98
I T Manager	80	2116	819	68.42	5,473.52	142,311.52	-	-	-	-	-	-	-	-	-	90.06	7,205.16	187,334.16
I T Technician	50	3101	542	46.00	3,680.08	95,682.08	48.30	3,864.07	100,465.82	50.72	4,057.22	105,487.72	53.25	4,260.09	110,762.34	55.91	4,473.12	116,301.12
Information Technology Analyst	80	2118	831	57.56	4,604.42	119,714.92	-	-	-	-	-	-	-	-	-	75.76	6,060.77	157,580.02
Junior Engineer	50	2203	519	52.56	4,204.80	109,324.80	55.19	4,415.05	114,791.30	57.95	4,635.81	120,531.06	60.84	4,867.59	126,557.34	63.89	5,110.98	132,885.48
Junior Planner	50	2804	520	47.59	3,807.00	98,982.00	49.97	3,997.38	103,931.88	52.47	4,197.22	109,127.72	55.09	4,407.14	114,585.64	57.84	4,627.45	120,313.70
Legal Assistant	60	1124	689	42.53	3,402.58	88,467.08	44.66	3,572.71	92,890.46	46.89	3,751.36	97,535.36	49.24	3,938.91	102,411.66	51.70	4,135.84	107,531.84
Lifeguard	70	5610	710	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	25.77	2,061.60	53,601.60
Maint Worker III - 40	20	8619	234	44.72	3,577.96	93,026.96	46.96	3,757.13	97,685.38	49.31	3,944.87	102,566.62	51.78	4,142.28	107,699.28	54.37	4,349.34	113,082.84
Maintenance Assistant	20	8625	238	27.27	2,181.76	56,725.76	28.56	2,285.14	59,413.64	29.90	2,392.08	62,194.08	31.32	2,505.27	65,137.02	32.79	2,622.92	68,195.92
Maintenance Custodian I	20	8101	203	31.86	2,389.34	62,122.84	33.45	2,508.81	65,229.06	35.12	2,634.28	68,491.28	36.88	2,765.99	71,915.74	38.72	2,904.29	75,511.54
Maintenance Custodian I - 40	20	8107	222	31.86	2,548.65	66,264.90	33.45	2,676.05	69,577.30	35.12	2,809.87	73,056.62	36.88	2,950.38	76,709.88	38.72	3,097.88	80,544.88
Maintenance Custodian II	20	8102	204	35.04	2,628.34	68,336.84	36.80	2,759.72	71,752.72	38.64	2,897.73	75,340.98	40.57	3,042.53	79,105.78	42.60	3,194.70	83,062.20
Maintenance Custodian II - 40	20	8108	223	35.04	2,803.56	72,892.56	36.80	2,943.67	76,535.42	38.64	3,090.90	80,363.40	40.57	3,245.39	84,380.14	42.60	3,407.71	88,600.46
Maintenance Custodian III	20	8103	205	40.30	3,022.52	78,585.52	42.32	3,173.64	82,514.64	44.43	3,332.32	86,640.32	46.65	3,498.95	90,972.70	48.99	3,673.94	95,522.44
Maintenance Custodian III - 40	20	8618	233	40.30	3,224.24	83,830.24	42.32	3,385.21	88,015.46	44.44	3,554.96	92,428.96	46.65	3,732.37	97,041.62	48.98	3,918.55	101,882.30
Maintenance Supervisor	80	6124	858	68.52	5,481.84	142,527.84	-	-	-	-	-	-	-	-	-	83.30	6,663.72	173,256.72
Maintenance Worker I	20	8202	206	35.04	2,628.34	68,336.84	36.80	2,759.72	71,752.72	38.64	2,897.73	75,340.98	40.57	3,042.61	79,107.86	42.60	3,194.70	83,062.20
Maintenance Worker I-40	20	8203	207	35.36	2,829.11	73,556.86	37.12	2,969.65	77,210.90	38.98	3,118.79	81,088.54	40.93	3,274.35	85,133.10	42.98	3,438.50	89,401.00
Maintenance Worker II	20	8204	208	38.55	2,891.14	75,169.64	40.48	3,035.68	78,927.68	42.50	3,187.43	82,873.18	44.62	3,346.83	87,017.58	46.86	3,514.17	91,368.42
Maintenance Worker II-40	20	8205	209	38.89	3,111.27	80,893.02	40.84	3,266.84	84,937.84	42.89	3,430.99	89,205.74	45.02	3,601.56	93,640.56	47.27	3,781.80	98,326.80
Maintenance Worker III	20	8206	210	44.33	3,324.76	86,443.76	46.55	3,491.01	90,766.26	48.87	3,665.56	95,304.56	51.32	3,848.84	100,069.84	53.88	4,041.31	105,074.06
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	60.25	4,820.32	125,328.32	-	-	-	-	-	-	-	-	-	84.37	6,749.94	175,498.44

CITY OF MILPITAS - HUMAN RESOURCES

All Job Classifications/Salary Table Projection - IAFF 4% / Min Wage Adj

				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
Marketing Coordinator	50	5614	548	44.67	3,573.53	92,911.78	46.90	3,752.20	97,557.20	49.25	3,939.80	102,434.80	51.71	4,136.79	107,556.54	54.30	4,343.64	112,934.64
Mayor	60	1118	696	26.09	521.88	13,568.88	-	-	-	-	-	-	-	-	-	26.09	521.88	13,568.88
Office Assistant I	50	6108	516	30.22	2,417.61	62,857.86	31.73	2,538.47	66,000.22	33.32	2,665.41	69,300.66	34.98	2,798.64	72,764.64	36.73	2,938.58	76,403.08
Office Assistant II	50	6109	517	33.24	2,659.24	69,140.24	34.90	2,792.16	72,596.16	36.65	2,931.85	76,228.10	38.48	3,078.43	80,039.18	40.40	3,232.29	84,039.54
Office Specialist	50	6110	518	38.23	3,058.11	79,510.86	40.14	3,211.07	83,487.82	42.15	3,371.65	87,662.90	44.25	3,540.27	92,047.02	46.47	3,717.21	96,647.46
PW Division Mgr. - Eng.	60	1127	692	81.20	6,495.60	168,885.60	-	-	-	-	-	-	-	-	-	101.49	8,119.50	211,107.00
PW Division Mgr. - Opr.	60	1126	691	81.20	6,495.60	168,885.60	-	-	-	-	-	-	-	-	-	101.49	8,119.50	211,107.00
PW Division Mgr. - Utl.	60	1128	693	81.20	6,495.60	168,885.60	-	-	-	-	-	-	-	-	-	101.49	8,119.50	211,107.00
Patrol Officer	40	4401	404	60.79	4,862.99	126,437.74	63.83	5,106.14	132,759.64	67.02	5,361.41	139,396.66	70.37	5,629.49	146,366.74	73.89	5,910.93	153,684.18
Patrol Officer Trainee	40	4402	458	59.48	4,758.55	123,722.30	62.45	4,996.39	129,906.14	65.58	5,246.27	136,403.02	68.86	5,508.55	143,222.30	72.30	5,783.92	150,381.92
Payroll Specialist	80	6125	859	41.62	3,329.56	86,568.56	43.70	3,496.05	90,897.30	45.89	3,670.83	95,441.58	48.18	3,854.40	100,214.40	50.59	4,047.05	105,223.30
Plan Check Engineer	50	3807	521	68.04	5,443.28	141,525.28	71.44	5,714.87	148,586.62	75.01	6,001.02	156,026.52	78.76	6,300.57	163,814.82	82.75	6,619.74	172,113.24
Plan Checker	50	3803	522	58.02	4,641.57	120,680.82	60.92	4,873.60	126,713.60	63.97	5,117.69	133,059.94	67.16	5,372.82	139,693.32	70.53	5,642.22	146,697.72
Plan Review Manager	60	1210	678	75.47	6,037.85	156,984.10	-	-	-	-	-	-	-	-	-	98.16	7,852.79	204,172.54
Planning Commissioners	70	1108	698	1.00	20.00	520.00	-	-	-	-	-	-	-	-	-	1.00	20.00	520.00
Planning Director	60	1803	607	90.84	7,267.30	188,949.80	-	-	-	-	-	-	-	-	-	127.18	10,174.23	264,529.98
Planning Manager	60	2803	602	69.24	5,538.86	144,010.36	-	-	-	-	-	-	-	-	-	96.93	7,754.39	201,614.14
Planning Technician	50	2813	554	42.33	3,386.76	88,055.76	44.46	3,556.47	92,468.22	46.69	3,734.89	97,107.14	49.01	3,920.93	101,944.18	51.46	4,116.78	107,036.28
Police Assistant	40	6401	450	56.12	4,489.30	116,721.80	58.92	4,713.70	122,556.20	61.87	4,949.38	128,683.88	64.96	5,196.89	135,119.14	68.21	5,456.73	141,874.98
Police Captain	60	1401	651	115.69	9,254.80	240,624.80	-	-	-	-	-	-	-	-	-	161.96	12,956.67	336,873.42
Police Clerk I	40	6402	451	40.22	3,217.86	83,664.36	42.23	3,378.79	87,848.54	44.35	3,547.70	92,240.20	46.56	3,725.10	96,852.60	48.89	3,911.27	101,693.02
Police Clerk II	40	6403	452	44.24	3,539.58	92,029.08	46.46	3,716.66	96,633.16	48.78	3,902.47	101,464.22	51.22	4,097.63	106,538.38	53.78	4,302.42	111,862.92
Police Clerk Supervisor	40	6404	454	51.10	4,088.31	106,296.06	53.66	4,292.76	111,611.76	56.34	4,507.34	117,190.84	59.16	4,732.74	123,051.24	62.12	4,969.35	129,203.10
Police Evidence Technician	40	8607	459	46.92	3,753.81	97,599.06	49.27	3,941.48	102,478.48	51.73	4,138.58	107,603.08	54.32	4,345.54	112,984.04	57.04	4,562.80	118,632.80
Police Lieutenant	40	2402	400	93.24	7,459.11	193,936.86	97.90	7,832.07	203,633.82	102.80	8,223.71	213,816.46	107.94	8,634.91	224,507.66	113.33	9,066.64	235,732.64
Police Officer	40	4403	403	66.47	5,317.72	138,260.72	69.80	5,583.69	145,175.94	73.29	5,862.85	152,434.10	76.95	6,155.94	160,054.44	80.80	6,463.81	168,059.06
Police Officer Trainee	40	4404	457	65.04	5,203.52	135,291.52	68.30	5,463.74	142,057.24	71.71	5,736.98	149,161.48	75.30	6,023.77	156,618.02	79.06	6,324.98	164,449.48
Police Sergeant	40	4405	401	80.30	6,423.96	167,022.96	84.31	6,745.16	175,374.16	88.53	7,082.41	184,142.66	92.96	7,436.63	193,352.38	97.61	7,808.46	203,019.96
Police Support Services Mgr	60	1404	657	67.15	5,371.73	139,664.98	-	-	-	-	-	-	-	-	-	94.01	7,520.76	195,539.76
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	71.91	5,752.43	149,563.18	-	-	-	-	-	-	-	-	-	93.52	7,481.55	194,520.30
Principal Planner	80	2811	823	74.14	5,930.89	154,203.14	-	-	-	-	-	-	-	-	-	89.79	7,183.23	186,763.98
Program Coordinator	50	5606	523	41.66	3,332.62	86,648.12	-	-	-	-	-	-	-	-	-	54.83	4,386.73	114,054.98
Public Information Officer	60	1122	674	66.64	5,331.16	138,610.16	-	-	-	-	-	-	-	-	-	93.30	7,463.65	194,054.90
Public Services Assistant I	50	6601	524	34.75	2,780.15	72,283.90	36.49	2,919.18	75,898.68	38.31	3,065.18	79,694.68	40.23	3,218.42	83,678.92	42.24	3,379.33	87,862.58
Public Services Assistant II	50	6602	525	38.23	3,058.15	79,511.90	40.14	3,211.11	83,488.86	42.15	3,371.64	87,662.64	44.25	3,540.29	92,047.54	46.47	3,717.21	96,647.46
Public Works Director	60	1204	635	93.41	7,472.66	194,289.16	-	-	-	-	-	-	-	-	-	130.77	10,461.76	272,005.76
Public Works Inspector	50	3202	526	56.11	4,488.96	116,712.96	58.92	4,713.46	122,549.96	61.86	4,949.08	128,676.08	64.96	5,196.56	135,110.56	68.20	5,456.35	141,865.10
Public Works Manager	60	1117	648	62.17	4,973.59	129,313.34	-	-	-	-	-	-	-	-	-	87.04	6,963.03	181,038.78
Purchasing Agent	80	1106	826	59.36	4,748.93	123,472.18	-	-	-	-	-	-	-	-	-	76.56	6,124.80	159,244.80
Recreation Administrative Asst	70	5619	712	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	25.77	2,061.60	53,601.60
Recreation Attendant	70	5618	711	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	25.77	2,061.60	53,601.60
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	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	25.77	2,061.60	53,601.60
Recreation Services Supervisor	80	2601	827	56.71	4,536.45	117,947.70	-	-	-	-	-	-	-	-	-	74.63	5,970.57	155,234.82
Recreation Svcs Assistant I	50	8601	527	19.64	1,571.46	40,857.96	20.63	1,650.01	42,900.26	21.66	1,732.57	45,046.82	22.74	1,819.16	47,298.16	23.88	1,910.16	49,664.16
Recreation Svcs Assistant II	50	8602	528	23.32	1,865.82	48,511.32	24.49	1,959.32	50,942.32	25.72	2,057.24	53,488.24	27.00	2,160.15	56,163.90	28.35	2,268.10	58,970.60
Recreation Svcs Assistant III	50	8603	529	26.81	2,144.74	55,763.24	28.15	2,251.92	58,549.92	29.56	2,364.52	61,477.52	31.03	2,482.73	64,550.98	32.59	2,606.92	67,779.92
Recreation Svcs Assistant IV	50	8604	530	31.45	2,516.34	65,424.84	33.03	2,642.15	68,695.90	34.68	2,774.24	72,130.24	36.41	2,912.97	75,737.22	38.23	3,058.61	79,523.86
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	46.87	3,749.30	97,481.80	-	-	-	-	-	-	-	-	-	61.69	4,935.22	128,315.72
SCADA Technician	20	8627	240	50.39	4,031.01	104,806.26	53.04	4,243.18	110,322.68	55.83	4,466.51	116,129.26	58.77	4,701.58	122,241.08	61.86	4,949.04	128,675.04
Senior Accountant	80	2110	829	52.76	4,220.40	109,730.40	-	-	-	-	-	-	-	-	-	69.44	5,554.97	144,429.22
Senior Accounting Technician	50	6106	539	42.05	3,363.97	87,463.22	44.15	3,532.20	91,837.20	46.36	3,708.80	96,428.80	48.68	3,894.28	101,251.28	51.11	4,088.95	106,312.70
Senior Administrative Analyst	80	2112	834	58.27	4,661.58	121,201.08	-	-	-	-	-	-	-	-	-	76.70	6,136.28	159,543.28
Senior Building Inspector	50	3804	531	64.81	5,184.71	134,802.46	68.05	5,444.02	141,544.52	71.45	5,716.18	148,620.68	75.02	6,001.95	156,050.70	78.78	6,302.08	163,854.08
Senior Buyer	80	2129	856	56.00	4,479.68	116,471.68	-	-	-	-	-	-	-	-	-	68.17	5,453.86	141,800.36
Senior Executive Assistant	80	6123	855	50.19	4,015.32	104,398.32	-	-	-	-	-	-	-	-	-	66.06	5,285.08	137,412.08
Senior HR Analyst	80	2122	841	54.41	4,352.42	113,162.92	-	-	-	-	-	-	-	-	-	71.61	5,729.08	148,956.08
Senior Plan Check Engineer	50	3806	534	74.85	5,987.61	155,677.86	78.59	6,287.15	163,465.90	82.52	6,601.23	171,631.98	86.64	6,930.95	180,204.70	90.97	7,277.42	189,212.92
Senior Planner	80	2805	830	67.96	5,437.08	141,364.08	-	-	-	-	-	-	-	-	-	82.61	6,608.98	171,833.48
Senior Public Works Inspector	50	3203	535	64.81	5,184.75	134,803.50	68.05	5,444.02	141,544.52	71.45	5,716.19	148,620.94	75.02	6,001.95	156,050.70	78.78	6,302.08	163,854.08
Senior Public Works Lead	20	8609	225	59.29	4,743.18	123,322.68	62.25	4,980.34	129,488.84	65.37	5,229.36	135,963.36	68.64	5,490.81	142,761.06	72.07	5,765.51	149,903.26

CITY OF MILPITAS - HUMAN RESOURCES

All Job Classifications/Salary Table Projection - IAFF 4% / Min Wage Adj

				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
Senior SCADA Technician	20	8628	241	55.43	4,434.12	115,287.12	58.34	4,667.50	121,355.00	61.41	4,913.15	127,741.90	64.65	5,171.74	134,465.24	68.05	5,443.94	141,542.44
Special Project Associate	70	5105	750	20.00	1,600.00	41,600.00	-	-	-	-	-	-	-	-	-	50.00	4,000.00	104,000.00
Special Project Associate	70	8605	750	20.00	1,600.00	41,600.00	-	-	-	-	-	-	-	-	-	50.00	4,000.00	104,000.00
Sr Code Enforcement Officer	50	5806	545	57.58	4,606.19	119,760.94	60.44	4,835.59	125,725.34	63.48	5,078.03	132,028.78	66.65	5,332.31	138,640.06	69.98	5,598.37	145,557.62
Sr. City Manager Analyst	60	1125	694	66.85	5,348.08	139,050.08	-	-	-	-	-	-	-	-	-	86.66	6,932.69	180,249.94
Sr. Public Services Assistant	50	5615	549	42.64	3,411.17	88,690.42	44.77	3,581.73	93,124.98	47.01	3,760.81	97,781.06	49.36	3,948.86	102,670.36	51.83	4,146.30	107,803.80
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	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	28.57	2,285.60	59,425.60
Student Intern	70	5103	740	18.50	1,480.00	38,480.00	-	-	-	-	-	-	-	-	-	30.00	2,400.00	62,400.00
Water Meter Technician I	20	8104	216	35.04	2,628.23	68,333.98	36.80	2,759.72	71,752.72	38.64	2,897.71	75,340.46	40.57	3,042.53	79,105.78	42.60	3,194.69	83,061.94
Water Meter Technician I -40	20	8620	235	35.05	2,803.66	72,895.16	36.80	2,943.85	76,540.10	38.63	3,090.61	80,355.86	40.56	3,245.02	84,370.52	42.60	3,408.22	88,613.72
Water Meter Technician II	20	8105	217	38.55	2,891.14	75,169.64	40.48	3,035.66	78,927.16	42.50	3,187.41	82,872.66	44.62	3,346.80	87,016.80	46.86	3,514.17	91,368.42
Water Meter Technician II -40	20	8621	236	38.55	3,084.02	80,184.52	40.48	3,238.46	84,199.96	42.49	3,399.45	88,385.70	44.63	3,570.30	92,827.80	46.86	3,748.82	97,469.32
Water Systems Operator	20	7211	219	53.57	4,018.07	104,469.82	56.25	4,218.55	109,682.30	59.07	4,429.89	115,177.14	62.02	4,651.39	120,936.14	65.12	4,883.97	126,983.22
Water Systems Operator - 40	20	8622	237	53.88	4,310.74	112,079.24	56.59	4,526.81	117,697.06	59.42	4,753.59	123,593.34	62.39	4,991.05	129,767.30	65.52	5,241.35	136,275.10

The City pays employees on a bi-weekly basis (every two weeks). Please note that annual amounts are generated using a formula and may not reflect exact totals due to rounding.

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 | PUBLIC HEARING

FY 2026-27 PROPOSED OPERATING BUDGET

Five-Year Forecast | Budget Adoption | Recommendations

Tuesday, June 2, 2026

Luz Cofresí-Howe, Finance Director
Alice Vurich, Budget Manager

Agenda

1. Budget Process & Calendar
2. Economic Outlook
3. Five-Year General Fund Financial Forecast
4. General Fund Forecast Refinements Since March 3
5. Narrowing the Structural Gap
6. FY 2026-27 Proposed Budget Overview
7. Budget Proposals — Net $0 General Fund Impact
8. Reserves & Section 115 Pension Trust
9. Capital Improvement Program
10. One-Time Funded Projects & Items for Consideration
11. Recommendations

Budget Process & Calendar

Six months of community engagement, City Council direction, and disciplined City staff work

Dec 2025	**Statistically Valid Community Survey** *Established community priorities*	✓ Complete
Feb 24, 2026	**FY 2027-2031 CIP Study Session** *Capital program direction*	✓ Complete
Mar 3, 2026	**Preliminary General Fund Forecast Study Session** *$2.1M projected FY 2026-27 surplus*	✓ Complete
Apr 21, 2026	**User & Regulatory Fee 5-Year Update** *First public hearing*	✓ Complete
May 5, 2026	**FY 2027-2031 CIP Adoption** *$33.8M FY 2026-27 (Year One) adopted*	✓ Complete
May 2026	**Community & Employee Town Halls** *Webinars, presentations*	✓ Complete
Jun 2, 2026	**Operating Budget + Specific Fees Adoption** *Tonight's public hearing (subset of User & Regulatory Fees advancing)*	▶ Tonight

Economic Outlook

Indicators informing FY 2026-27 revenue assumptions

MILPITAS UNEMPLOYMENT

3.7%

March 2026; below CA (5.2%) and US (4.3%)

U.S. CPI INFLATION

2.4%

March 2026; Fed target 2.0%

BAY AREA CPI

+3.8%

April to April, Year-over-year; above national

MEDIAN HOME PRICE

$1.585M

Milpitas, March 2026

STATEWIDE SALES TAX

+2.6%

HdL FY 2026-27 outlook

SECTION 115 TRUST

$44.6M

April 2026; from $33.9M inception in 2021

KEY UNCERTAINTIES BEING MONITORED

- Federal tariff policy & consumer impact
- ERAF litigation (18% contingency held)
- Silicon Valley tech sector layoffs
- CA $18B structural deficit (state-level)
- TOT recovery vs. pre-pandemic levels
- Commercial real estate vacancy trends

Five-Year General Fund Financial Forecast

Table 1 | FY 2027–2031, with FY 2026-27 Proposed Budget

$ in millions	FY 2025-26 Adopted, Amended	FY 2026-27 Proposed	FY 2027-28 Forecast	FY 2028-29 Forecast	*FY 2029-30 Forecast*	*FY 2030-31 Forecast*
Revenues & Other Sources	$145.5	$149.9	$154.0	$158.4	*$163.0*	*$168.2*
Use of Reserves	5.4	2.7	—	—	—	—
Expenditures	(150.9)	(152.1)	(156.9)	(162.9)	*(169.1)*	*(175.5)*
Reduce CMO Unanticipated Expenditures	—	0.8	—	—	—	—
Annual Surplus/(Deficit)	**$0.0**	**$1.3**	**($2.9)**	**($4.5)**	***($6.1)***	***($7.3)***
Structural Surplus/(Deficit)	**—**	**$1.3**	**($1.6)**	**($6.2)**	***($12.3)***	***($19.6)***

FY 2026-27 STRUCTURAL POSITION

$1.3M Surplus

Reflects updated revenue and expenditure data

FOUR-YEAR REDUCTION

62.2%

From $16.4M (FY 2025-26 Feb 2025 forecast) to $6.2M by FY 2028-29

FY 2030-31 OUTER-YEAR

($19.6M)

Cumulative structural; basis for continuing fiscal strategy

General Fund Forecast Refinements Since March 3

Budget development best practice — updated with the most current data available

FY 2025-26 AMENDED

Adopted Mid-Year Budget

$150.9M

Grants accepted + labor agreements Council previously approved

+ $1.2M (0.8%) →

FY 2026-27 PROPOSED

Tonight

$152.1M

+$1.2M (0.8%) from mid-year baseline

Consistent with budget development best practice, this Proposed Budget reflects a Forecast as updated with the most current revenue and expenditure data available since March 3, 2026 Preliminary General Fund Forecast

FY 2026-27 STRUCTURAL SURPLUS | +$1.3M to date

Revenue Refinements

+$3.5M

Favorable

Property tax and reimbursable income updates per most current data; Santa Clara County reassessments incorporated.

Proposals – Service Levels & Equipment

+$2.5M

City Council-considered

11 proposals across three CSAs (Public Works, Recreation, IT, Police, Fire, City Manager, City Attorney, Finance) — net $0 General Fund impact.

CalPERS Actuarial Update

+$1.5M

Methodological

Reflects most recent CalPERS valuation per Foster & Foster. Rates apply to existing positions — no staffing change.

CMO Reduction & Other

−$0.8M

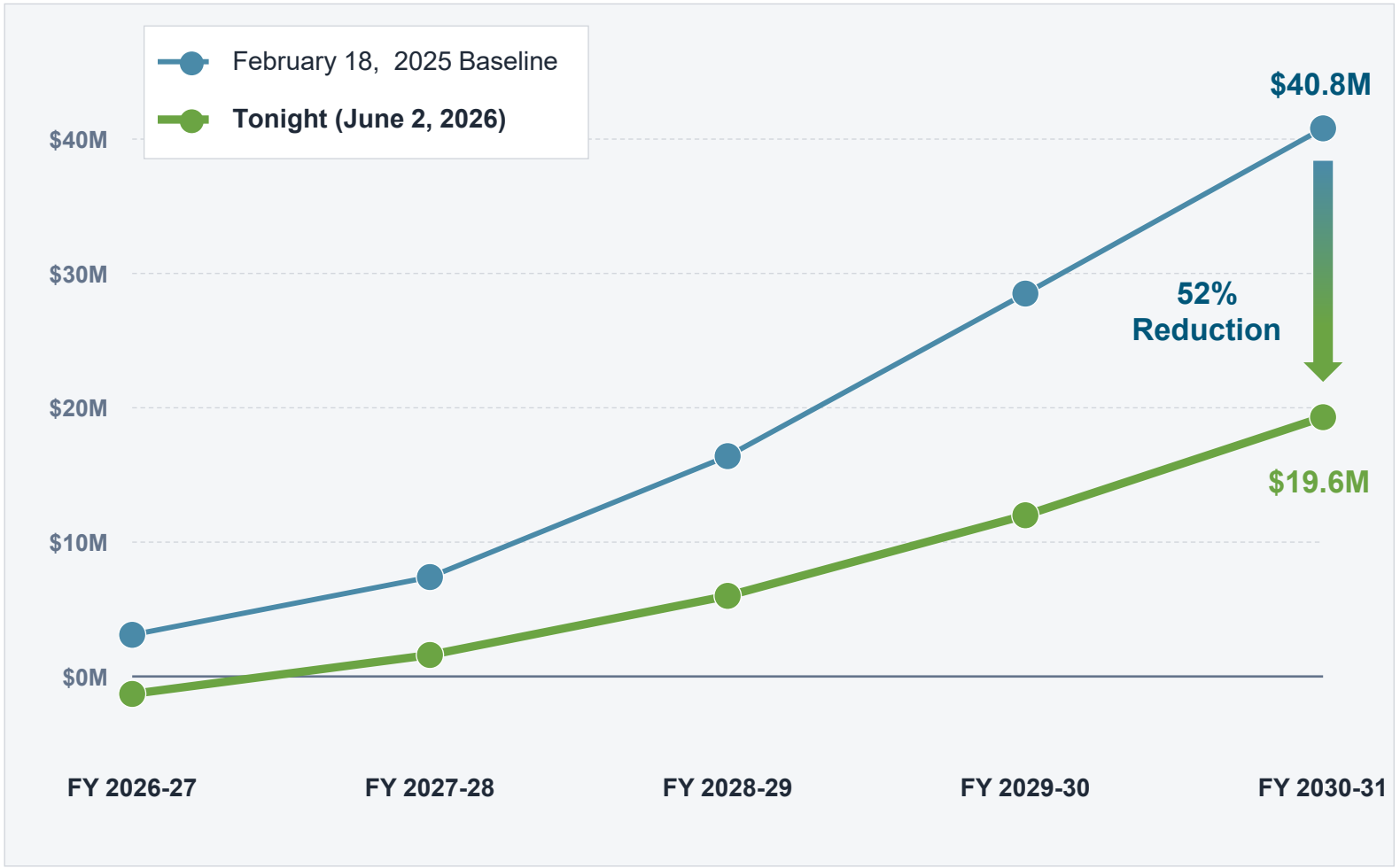
Favorable offset

Reduction in City Manager Unanticipated Expenditures fund applied to FY 2026-27, reflecting City Council-approved support of IAFF contract.

Refinements continue the fiscal strategy the City Council has been advancing, and City Staff have been implementing since February 2025.

Narrowing the Structural Gap

Where we started | February 2025 baseline vs. tonight's Proposed Budget



FORECAST ITERATIONS

February 18, 2025 Forecast

$40.8M baseline deficit at FY 2030-31

June 2, 2026 Forecast

52% reduction from baseline ($19.6M)

FY 2026-27 Proposed Budget Overview

Total budget of $292.2 million across all funds; General Fund balanced

TOTAL BUDGET

$292.2M

All Funds, +8.8% vs FY 2025-26 Adopted

GENERAL FUND

$152.1M

Balanced with $2.7M Council-approved reserves

CIP (ADOPTED MAY 5)

$33.8M

First year of FY 2027-2031 program

FUNDED FTES

451

Service levels maintained

$292.2 MILLION — BUDGET BY FUND CATEGORY

GENERAL FUND

$152.1M

52% of total

WATER & SEWER FUNDS

$72.9M

25% of total

CAPITAL PROJECTS (CIP)

$33.8M

12% of total

OTHER OPERATING FUNDS

$31.1M

10% of total

EQUIPMENT MAINTENANCE

$2.3M

1% of total

FY 2026-27 Proposed Budget Overview

Total budget of $292.2 million; spending by Council Priority Area (per $100)

TOTAL BUDGET

$292.2M

All Funds, +8.8% vs FY 2025-26 Adopted

GENERAL FUND

$152.1M

Balanced with $2.7M Council-approved reserves

CIP (ADOPTED MAY 5)

$33.8M

First year of FY 2027-2031 program

FUNDED FTES

451

Service levels maintained

GENERAL FUND ALLOCATION • BY COUNCIL PRIORITY AREA (PER $100)



Public Safety **$39.58**



Neighborhoods & Housing **$22.69**



Community Wellness & Open Space **$18.42**



Economic Development & Job Growth **$9.38**



Environment **$6.48**



Transportation & Transit **$3.45**



Governance and Administration Supports all Council Priority Areas

FY 2026-27 Budget Proposals

11 proposals — 9 recurring, 2 one-time — net $0 General Fund impact

NET GENERAL FUND IMPACT

$0

94% FUNDED OUTSIDE THE GENERAL FUND

$2,254,707

Equipment Maintenance Fund	**$2,284,476**
Water & Sewer M&O Funds	**$38,421**
Less: Other fund adjustments	**($68,190)**
Net total	**$2,254,707**

GENERAL FUND — DOLLAR-FOR-DOLLAR OFFSET

$131,369

+$131,369 new General Fund spending

−$131,369 matched revenue / cost offsets

= $0 net General Fund impact

Every General Fund proposal is matched by an offsetting revenue or savings line item.

Investments outside the General Fund are funded by enterprise and operating funds — sources designated for these purposes.

General Fund Proposals — Dollar-for-Dollar Offset

Each new General Fund expenditure is matched by an offsetting revenue or cost reduction

Proposal	Department
After the Bell & Summer Camp	Recreation
Reduce Grant Consulting	City Manager
Facility Rental Staffing	Recreation
Injury Navigation (Ready Rebound)	Police & Fire
Law Clerk Internship	City Attorney
Technology Systems Investment	Information Technology
Asset Manager Staffing Realignment	Public Works
Purchasing Agent Reclassification	Finance

These proposals are included in the FY 2026-27 Proposed Operating Budget being presented.

THE EQUATION

$131,369

new General Fund expenditures

less

$131,369

matching offset revenue or cost reductions

=

$0

net General Fund impact

Investments Outside the General Fund

$2.25M funded by Equipment Maintenance, Water M&O, and Sewer M&O Funds

ONE-TIME

Public Works Fleet Replacement

Public Works

$2,003,060

FUND

Equipment Maintenance Fund

Replacement of 11 vehicles to maintain a safe, reliable, compliant fleet; required by age, maintenance cost, and new regulations.

ONE-TIME

Police Vehicle Replacement

Police Department

$281,416

FUND

Equipment Maintenance Fund

Replacement of four vehicles at/beyond mileage and retention thresholds. Maintains operational readiness and safety.

RECURRING

Utility Engineering Reclassification

Public Works

$38,421

FUND

Water + Sewer M&O Funds

Reclassifies Engineering Aide to Assistant Engineer to deliver water, sewer, and stormwater master plan projects.

Subtotal $2,322,897 − Other fund adjustments $68,190 = Net $2,254,707

$0 GENERAL FUND DRAW

Each investment is funded by the restricted enterprise fund where the work occurs

These proposals are included in the FY 2026-27 Proposed Operating Budget being presented.

Reserves & Section 115 Pension Trust

Balance sheet protected; contingency and stabilization reserves untouched

TOTAL RESERVES POSITION audited as of June 30, 2025

$134.1M

General Fund Reserves $89.5M + Section 115 Trust $44.6M

GENERAL FUND — UNASSIGNED COMPONENTS ($66.1M)

Contingency Reserve (16.67%)	$23.4M
Budget Stabilization (16.67%)	$23.4M
Other Unassigned & Designated	$19.3M

GENERAL FUND — OTHER COMPONENTS

Committed (PERS, Turf, Tech, Facilities)	$14.7M
Assigned (Insurance, Contracts, Other)	$7.5M
Nonspendable	$1.2M

SECTION 115 PENSION TRUST

Inception (June 2021): $33.9M **March 2026: $44.6M**



Growth of $10.7M (+31.6%) over five years

KEY DEDICATED RESERVES

PERS Rate Stabilization — $1.9M used
FY 2026-27 use City Council-approved Nov 2024

Future Deficit Reserve — $0.8M used
FY 2026-27 use City Council-approved Nov 2024

ERAF Litigation Contingency — 18%
Set-aside on excess ERAF projections

One-Time Funded Projects & Items for Consideration

One-Time Funds Remaining : $937,169

Already Funded – Continuation Needed

Milpitas Summer College Internship **$60,000/yr**
Ongoing funding needed to continue past Summer 2026.

Ring Doorbell Initiative **$60,000**
Launched in 2026 with current funding; future-year funding needed to continue.

Storefront & Crime Prevention **$100,000**
Launches mid-2026 with current funding; future-year funding needed to continue.

Expand Emergency Motel Stay **$100,000**
Current $100K additional funding expected to last a few years.

Library Improved Security & Maintenance .. **$150,000**
Current security funding runs out in late January 2027; continuation funding needed.

Expansion of Milpitas Youth Force **$80,000**
Funded through Summer 2027; expanded program needed for Summer 2028 and beyond.

Potential One-Time Funding

Expansion of Milpitas Youth Force **$40,000**
Enhanced program currently funded through Summer 2027. Additional $40K (one-time) extends it through Summer 2028.

Ring Doorbell Initiative **$60,000**
Allows purchase of additional cameras beyond those previously funded; quantity scales with allocation.

Care Solace **$80,000/yr**
Staff work effort not fully vetted. Recommend allocating to a reserve, activated after further analysis and a future Council prioritization.

Choir and Band Support ..... **–$3,500/yr**
Annual support for community choir and band programs (lost revenue); amount and structure to be defined.

Milpitas SMART **$1.5M/yr**
Funding ends Spring 2027. Remaining one-time funds could extend service for a defined number of months.

Community Center Roof ..... **$370K–$6M**
1983 facility; roof at end of service life. Roof/HVAC/electrical replacement est. $4.6M; alternates total $6M; full “in-kind” rebuild est. $19M.

Staff Recommendations

Staff recommends the City Council:

Hold the public hearing and, by motion:

16a Adopt the resolution approving the FY 2026-27 Operating Budget in the amount of $292.2 million

16b Approve amendments to the FY 2026-27 Proposed Operating Budget as presented

16c Amend Resolution No. 1626 (Classification Plan) to authorize additional positions and amend allocated positions

16d Amend Resolution No. 1626 to adjust hourly rate ranges for the minimum wage increase pursuant to Ordinance No. 292

16e Amend Resolution No. 1626 to align salary schedules with current Memoranda of Understanding (MOUs)

Thank You

This FY 2026-27 Proposed Budget reflects community input, City Council guidance, and the disciplined work of City staff.

Questions?

City of Milpitas
455 E. Calaveras Blvd., Milpitas, CA 95035
www.milpitas.gov | 408-586-3000

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Conduct a Public Hearing and Adopt a Resolution Adopting the 2025 Urban Water Management Plan (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**
Category:	Public Hearings-Community Services and Sustainable Infrastructure
Meeting Date:	6/9/2026
Recommendation:	Adopt a resolution adopting the 2025 Urban Water Management Plan.

BACKGROUND:

In 1983, the California Legislature enacted the Urban Water Management Planning Act (Act) through Assembly Bill 797. The law requires an urban water supplier to adopt an Urban Water Management Plan (UWMP) every five years, demonstrating water supply reliability in normal, single dry, and multiple dry years. The Act also requires the Department of Water Resources (DWR) to provide a report to the Legislature on the status of water supply planning in California. The requirements for UWMPs are found in California Water Code Sections 10608 and 10610-10656. Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves more than 3,000 urban connections is required to submit an UWMP. These plans support long-term resource planning to ensure adequate water supplies to meet existing and future water demands, to achieve efficient use of available supplies, and to strengthen local drought planning. The City is required to prepare an UWMP as it serves more than 3,000 urban connections. The City Council adopted the current 2020 UWMP on June 15, 2021 – water purveyors must prepare and submit UWMPs by July 1 after each five-year cycle.

Since the Act was passed, it has undergone significant expansion and revision, most notably with the previous UWMP Guidebook in 2020. Prolonged droughts, groundwater overdraft, regulatory revisions, and changing climatic conditions affect not only urban water suppliers' water reliability determinations, but also a broader statewide picture of water reliability as overseen by DWR, the State Water Resources Control Board (SWRCB), and State Legislature. Accordingly, the Act has evolved to address these changing conditions to guide California's water resources management.

There have been minor changes to the Water Code since the 2020 UWMP Guidebook which will have minimal impact on the 2025 UWMP. The following is a summary of the changes since the 2025 UWMP Guidebook:

- Suppliers with Multiple Public Water Systems: More consistent criteria were provided to determine when a supplier with multiple Public Water Systems must submit a UWMP.
- DWR Submittal Tables: Improvements were made for accuracy and clearer identification between required and optional data.
- Water Loss Standard Reporting: There has been no change to the Water Code regarding water loss standard reporting since 2020 UWMPs were submitted, except that Suppliers are now required to report progress toward meeting the 2028 Water Loss Standard.
- Direct Potable Reuse: The SWRCB has adopted regulations for the use of direct potable reuse since the adopted 2020 UWMP. Minor updates were added to supply and demand tables to support clearer direct potable reuse reporting.
- Lower-Income Housing Demands: While projections for lower-income housing were required in the 2020 UWMP, additional guidance has been provided for optional reporting of the method used to project water use for this type of housing. This optional guidance incorporates Regional Housing Needs Allocation (RHNA) into projected land uses and water demands.
- Reporting Groundwater Recharge and Water Storage: In previous years, the guidance for reporting water storage did not differentiate between long-term (i.e., water placed into storage one year but

extracted in a future year) and short-term storage (i.e., water placed into storage and extracted the same year). New clarification is provided to prevent short-term storage from being double counted.

The 2025 UWMP (Attachment A) serves as a guide for local water conservation planning and implementation purposes. It addresses planning for emergency supply interruptions and complements other local planning documents, including the General Plan, Specific Plans, Water Master Plans, Water Shortage Contingency Plan and Regional Water Resource Plans. It is an important water management and planning tool that helps connect local and regional land-use planning, regional water supply planning, infrastructure and demand management projects, broader statewide planning initiatives, such as climate change, and regulatory revisions. Adoption of the UWMP provides a means for the City to share information about water management practices, identify long-term supply reliability strategies, and drought response measures with customers, the community, and the State.

In addition, the 2025 UWMP provides accurate details about management actions, such as the effectiveness of water shortage contingency planning, necessary infrastructure improvements and emergency connections with neighboring suppliers (City has two with the City of San Jose and Alameda County Water District). It also provides trends in water supply consistency (water reliability) related to climate change and regulatory conditions. Climate change is anticipated to increase the frequency and severity of drought conditions, reduce reliability of imported water supplies and increase outdoor irrigation demands. Adoption of the 2025 UWMP by City Council will allow the City to be eligible for State grant funding opportunities and to receive drought assistance from the State, should it become necessary due to prolonged drought conditions.

ANALYSIS:

The City owns, operates, and maintains a potable water distribution system which consists of five (5) turnouts, one (1) emergency groundwater well, three (3) emergency interties, five (5) storage reservoirs, five (5) pump stations, seventeen (17) pressure reducing valves, and approximately two hundred (200) miles of pipeline. The City also operates and maintains a recycled water system owned by the City of San Jose's South Bay Water Recycling (SBWR).

In 2025, the City had a population of 81,773, serving 16,750 municipal connections with 8.12 million gallons per day (MGD) of potable water and 0.75 MGD of recycled water for a total of 8.87 MGD. The total number of connections represents all billed water meters in the City, including recycled water and fire meters. A breakdown of the various water usage types is shown in the table below:

Usage Type	Additional Description	2025 Actual Water Use	
		Level of Treatment When Delivered	Volume (MGD)
Single-Family		Potable	2.22
Multifamily	Duplex, Townhouse, Condo, Mobile Homes	Potable	1.90
Commercial		Potable	0.91
Industrial		Potable	0.86
Institutional/Governmental	Schools, Government or Church and City Domestic Accounts	Potable	0.30
Landscape		Potable	0.63
Other	Fire	Potable	0
Distribution System Water Loss*	Potable water loss	Potable	1.29
		Subtotal	8.12
Other	Recycled water for industrial reuse and commercial, industrial, institutional landscapes	Non-Potable	0.75
		Total	8.87

**Distribution system water loss includes apparent losses, un-authorized or unbilled consumption, operational uses, meter inaccuracies, and real losses within the distribution system as defined by State water loss reporting methodology.*

The City's projected population from 2030 to 2050 is based on the 2025 Bay Area Water Supply and Conservation Agency (BAWSCA) Regional Water Demand and Conservation Projections Report (Demand Study), which is described further in the UWMP. By 2050, the total population within the City's service area is expected to be 137,000, which represents a 2.7% annual growth rate compared to the 2025 population.

Population Served	2025	2030	2035	2040	2045	2050
	81,773	96,900	109,800	118,900	127,900	137,000

The 2025 UWMP provides information on the City's water supply and demand projections, water supply and reliability analysis and other efforts to ensure adequate water supply for existing and future demands. It summarizes the City's water demand management measures, including the Water Conservation Act of 2009 SB X7-7, mandating a 20% reduction in urban water use by 2020, and the 2018 long-term water conservation framework for California (AB 1668 and SB 606), setting standards for indoor use, outdoor irrigation, and water loss to make conservation a "way of life." The City has met the requirements set forth by SB X7-7 since 2010.

The City's water supply portfolio includes treated water purchased through contractual purchase agreements, from the San Francisco Public Utilities Commission (SFPUC) and Valley Water (VW), and recycled water purchased from SBWR. Water purchased from SFPUC comprises sixty percent (60%) and VW comprises thirty percent (30%) of the City's portfolio. Recycled water supplied by SBWR accounts for approximately ten percent (10%) of the City's total water use. In addition, the City could have access to groundwater, currently for emergency use only, via the Pinewood Well. The City's future McCandless Well is currently under construction and expected to be operational in 2027, subject to final regulatory approvals. This well will provide another source of potable water. These current and future supplies are further discussed in the UWMP.

The 2025 UWMP addresses the availability of these supplies to meet demands over time under various hydrological conditions, such as drought, which provides the City an overall assessment of the City's water supply reliability. The City's available supplies from SFPUC and VW are enough to meet the existing and future water demands in normal years. However, should the region experience multiple consecutive dry years, available supply from SFPUC and VW will be curtailed, requiring conservation measures to address supply shortages. The 2025 UWMP identifies such strategies and provides a roadmap for how the City can reduce reliance on purchased water. Measures include implementing water efficiency programs, and mandatory reductions in usage, especially for irrigation and other non-essential uses. Additional strategies include adding alternative supply sources, such as converting the existing emergency Pinewood Well into an active well and investing capital into the construction of additional groundwater wells, such as McCandless Well or Curtis Well, to augment wholesaler supply rationing, particularly for extended droughts.

Overall, the 2025 UWMP demonstrates that the City maintains a reliable long-term water supply portfolio under normal conditions, while identifying strategies to improve resiliency during extended droughts. Continued investments in conservation, recycled water use, groundwater development, and regional coordination will help reduce dependence on imported supplies and strengthen long-term water reliability.

State regulations require a public hearing prior to adoption of the 2025 UWMP and notification to the public of the preparation and planned adoption of the UWMP. On February 11, 2026, the City issued notice regarding the preparation of the 2025 UWMP to agencies within the Bay Area. On May 22 and 29, 2026, the City published notices to the public, via the Milpitas Post, regarding the availability of the 2025 UWMP on the City's website for public review, and the date and time of the public hearing and adoption of the UWMP. Adoption of the 2025 UWMP will allow staff to submit the document to DWR by the July 1, 2026, deadline to comply with regulations and ensure continued eligibility of DWR-administered grants, loans and drought assistance.

PROJECT SCHEDULE/KEY MILESTONES

Upon City Council adoption of the Resolution **(Attachment B)**, staff will submit the 2025 UWMP to DWR for approval by the July 1, 2026, deadline as mandated.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt the 2025 UWMP.

Pros: None

Cons: Assembly Bill 2067 mandates that all 2025 UWMPs be submitted to DWR by July 1, 2026.

Reason for Not Recommending: Failure to adopt the 2025 UWMP renders the City ineligible for any water management grants or loans administered by DWR and may render the City ineligible for other State funding or drought assistance, depending on the conditions that are specified in funding guidelines.

FISCAL IMPACT:
There are no fiscal impacts related to the adoption of the 2025 UWMP. Future capital improvements, including groundwater development projects, conservation programs, or other infrastructure investments required to strengthen the City's long term water reliability will be evaluated separately and brought to City Council for future consideration and appropriation during the Operating and/or Capital Improvement Program budget process.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):
The preparation, adoption, and implementation of the 2025 Urban Water Management Plan (UWMP) are statutorily exempt from the California Environmental Quality Act (CEQA) under California Water Code Section 10652.

ATTACHMENT(S):
(a) 2025 Urban Water Management Plan
(b) Resolution



City of Milpitas
Draft 2025 Urban Water Management Plan

May 21, 2026

Prepared by: MADDAUS WATER MANAGEMENT INC.
Making a Difference in the World of Water

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LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ABAG	Association of Bay Area Governments
ACWD	Alameda County Water District
AF	acre-feet
AFY	acre-feet per year
AMI	Advanced Metering Infrastructure
AWS	Alternative Water Supply
AWWA	American Water Works Association
BART	Bay Area Rapid Transit
BAWSCA	Bay Area Water Supply & Conservation Agency
BCDC	San Francisco Bay Conservation and Development Commission
BMP	Best Management Practices
CBSM	Community-Based Social Marketing
CCF	hundred cubic feet
CCR	California Code of Regulations
CalWEP	California Water Efficiency Partnership
CII	Commercial, Industrial and Institutional
CIMIS	California Irrigation Management Information System
CIP	Capital Improvement Program
CNRA	California Natural Resources Agency
CPUC	California Public Utilities Commission
CUWCC	California Urban Water Conservation Council
CVP	Central Valley Project
Demand Study	2025 BAWSCA Regional Water Demand and Conservation Projections Report
DMM	Demand Management Measures
DOF	California Department of Finance
DRA	Drought Risk Assessment
DWR	California Department of Water Resources
ESME	Energy Star Most Efficient
ETo	Evapotranspiration
GIS	Geographic Information Systems
GPCD	gallons per capita per day
gpf	gallons per flush
GPSCD	gallons per service connection per day
HET	High-Efficiency Toilet
HEU	High-Efficiency Urinal
IWRP	Integrated Water Resources Planning
IPCC	Intergovernmental Panel on Climate Change
ISG	Individual Supply Guarantee
kWh	kilowatt hour
Legislature	California State Legislature
LOS	Level of Service
LTVA	Long Term Vulnerability Assessment
MG	million gallons
MGD	million gallons per day
MGSP	Milpitas Gateway-Main Street Specific Plan
MMSP	Milpitas Metro Specific Plan
NAICS	North American Industry Classification System
PRSV	pre-rinse spray valves
RCP	Representative Concentration Pathways
R-GPCD	residential gallons per capita per day
RHNA	Regional Housing Needs Allocation
RUWMP	Regional Urban Water Management Plan
RWF	Regional Wastewater Facility
RWS	Regional Water System
SB	Senate Bill
SB X7-7	Water Conservation Act of 2009
SBWR	City of San Jose South Bay Water Recycling
SFPUC	San Francisco Public Utilities Commission
SJW	San Jose Water
SOI	Sphere of Influence
State Water Board	California State Water Resources Control Board
SWP	State Water Project
TAF	thousand acre-feet
UGB	Urban Growth Boundary

ULFT	Ultra-Low Flush Toilet
USA	Urban Service Area
UWMP	Urban Water Management Plan
UWMP Act	Urban Water Management Planning Act of 1983
UWUO	Urban Water Use Objective
WEAP	Water Evaluation and Planning
WET	Water Education for Teachers
WSA	Water Supply Agreement
WSCP	Water Shortage Contingency Plan
WSIP	Water System Improvement Program
WUE	Water Use Efficiency
WWTP	Wastewater Treatment Plant

1 INTRODUCTION AND LAY DESCRIPTION

This report presents the 2025 Urban Water Management Plan (UWMP) for the City of Milpitas ("City" or "Milpitas") service area. This section describes the purpose, organization, and implementation of the 2025 UWMP and its relationship to supplier eligibility for state funding and compliance with the California Water Code.

1.1 Lay Description

UWMPs are prepared by urban water suppliers every five years and submitted to the California Department of Water Resources (DWR). These plans support the suppliers' long-term resource planning to ensure adequate water supplies to meet existing and future water needs, to achieve efficient use of available supplies, and to strengthen local drought planning. The requirements for UWMPs are found in California Water Code Sections 10610-10656[1] and 10608.[2] Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves more than 3,000 urban connections is required to submit a UWMP.

A UWMP is a report used for local water conservation planning and implementation purposes. It may also address planning for emergency supply interruptions and coordination with other local planning documents. It is an important water management and planning tool that helps guide government agencies and water supplier managers by connecting land-use planning, water supply planning, and broader local or statewide issues such as climate change. The UWMP also provides a means for water suppliers to share information about their water management practices with customers, the community, and the state.

A UWMP can provide accurate details about other management actions such as the effectiveness of water shortage contingency planning, necessary infrastructure improvements or emergency connections with neighboring suppliers, trends in water supply consistency (water reliability) related to climate change or regulatory conditions, and opportunities to obtain funding for water management projects.

1.2 Urban Water Management Plan Organization

The UWMP is organized as follows:

Chapter 1 – Introduction and Lay Description. This chapter provides a discussion on fundamentals of the UWMP and provides the newly required lay description.

Chapter 2 – Plan Preparation. This chapter provides information on the processes used for developing the UWMP, including efforts in coordination and outreach.

Chapter 3 – System Description. This chapter describes the City's water system, including maps of the service area, an explanation of the service area and climate, public water system details and an overview of the City's organizational structure and history.

Chapter 4 – Customer Water Use. This chapter describes and quantifies the current and projected water uses within the City's service area.

Chapter 5 – Water Conservation Act of 2009 **(**SB X7-7) Baselines, 2020 Targets, and 2025 Reporting. In this chapter, the City details its compliance with the 2020 per capita water conservation mandate, the 2020 per capita target value adopted in the 2015 UWMP, and the City's compliance value based upon actual 2020 customer water use. The goal of this chapter is to allow the City to report on its progress toward meeting its

[1] Water Code Section 10610-10656 Urban Water Management Planning Act: http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=WAT&division=6.&title=&part=2.6.&chapter=&article=

[2] *Water Code Section 10608 (Sustainable Water Use and Demand Reduction)*. http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml

urban water-use targets in its UWMP, pursuant to Water Code Section 10608.40. Suppliers that did not meet their 2020 target are required to compare their 2025 water use to the 2020 target.

Chapter 6 – System Supplies. In this chapter, the City describes and quantifies current and projected potable and non-potable water supplies as well as each supply source and its quantified supply availability.

Chapter 7 – Water System Reliability and Drought Risk Assessment. This chapter describes the City's water system reliability through a 20-year planning horizon for a normal year, single dry year, and five consecutive dry years. This chapter also includes the Drought Risk Assessment (DRA). The water system reliability differs from the DRA by allowing a different basis for characterizing the five consecutive dry years.

Chapter 8 – Water Shortage Contingency Planning. This chapter provides the City's structured plan for dealing with water shortages, incorporating prescriptive information and standardized action levels, and implementation actions during a catastrophic supply interruption.

Chapter 9 – Demand Management Measures. This chapter communicates the City's efforts to promote conservation, reduce water supply demand, and implement several demand management measures.

Chapter 10 – Plan Adoption, Submittal, and Implementation. This chapter documents the steps taken by the City to make publicly available, adopt, and submit its UWMP in accordance with the Water Code. This chapter also describes the City's plan to implement the UWMP.

Appendices – Several appendices are included to support the main chapters of this planning document.

1.3 UWMPs in Relation to Other Efforts

General Plan – The Milpitas 2040 General Plan was adopted on March 9, 2021 (De Novo, 2021).

Water Master Plan – The City's Water Master Plan was adopted August 9, 2022 (West Yost, 2022).

Climate Action Plan – The City's Climate Action Plan was adopted May 7, 2013 (PMC, 2013). An update was adopted on August 9, 2022 (Ascent, Kearns & West, 2022).

Metro Specific Plan – The City's Metro Specific Plan was adopted on February 7, 2023 (Urban Field, 2023).

Draft Gateway-Main Street Specific Plan – The City's draft Gateway-Main Street Specific Plan was completed in April 2025 (Ascent, 2025).

Regional Water Demand and Conservation Projections Study – Bay Area Water Supply & Conservation Agency BAWSCA's regional water demand projection study was completed on December 8, 2025.

Annual Water Loss Audit – The City completed, validated, and submitted its annual water loss audit in December 2025.

1.4 Urban Water Use Objective Annual Report

The City completed and submitted its annual Urban Water Use Objective (UWUO) report in December 2025.

1.5 UWMPs and Grant or Loan Eligibility

For a water supplier to be eligible for any DWR water grant or loan, the supplier must maintain a current UWMP confirmed to address California Water Code requirements throughout the term of a grant or loan administered by DWR. A UWMP may also be required for other state funding depending on specific funding guidelines.

1.6 Demonstration of Consistency with Delta Plan for Participants in Covered Actions

The Delta Plan is not mentioned in the San Francisco Public Utilities Commission (SFPUC) UWMP as SFPUC does not receive water from the California State Water Project (SWP) or the Central Valley Project (CVP).

Valley Water Standard Text

Valley Water operates a complex and interconnected water supply system to conjunctively manage supplies from surface water (imported and local) and groundwater to meet countywide demand.

As a retailer in Santa Clara County that uses groundwater and treated surface water, the City relies on Valley Water activities to maintain sustainable supplies, including managed groundwater recharge and in-lieu groundwater recharge (e.g., treated surface water deliveries, demand management programs, and SFPUC supply).

Valley Water's conjunctive management of groundwater and surface water makes it very difficult to demonstrate reduced Delta reliance at a retailer level:

- Valley Water uses water from the State Water Project (SWP), Central Valley Project (CVP), and local watershed runoff to meet groundwater recharge and water treatment plant needs, which in turn produce water for use by retailers and other users. The interconnected nature of the groundwater basins and blended use of sources in Valley Water infrastructure, such as reservoirs and pipelines, make it infeasible to quantify imported water use at the retailer level.
- Valley Water manages most of the water conservation programs for the County with the support of retailers. Retailers support the conservation programs through water rates and cost share agreements.
- Valley Water and local retailers have recycled and purified water goals for the future. Future potable reuse would be added to surface supplies and may augment groundwater supplies.
- Valley Water projects an increased use of supplies captured locally, which can contribute to reduced reliance on the Delta. Given Valley Water's conjunctive water management, these reductions cannot be allocated to individual retailers.

Valley Water, with the support of all retailers including the City of Milpitas, has made significant investments in demand management and local supplies to reduce Santa Clara County's, and thus the City's, reliance on the Delta. These investments include:

- Conservation and demand management
- Recycled and purified water
- Dam improvements/seismic retrofits to lift storage restrictions on local reservoirs
- Regional collaborations to increase self-reliance

Through careful management and conjunctive use of local surface water and groundwater supplies, as well as increasing conservation and use of recycled and purified water, Santa Clara County and the City of Milpitas are reducing reliance on the Delta.

1.7 Background and Purpose

This UWMP is the legal and technical water management foundation for supplies throughout California. A well-constructed UWMP can save time and money by providing the City UWMP staff, the public, and elected officials with an understanding of past, existing, and future water conditions and management. The UWMP integrates local and regional land-use planning, regional water supply, infrastructure, demand management projects, and statewide issues such as climate change and regulatory revisions. For this 2025 UWMP, the City has gathered

and synthesized water-related information from numerous sources into a plan with local, regional, and statewide practical utility.

Chapter 1 introduces the UWMP, its legislative history, legal requirements and amendments, focus, importance, and purpose. Additionally, in this chapter the City describes its process for integrating information from other documents and its coordination with local and regional agencies. The intent of UWMPs is to provide DWR and the public with information on present and future water sources and demands and to provide an assessment of the City's water resource needs.

This UWMP provides the City with a reliable water management action plan that can be referenced as conditions change and management decisions arise. It also demonstrates the reliability of the City's water supplies and how that reliability may affect local growth and the economy.

Additionally, the UWMP provides DWR, the California State Water Resources Control Board (State Water Board) and the California State Legislature (Legislature) with information on the City's water reliability to help construct a statewide picture of water reliability. The UWMP allows the City to improve water reliability assessments, drought risk assessments, and the evaluation of local, regional, and statewide water planning and management issues.

The UWMP provides the City with the opportunity to consider additional options for managing water assets to enhance the City's long-term water reliability and other management objectives. A careful accounting of supplies, uses, and reliability can inform actions to retain conserved water assets or leverage those assets for environmental improvements or financial benefit. The more detailed and reliable the accounting is, the better the City can determine whether a water supply surplus or shortage may exist in any given situation. This information can allow the City to make sound decisions regarding asset administration and infrastructure planning to help mitigate long-term water management issues attributable to climate change, regulatory change, and local water quality conditions.

For example, when surplus water is available under certain conditions, these water assets can be used for other purposes, such as supporting instream flows and habitat enhancement or providing emergency supplies to neighboring urban purveyors, thereby stabilizing the environment and improving regional water reliability. In short, the City has prepared this UWMP to provide practical and effective water management guidance for its staff, stakeholders, customers, community, and the State of California.

Specifically, the 2025 UWMP must provide water supply planning for a 20-year planning period in five-year increments, identify and quantify adequate water supplies for existing and future demands during normal, dry and drought years, and assure efficient use of urban water supplies. This 2025 UWMP addresses all Water Code requirements for such a plan, as shown in the completed DWR UWMP checklist provided in Appendix A.

Thoughtful urban water management planning provides the City with the opportunity to integrate supplies and demands in a balanced and methodical planning framework that addresses short-term and long-term water planning conditions.

This 2025 UWMP will:

- Assess changes in natural hydrology, climate, and groundwater conditions.
- Anticipate the implications of regional, state, and federal regulations.
- Understand supply conditions and water use variability.
- Identify regional constraints on, or opportunities for, shared water resources.
- Integrate local land-use changes, development, plans, and population growth.
- Prepare for water shortages and unforeseen calamities.
- Anticipate infrastructure improvements.

- Recognize project funding needs and opportunities.

This UWMP will address the following water-planning fundamentals:

- Preparing a detailed look at current and future water use, including assessing and verifying available baseline data and examining long-term planning documents such as municipalities' General Plans and Specific Plans.
- Analyzing potable and non-potable water supplies, including reviewing water rights and contracts, assessing water deliveries, identifying restrictions on water availability under certain regulatory and hydrological conditions, and evaluating opportunities or limitations described in documentation for each water supply source.
- Analyzing water supply reliability by integrating the water use analyses with the water supply analyses to evaluate service reliability under normal conditions, a single dry-year, and five consecutive dry years through at least 2050.
- Preparing a realistic DRA by including integrated water supplies and projected water use in a hypothetical five-year drought condition.
- Developing an effective Water Shortage Contingency Plan (WSCP) that specifies opportunities to reduce demand and augment supplies under numerous and potentially unpredictable water shortage conditions.

Furthermore, this UWMP allows the City to reflect short-term and long-term land-use planning assumptions and goals, account for specific plan and infill development projects during the UWMP planning period, address the dynamic nature of water supplies and demands through water-shortage contingency planning, and inform the state and the City's customers of its water management practices.

Lastly, changes in use patterns, such as those associated with the stay-at-home orders during the 2020 pandemic, can alter urban water use patterns and affect future water conservation accounting and analysis. Water data at the time of this report could influence evaluation of near-term and long-term management considerations. Within this UWMP, the City describes such changes and their potential effects on current and projected water use.

1.8 Urban Water Management Planning and the California Water Code

In 1983, the California Legislature enacted the Urban Water Management Planning Act[3] (UWMP Act). The law required an urban water supplier[4] to adopt a UWMP every five years, demonstrating water supply reliability in normal, single dry, and multiple dry years. The original UWMP Act also required DWR to provide a report to the Legislature on the status of water supply planning in California.

Since the UWMP Act was passed, it has undergone significant expansion and revision including from the previous 2020 UWMP Guidebook (see details following). Prolonged droughts, groundwater overdraft, regulatory revisions, and changing climatic conditions affect not only a Supplier's water reliability determinations but also a broader statewide picture of water reliability as overseen by DWR, the State Water Board, and the Legislature. Accordingly, the UWMP Act has developed to include addressing changing conditions as it guides California's water resources management.

[3] California Water Code Division 6 Part 2.6 §§10610–10656.
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=6.&part=2.6.&lawCode=WAT

[4] A "Supplier" is defined as an entity providing water for municipal purposes to more than 3,000 customers or serving more than 3,000 acre-feet annually.

There have been minor changes to the Water Code since the 2020 UWMP was submitted; primarily, several definitions have been added. However, UWMP requirements for 2025 remain the same. Updated guidance for the 2025 UWMP effort includes the following:

- Suppliers with Multiple Public Water Systems – More consistent criteria were provided to determine when a supplier with multiple Public Water Systems must submit a UWMP.
- DWR Submittal Tables – Improvements were made for accuracy and clearer identification between required and optional data.
- Water Loss Standard Reporting – There has been no change to the Water Code regarding water loss standard reporting since 2020 UWMPs were submitted, except that Suppliers are now required to report progress toward meeting the 2028 Water Loss Standard.
- Direct Potable Reuse – The State Water Board has adopted regulations for the use of direct potable reuse since the 2020 UWMP was submitted. Minor updates were added to supply and demand tables to support clearer direct potable reuse reporting.
- Lower-Income Housing Demands – While projections for lower-income housing were required in the 2020 UWMP, additional guidance has been provided for optional reporting of the method used to project water use for this type of housing. This optional guidance incorporates Regional Housing Needs Allocation (RHNA) into projected land uses and water demands.
- Reporting Groundwater Recharge and Water Storage – In previous years, the guidance for reporting water storage water did not differentiate between long-term (i.e., water placed into storage one year but extracted in a future year) and short-term storage (i.e., water placed into storage and extracted the same year). New clarification is provided to prevent short-term storage from being double-counted.

2 PLAN PREPARATION

Lay Description

This chapter describes the basis of the development of the UWMP, the requirements for preparation, and the processes used, including efforts in notification, coordination and outreach, the regional planning involved, and the type of year and units of measure used.

2.1 Plan Preparation

Coordination and outreach are key elements in developing a useful and accurate UWMP. Notifying neighboring water suppliers strengthens a region's ability to plan for drought and catastrophic events. For further information about this notification process, see Chapter 10 of this UWMP.

Coordination with city and county land use planning agencies can provide information on regional planning, demographics, and expected future development for determining future water use, supply, and reliability. Notification to all interested parties and stakeholders allows those entities to provide information on aspects of the UWMP, helping to create a more useful plan. It also lets these entities know about the different water management considerations that may affect their own decisions. Section 2.6 further describes the City's outreach activities.

The City is an active member of the water community and coordinated with these agencies for this UWMP:

- Bay Area Water Supply & Conservation Agency (BAWSCA)
- Valley Water
- San Francisco Public Utilities Commission (SFPUC)

The City coordinated various water planning documents to support development of this UWMP:

- Water Master Plan – Evaluates historical and existing water demands to review and refine performance and planning criteria to evaluate the water system and facilities.
- General Plan – Identifies the community's vision for the future and provides a framework that will guide decisions on growth, development, and conservation of open space and resources in a manner that is consistent with the quality of life desired by the City's residents and businesses.

2.2 Basis for Plan Preparation

California Water Code Section 10617 defines an urban water supplier as "*a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems.*"[5] In accordance with the California Water Code Section 10621, urban water suppliers are required to prepare a UWMP every five years, and a Supplier shall adopt UWMP within one year after it has become a Supplier.6

As per the above definition, the City qualifies as an urban water supplier. The City has prepared this plan in compliance with state law and following the guidelines as outlined by DWR in its *Urban Water Management*

[5] California State Legislature. (1983). Water Code Section 10617, amended 1996. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=10617.

[6] California State Legislature. (1983). Water Code Section 10621. http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=10621

Plan Guidebook 2025, posted as Final on January 29, 2026 (DWR, 2026). This 2025 UWMP is the five-year update and supersedes the contents of the 2020 UWMP.

Public water systems are the distribution systems that provide drinking water for human consumption. All public water systems are given a unique Public Water System Identification Number. These systems are regulated by the State Water Board, Division of Drinking Water. The California Health and Safety Code 116275 defines a public water system as "*a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.*"[7] Based on this definition, the City of Milpitas is a Public Water System and therefore operates under a water supply permit issued by the Division of Drinking Water.

As indicated in Table 2-1, the City served 16,750 municipal connections and 3,238 million gallons (MG) of water in 2025. The total number of connections accounts for all billed water meters in the City, including recycled water and fire meters. The total number of connections does not account for the number of multifamily residential units served by master meters. Multifamily residential developments, such as apartment complexes, may use a single master meter to measure consumption for more than one dwelling unit.

Table 2-1. Public Water Systems

Submittal Table 2-1 Retail: Public Water Systems			
Has there been a change in the number of affiliated Public Water Systems since the 2020 UWMP?			No
Public Water System Number	Public Water System Name	Number of Municipal Connections 2025	Volume of Water Supplied 2025 (MG)
4310005	City of Milpitas	16,750	3,238
	Total	16,750	3,238
NOTES: Number of connections include active and inactive accounts. Total volume includes potable and non-potable production and use.			

2.3 Regional Planning

Regional planning can deliver mutually beneficial solutions to all agencies involved by reducing costs for the individual agency, assessing water resources at the appropriate geographic scale, and allowing for solutions that cross jurisdictional boundaries. Depending on the level of regional cooperation, other possible benefits can include the following:

- More reliable water supplies
- Increased regional self-reliance
- Improved water quality
- Better flood management
- Increased economic stability
- Restored and enhanced ecosystems
- Reduced conflict over resources

[7] California State Legislature, Health and Safety Code Section 116275. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC&sectionNum=116275

In support of regional UWMPs and regional water conservation targets, the UWMP portion of the Water Code provides mechanisms for participating in area-wide, regional, watershed, or basin-wide urban water management planning. The City participates in regional planning, namely through participation with the Bay Area Water Supply & Conservation Agency (BAWSCA). Collectively, BAWSCA's member agencies are comprised of 26 agencies represented by 24 cities and water districts and two private utilities that purchase water wholesale from the San Francisco regional water system. These entities provide water to over 1.8 million residents and nearly 40,000 commercial, industrial and institutional (CII) accounts in Alameda, San Mateo, and Santa Clara Counties.

As an active member of BAWSCA, the City works in conjunction with BAWSCA and the other member agencies. BAWSCA represents the collective interests of these wholesale water customers on all significant technical, financial, and policy matters related to the operation and improvement of SFPUC's Regional Water System (RWS). This regional planning interaction allows for broader distribution of materials and information and reduced costs to the individual water suppliers through resource sharing. BAWSCA's role in the development of the 2025 UWMP updates is to work with its member agencies and SFPUC to seek consistency among UWMP documents.

In 2009, SFPUC and BAWSCA members entered into a Water Supply Agreement (WSA),[8] a 25-year contract outlining the relationship between the two entities. A key component of the WSA is that it continued the "Supply Assurance," a maximum supply of 184 million gallons per day (MGD) to be allocated among BAWSCA members, established by the WSA's predecessor (the 1984 Settlement Agreement and Master Water Sales Contract). Though the Supply Assurance can be reduced due to drought, maintenance, or emergencies, the WSA established the 184 MGD delivery ceiling in perpetuity. The City has an Individual Supply Guarantee (ISG) of 9.232 MGD from SFPUC. This Supply Assurance and the City's ISG are discussed in more detail in section 7.2.5.

Per the City's contract with Valley Water, detailed in Milpitas's Water Master Plan, potable water deliveries consist of State Water Project and Central Valley Project water only, with amounts based on an annual request the City submits every three years. In each of the three years after submitting the request, the City is obligated to purchase at least 95% of the maximum amount listed on the schedule. Every month, Valley Water guarantees the City can receive at least 15% of the annual delivery schedule.

2.4 Individual or Regional Plans

The City developed this UWMP to report solely on its distribution service area. The UWMP addresses all requirements of the Water Code as provided in the UWMP Guidebook. The City has notified and coordinated with the appropriate regional agencies and constituents.

This 2025 UWMP, which is an individual UWMP (see Table 2-2), updates and replaces the City's 2020 UWMP.

Table 2-2. Plan Identification Type

Submittal Table 2-2: Plan Identification	
Select	**Type of Plan**
☑	**Individual UWMP**

[8] Water Supply Agreement between the City and County of San Francisco and Wholesale Customers (July 2009). https://bawsca.org/uploads/userfiles/files/Plans%20and%20Reports/FINAL_WSA_with_Attachments.pdf

2.4.1 Regional UWMP

Suppliers may choose to work with other agencies within a region, such as wholesaler(s), other retailers, an Integrated Regional Water Management group, or other regional agencies to develop a Regional Urban Water Management Plan (RUWMP) instead of an individual one. A RUWMP reports on the combined regional service area and must still address all the requirements of the Water Code Section. The City did not participate in a RUWMP.

2.5 Fiscal or Calendar Year and Units of Measure

Since the City reports on a calendar year rather than fiscal basis, it is required to include the water use and planning data for the entire calendar year of 2025, which is reflected in this UWMP. In addition, the City utilizes million gallons throughout this plan as the unit of measurement when reporting water volume.

Table 2-3 provides Supplier identification information, type of year reporting, and units of measure used by the City in this 2025 UWMP.

Table 2-3. Supplier Identification

Submittal Table 2-3: Supplier Identification	
Type of Supplier (select one or both)	
☐	Supplier is a wholesale supplier
☑	Supplier is a retail supplier
Fiscal or Calendar Year (select one)	
☑	UWMP Tables are in calendar years
☐	UWMP Tables are in fiscal years
Units of measure used in UWMP	
Unit	MG

2.6 Coordination and Outreach

This section describes the coordination and outreach efforts of the City during preparation of the 2025 UWMP.

2.6.1 Wholesale and Retail Coordination

When a water Supplier relies upon a wholesale agency for its water supply, both are required to provide each other with information regarding projected water supply and demand. Retail agencies that receive water from one or more wholesalers must provide their wholesaler(s) with projected water demand from that source in five-year increments for 20 years, or as far as possible based on available data.

During the preparation of the 2025 UWMP and WSCP, the City coordinated information regarding projected water supply and demand with its two potable water wholesalers, the San Francisco Public Utilities Commission (SFPUC) and Valley Water, as listed in Table 2-4. The City maintains one groundwater well for use in emergencies, but it is not used as a normal supply. More information about coordination and notification efforts is in Chapter 10.

Table 2-4. Water Supplier Information Exchange

Submittal Table 2-4 Retail: Water Supplier Information Exchange - Water Code Section 10631(h)
The retail Supplier has informed the following wholesale supplier(s) of projected water use in accordance with Water Code Section 10631(h).
Wholesale Water Supplier Name
San Francisco Public Utilities Commission
Valley Water (previously named Santa Clara Valley Water District)

BAWSCA provides regional water reliability planning and conservation programming for the benefit of its 26 member agencies (collectively the "Wholesale Customers" or "BAWSCA Member Agencies") that purchase wholesale water supplies from SFPUC. Collectively, the Wholesale Customers deliver water to over 1.8 million residents and nearly 40,000 CII accounts in Alameda, San Mateo, and Santa Clara Counties.

BAWSCA also represents the collective interests of the Wholesale Customers on all significant technical, financial, and policy matters related to the operation and improvement of SFPUC's RWS.

2.6.2 Coordination with Other Agencies and the Community

On February 11, 2026, the City distributed notices of preparation and intent to update the UWMP to the following agencies through email:

- San Francisco Public Utilities Commission, the City's wholesaler
- Valley Water, the City's wholesaler
- BAWSCA and the 26 other BAWSCA member agencies that share SFPUC as a common wholesale water source[9]
- Great Oaks Water Company
- Milpitas Chamber of Commerce
- Milpitas Unified School District
- Alameda County Water District, the City's emergency intertie
- San Jose Water, the City's emergency intertie

In addition to the notice of intent to update its UWMP, the City of Milpitas notified surrounding cities, Santa Clara County, BAWSCA and its member agencies, and the general public more than 60 days in advance of the public hearing. With the exception of the general public, notification was provided by email. Notification to the general public was completed through a display advertisement in *The Milpitas Post.* Copies of the email notices can be found in Appendix B of this UWMP, while a copy of the display advertisement is in Appendix C.

The Draft 2025 UWMP was made available for public review online on the City's website.[10] The City held a public hearing on June 9, 2026, to receive comments on the Draft 2025 UWMP prior to its adoption by the City Council. The plan was adopted on June 9, 2026, at the regular City Council meeting. The final, adopted version was submitted to DWR and included any public comments received.

A copy of the Final 2025 UWMP was submitted to the following entities:

- California Department of Water Resources
- California State Library
- BAWSCA and its 26 member agencies
- SFPUC
- Valley Water
- Santa Clara County
- Spring Valley Heights Association
- Milpitas Unified School District
- Milpitas Chamber of Commerce

[9] BAWSCA. Member Agency Profiles web page, accessed April 2026: https://bawsca.org/members/profiles

[10] https://www.milpitas.gov/752/Urban-Water-Management-Plan

2.6.3 Notice to Cities and Counties

The California Water Code 10621(b) requires that agencies notify cities and counties to which they serve water that the 2025 UWMP is being updated and reviewed. The California Water Code specifies that this must be done at least 60 days prior to the public hearing. The City has complied with this requirement. Its notification to cities and counties is reported in Table 10-1 in Chapter 10 of this UWMP.

3 SYSTEM DESCRIPTION

Lay Description

This chapter describes the City's water system, service area, climate, projected population, and other factors affecting water management planning. Potential uncertainties, such as the impacts of climate change, are discussed.

3.1 General Description

The City of Milpitas is in Santa Clara County near the southern tip of the San Francisco Bay, 45 miles south of San Francisco. The City of Fremont borders Milpitas to the north and the City of San Jose borders Milpitas to the south and west. Most of Milpitas' 14 square miles of land is situated between two major freeways (Interstates 880 and 680). The City has approximately 10 square miles of valley floor to the west and four square miles of hillside areas to the east. Industrial and commercial areas are located on the valley floor with residential areas on the valley floor and hillside. Parks and recreational open spaces are distributed throughout residential areas.

Since its inception in 1954, the City has experienced steady growth and development. At the time of incorporation, the City covered an area of 2.9 square miles with a population of 825. Rapid growth began with the Ford Motor Company assembly plant in 1955 and continued with the technology industry in the 1970s. Most of the valley floor is fairly new. Growth slowed as a result of the recession in 2008. However, in more recent years, the transformation of industrial areas into high-density housing has resumed. The City contains a strong complement of employment and retail uses as well as housing. Large sources of employment include manufacturing, the school district, and the Great Mall shopping center.

The City owns, operates, and maintains a potable water distribution system which consists of five turnouts, one emergency groundwater well, three emergency interties, five storage reservoirs, five pump stations, 17 pressure reducing valves, and approximately 194 miles of pipeline. The City also operates and maintains a recycled water system owned by the City of San Jose's South Bay Water Recycling (SBWR) program.

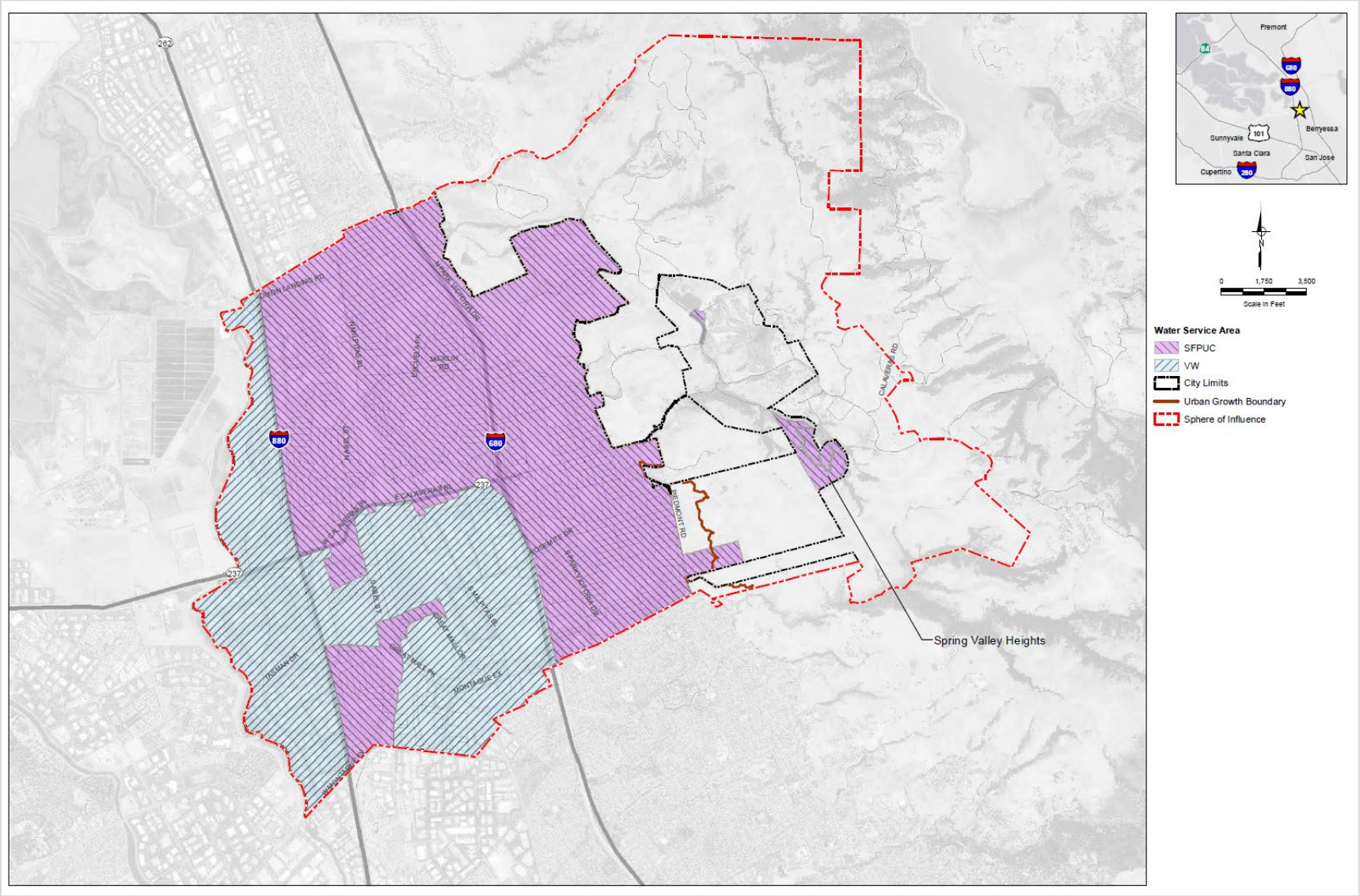
3.2 Service Area Boundary

As shown in Figure 3-1, the City's potable water supply system is divided into two distinct service areas, corresponding to the areas served by the City's two wholesalers: SFPUC and Valley Water. Under normal operating conditions, the City does not blend water from SFPUC and Valley Water. However, the two sources of water can be interconnected to provide an emergency water supply, if needed.

The City of Milpitas Sphere of Influence (SOI) includes both incorporated and unincorporated areas within which Milpitas has primary responsibility for providing public facilities and services. In 1998, voters in the City of Milpitas established an Urban Growth Boundary (UGB) limiting development on the eastern hillside. The initiative was set to expire in 2018 but was extended by Measure I in 2016 and will expire in 2038. The Urban Service Area Boundary is contiguous with the UGB, and the Urban Service Area restricts the extension of public services and infrastructure to new development within the City limit eastern areas.

Figure 3-1 shows the City's SOI, UGB and Urban Service Area. One exception to the UGB is the Spring Valley Heights community, which is located outside the UGB but is served by the City's water distribution infrastructure.

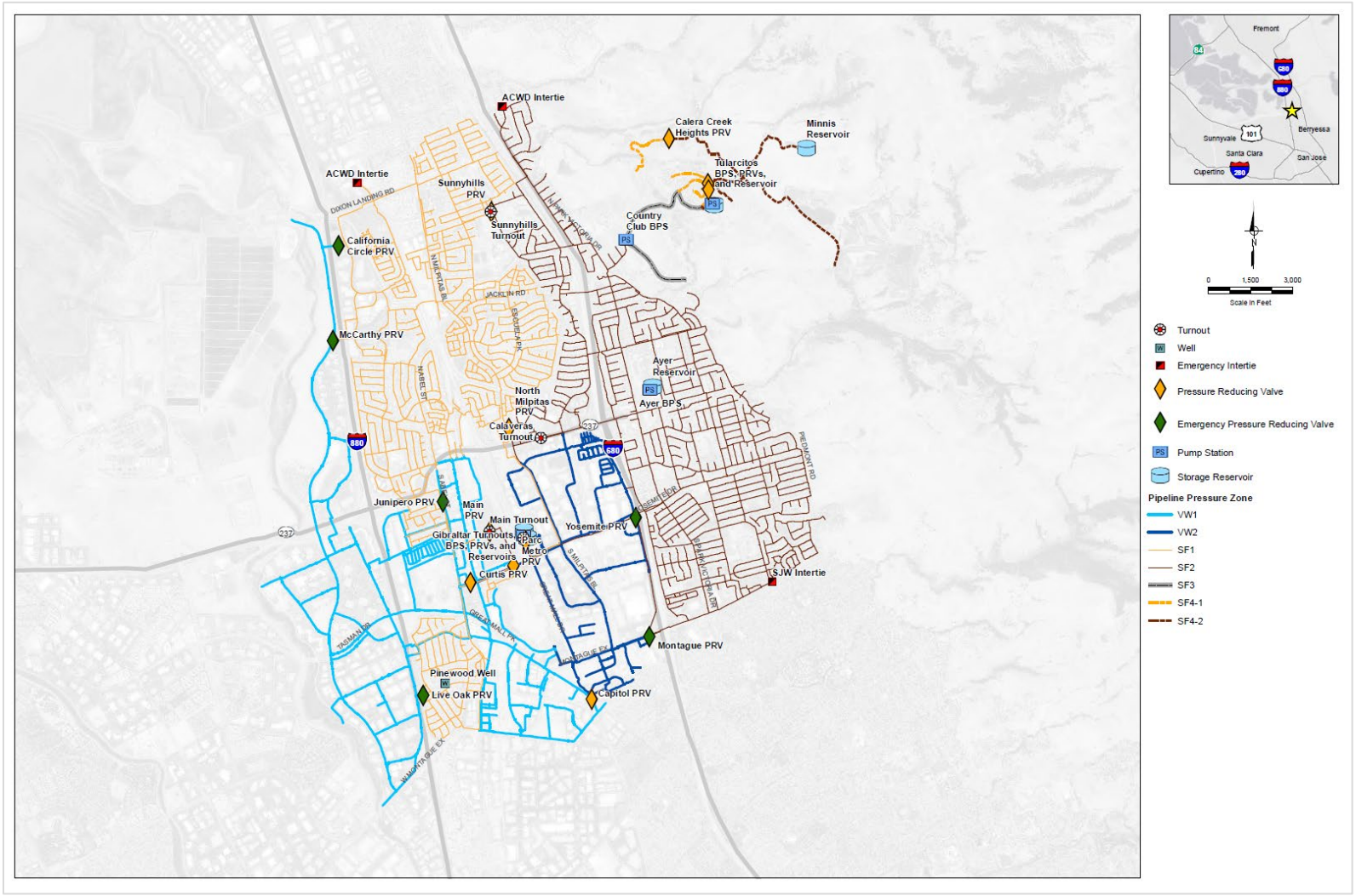
Figure 3-1. Potable Water Service Area Map



Source: West Yost. (2020). City of Milpitas Water Master Plan.

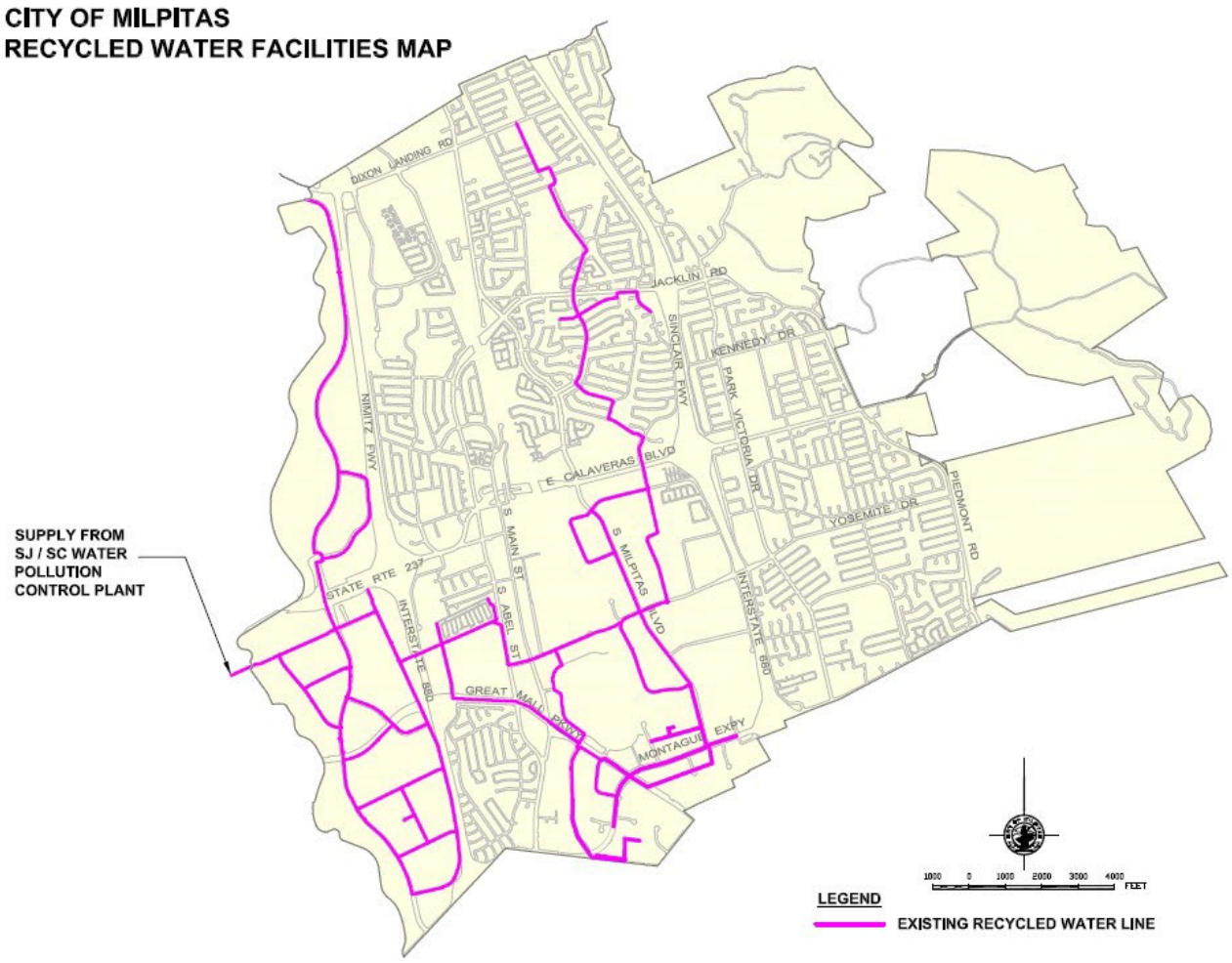
Figures 3-2 and 3-3 provide further details regarding the City's water system and infrastructure. Since the City has not had any service area changes since the 2020 UWMP, no service area change figure has been included. The City does not serve any parcels outside its jurisdiction, and since the jurisdictional boundary mirrors the service area, no jurisdiction boundary map has been included. The City does not own or operate a Raw Water Distribution System, so no such map has been included. However, Valley Water has a Raw Water Transmission System, a map of which can be found in Valley Water's 2025 UWMP (pending publication in 2026).

Figure 3-2. Public Water System(s)



Source: West Yost. (2020). City of Milpitas Water Master Plan.

Figure 3-3. City of Milpitas Recycled Water Distribution System



Source: City of Milpitas, 2025.

3.3 Service Area Climate

The City's Mediterranean climate is characterized by warm, dry summers and mild, wet winters. Annual precipitation in the region is about 17 inches, annual evapotranspiration (ETo) approximately 45 inches, and average temperature approximately 57 degrees Fahrenheit (°F), according to the closest active CIMIS (California Irrigation Management Information System) station in Union City (Station #171).[11] CIMIS is a database provided by DWR that tracks local weather data. Union City is approximately 17 miles away from Milpitas, on the east side of the Bay Area's South Bay. Figure 3-4 summarizes monthly averages from 2002 to 2025.

[11] CIMIS Station #171, Union City: https://cimis.water.ca.gov/stations

Figure 3-4. Climate Characteristics

Union City CIMIS Station #171 Monthly Averages, 2002-2025			
Month	Total ETo (inches)	Total Precipitation (inches)	Average Temperature (°F)
Jan	1.4	2.7	47.2
Feb	2.0	2.5	50.1
Mar	3.2	2.5	53.6
Apr	4.5	1.5	56.1
May	5.4	0.8	59.0
Jun	6.1	0.1	62.4
Jul	6.3	0.0	64.8
Aug	5.6	0.0	65.0
Sep	4.4	0.2	64.3
Oct	3.1	1.0	60.3
Nov	1.7	1.7	53.2
Dec	1.2	3.7	48.8

3.3.1 Climate Change Impacts on Water Demands, Supplies and Reliability

According to the National Academy of Sciences,[12] climate change refers to any significant change in measures of climate (such as temperature, precipitation, or wind) lasting for an extended period (decades or longer). Climate change may result from:

- Natural factors, such as changes in the sun's intensity or slow changes in the Earth's orbit around the sun.
- Natural processes within the climate system (e.g., changes in ocean circulation).
- Human activities that change the atmosphere's composition (e.g., through burning fossil fuels) and the land surface (e.g. deforestation, reforestation, urbanization, desertification, etc.).

Climate change has the potential to directly impact the City's surface water supply and to indirectly impact groundwater supplies. The City is committed to adapting to climate change in a manner that protects water resources for maximum benefit while continuing to maintain a reliable, affordable, high quality water supply for the community.

Several potential effects of climate change have been identified by the scientific community, including reduced winter snowpack, more variable and extreme weather conditions, shorter winters, and increased evaporative demand. Additionally, climate change could affect water quality through increased flooding and erosion; greater concentration of contaminants, if any, in the water supply; and warmer water, which could lead to increased growth of algae and other aquatic plants. Rising sea level and increased flooding are also potential effects of climate change.

[12] National Academies of Sciences, Engineering, and Medicine. (2019). *Strategic Water Planning: Climate, Drought, and Urban Water Management*. https://www.nationalacademies.org/our-work/strategic-water-planning-climate-drought-and-urban-water-management

Changes in precipitation, temperature and atmospheric carbon dioxide affect crop ETo and net irrigation water requirements. Global climate models have been used to project future climate change and impacts on crop water demands. Future conditions of warm-dry, warm-wet, hot-dry, hot-wet, and central tendency were used. Three future periods for these five conditions were selected to project climate change effects and impacts, including the 2020s (2010-2039), 2050s (2040-2069) and 2080s (2070-2099). Santa Clara County is expected to see increasing temperatures, which could result in more extreme heat and drought events and increased demands. Future projections of precipitation are not as clear. Changes in precipitation timing and amounts could result in greater or lesser irrigation requirements to meet ETo demands.

Although there is consensus that climate change is occurring, and the effects of climate change are being observed, the timing and magnitude of climate change impacts remain uncertain. The City will mitigate climate change impacts with this uncertainty in mind through an adaptive management approach in cooperation with other regional stakeholders and neighboring water management agencies. Under adaptive management, key uncertainties will be identified and evaluated (e.g., April-July runoff as a percentage of annual runoff, total runoff, average temperature and reference ETo), and strategies will be developed to address the related climate change impacts. As the actual impacts occur, the strategies will be prioritized, modified as needed, and implemented. SFPUC completed a Climate Action Plan in 2021, with a Water Supply addendum in 2023.[13]

Additional Resources for Water Resources Planning for Climate Change

Much work has been done at state and regional levels to evaluate the effects and impacts of climate change and to develop strategies to support future effective statewide, regional, and local water management.

The following resources provide supplementary information on water resources planning for climate change:

- Ackerly, D., Jones, A., Stacey, M., & Riordan, B. (2018). California's Fourth Climate Change Assessment: San Francisco Bay Area Summary Report. https://www.climateassessment.ca.gov/
- California Department of Water Resources (DWR). (2008). Managing an Uncertain Future: Climate Change Adaptation Strategies for California's Water. https://digitalcommons.csumb.edu/hornbeck_usa_3_d/63/
- California Department of Water Resources (DWR). (2010). Climate Change Characterization and Analysis in California Water Resources Planning Studies. https://cawaterlibrary.net/document/climate-change-characterization-and-analysis-in-california-water-resources-planning-studies-2/
- California Department of Water Resources (DWR). (2024). Climate Action Plan Phase 1: Greenhouse Gas Emissions Reduction Plan Update 2023. https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/All-Programs/Climate-Change-Program/Climate-Action-Plan/Files/Exhibit-C-CAP-Phase-1-Update-2023.pdf
- California Department of Water Resources (DWR). (2025). State Water Project Adaptation Strategy. https://mavensnotebook.com/wp-content/uploads/2025/08/SWP-AdaptationStrategy_Final.pdf
- California Department of Water Resources (DWR). (2026). California Water Plan 2028. https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/California-Water-Plan/Docs/Update2028/CWP-2028-Fact-Sheet.pdf
- California Energy Commission (CEC). (2018). California's Fourth Climate Change Assessment: Statewide Summary Report. https://www.energy.ca.gov/sites/default/files/2019-11/Statewide_Reports-SUM-CCCA4-2018-013_Statewide_Summary_Report_ADA.pdf

[13] SFPUC Climate Action Plan: Water Supply Addendum. https://www.sfpuc.gov/about-us/news/san-francisco-releases-updated-climate-action-plan-new-chapter-focusing-water-supply

- California Governor's Office of Emergency Services. (2020). California Adaptation Planning Guide. https://www.caloes.ca.gov/wp-content/uploads/Hazard-Mitigation/Documents/CA-Adaptation-Planning-Guide-FINAL-June-2020-Accessible.pdf
- California Natural Resources Agency. (2012). California Climate Adaptation Planning Guide. https://resources.ca.gov/CNRALegacyFiles/docs/climate/01APG_Planning_for_Adaptive_Communities.pdf
- California Natural Resources Agency. (2024). California Climate Adaptation Strategy. https://www.climateresilience.ca.gov/
- CDM. (2011). Climate Change Handbook for Regional Water Planning. https://cawaterlibrary.net/wp-content/uploads/2017/06/Climate_Change_Handbook_Regional_Water_Planning.pdf
- Intergovernmental Panel on Climate Change (IPCC). (2022). Sixth Assessment Report: Impacts, Adaptation and Vulnerability, Chapter 4: Water. https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-4/
- U.S. Bureau of Reclamation (USBR). (2015). West-Wide Climate Risk Assessments: Irrigation Demand and Reservoir Evaporation Projections (Technical Memorandum No. 86-68210-2014-01). https://www.usbr.gov/watersmart/baseline/docs/irrigationdemand/irrigationdemands.pdf
- U.S. Geological Survey. (2025). Climate Change and Future Water Availability in the United States (Professional Paper 1894-E). https://pubs.usgs.gov/pp/1894/e/pp1894E.pdf
- University of California, Berkeley. (2012). Climate Change and Integrated Regional Water Management in California: A Preliminary Assessment of Regional Perspectives. https://watershedscoalition.org/wp-content/uploads/2022/07/IRWM_CCReport_Final_June2012_EConrad_UCBerkeley.pdf

3.4 Service Area Population, Demographics and Socioeconomics

Suppliers are required to report their current and projected service area populations in their UWMP. The Water Code does not require a specific methodology for projecting future populations, but it does require that the estimates of future population be based upon data from state, regional, or local service agency population projections.

3.4.1 Service Area Population

The City of Milpitas estimates its historical and current service area population using the California Department of Finance's (DOF) Population and Housing estimates for current service area population. In 2020, Milpitas' service area population was 77,961. It is estimated that Milpitas' service area population was 81,773 in 2025, an increase of 4.9%.

Projected population from 2030 and 2050 is based on the 2025 BAWSCA Regional Water Demand and Conservation Projections Report[14] (Demand Study), which is described further in Section 4.2.5 of this UWMP. It is anticipated that Milpitas' overall service area population will increase. By 2050, the total population within Milpitas' service area is expected to be 137,000, which represents a 2.7% annual growth rate compared to the 2025 population.

[14] Demand Study: https://bawsca.org/uploads/userfiles/files/2025%20BAWSCA%20Demand%20Study_Final%20Report%20%2B%20Appendices_submittal%281%29.pdf

Table 3-1. Retail Population – Current and Projected

Submittal Table 3-1 Retail: Population - Current and Projected - Water Code Section 10631(a)						
Population Served	2025	2030	2035	2040	2045	2050(opt)
	81,773	96,900	109,800	118,900	127,900	137,000
NOTES: 2025 actual population value is from the Department of Finance Table E-5 for the City of Milpitas. Future population projections were developed for the City as part of BAWSCA's 2025 Regional Water Demand and Conservation Projections Study and are based on population growth rates from the Association of Bay Area Governments and the Metropolitan Transportation Commission's Plan Bay Area 2050 Traffic Analysis Zone (TAZ) dataset. Projection values are rounded to the nearest 100.						

The expected population growth will come from redevelopment of two central areas defined in the Milpitas Gateway-Main Street Specific Plan (MGSP) and Milpitas Metro Specific Plan (MMSP). The MGSP outlines planned growth of a mixed-use community that includes high-density, transit-oriented housing and a central community "gathering place," while maintaining needed industrial, service, and commercial uses. The plan is long-range in nature, intended to guide development through the year 2030. Some land in the Gateway area is undeveloped but easily developed over the short-term, while other parcels may be developed over a longer time frame.

The MGSP designation provides for the current and future uses of the Gateway area of Milpitas, in accordance with the overall plan. The MGSP sets forth the types, locations, and intensities of land uses to be accommodated within the Gateway area. Its purpose is to create an economically viable main street-type development that serves as a cultural hub of the City. A variety of uses are allowed in this designation, including entertainment, retail, commercial, residential, civic, cultural, office, and high-density mixed use residential in a compact, walkable, and unique centralized setting. All new developments occurring within the MGSP designation are required to adhere to the development standards and guidelines established in the MGSP. These projections are subject to change as the MGSP is updated.

The MMSP outlines planned growth at the hub of the existing Santa Clara Valley Transportation Authority Light Rail station and the recently opened Bay Area Rapid Transit (BART) station near the City's Great Mall shopping center. The plan calls for new residential and mixed-use developments. New residential neighborhoods will consist of mixed-use areas with commercial use on the ground floor and residential units above in high-density residential neighborhoods. Industrial areas will be transitioned to areas that support higher density mixed use. The MMSP designation establishes a framework for a walkable, transit-oriented area with a mix of land uses, which encourages walking, biking, and transit use while reducing vehicle trips and vehicle miles traveled. Development allowed within the MMSP area accommodates substantial growth, while minimizing impacts on local roadways and reducing urban sprawl at the periphery of the region. All new development occurring within the MMSP designation adheres to the development standards and guidelines established in the MMSP. These projections are subject to change as the MMSP is updated.

3.4.2 Other Social, Economic and Demographic Factors[15]

It is recommended that Suppliers describe the social, economic, and demographic factors of their service areas since recent trends or shifts in these factors can affect water management and planning.

As of 2025, Milpitas has a population of 81,773, with a daytime population of 102,000. Daytime population reflects people commuting into or out of the city for work, shopping, entertainment, and other activities.

[15] City of Milpitas. (2020). *Economic Development Strategy and Implementation Actions Final Report*, accessed June 2026: https://www.milpitas.gov/DocumentCenter/View/3095/Economic-Development-Strategy-Implementation-Actions-PDF?bidId=

Milpitas has 44 businesses employing 100 or more workers, with Cisco Systems, KLA Corporation, and Western Digital as the three largest employers. Other major employers include Amazon, Becton, Dickinson and Company, Flex Ltd., Headway Technologies, Inc., and Milpitas Unified School District. Over 25% of the city's workforce is employed in professional, scientific, management, and administrative services, more than 23% in manufacturing, about 15% in education and health care, 8% in retail, and 6% in arts and entertainment.

As of 2025, Milpitas has roughly 15.5 million square feet of office, research and development, and manufacturing space, along with 6.5 million square feet of warehouse and distribution space. This inventory is diverse and flexible, accommodating a wide range of business needs.

The City also offers a robust retail sector with over 5 million square feet of retail space, three-quarters of which is in shopping centers. Milpitas features more than 150 national and regional retailers, along with an ethnically diverse mix of restaurants and specialty stores, many focused on Asian products. Major regional shopping destinations include the 1.4 million-square-foot Great Mall and the 415,000-square-foot McCarthy Ranch retail center.

3.5 Land Uses within Service Area

There are approximately 14 square miles of land within the City boundaries. The primary land uses in the developed portions of the City are residential, commercial, and industrial. The distribution of land uses provided by the City of Milpitas Planning Department are consistent with the City of Milpitas 2040 General Plan adopted March 9, 2021.

4 CUSTOMER WATER USE

Lay Description

The Water Code requires a description and quantification of water uses in the service area, including recycled water if used or may be used in the future. This chapter describes and quantifies the City's historical, current (2025), and future water use projections through 2050, based on available records. Also presented in this chapter is a summary of distribution system water losses (i.e., leakage from pipes, under-registering meters, etc.). Future water use is based upon the City's past and existing water use (as of 2025), along with anticipated growth, new regulations, changing climate conditions, and trends in customer water use behavior. A thorough analysis examined each water use sector and aggregated the results into a comprehensive projection of customer water use.

Table 4-1 and Table 4-2 present the City's actual total 2025 water consumption and projected water demands through 2050, respectively by water use sector.

4.1 Non-Potable Versus Potable Water Use

The City purchases recycled water from SBWR and operates and maintains the recycled water distribution facilities within City boundaries, which is discussed in greater detail in Chapter 6 of this UWMP. The tables in this chapter summarize total current water use and projected water use, including recycled water.

4.2 Past, Current, and Projected Water Use by Sector

This section will identify water use, based on available records, for the 10 water use sectors identified in Water Code Section 10631(d).[16] Also included is a description of how sector water use is calculated and projections are estimated.

The BAWSCA 2025 Regional Water Demand and Conservation Projections Study model was used to project long-term demand, through 2050, based on expected service area growth for population and employment. Demand forecasts were developed for each agency, considering conservation from passive (i.e., from codes/standards) and active conservation programs. Based on this analysis, water demands were projected after accounting for the effects of the existing plumbing code and future active conservation savings. BAWSCA also evaluated conservation measures for potential future regional implementation. The City's conservation measures are discussed in Chapter 9 – Demand Management Measures.

4.2.1 Water Use Sectors Listed in Water Code

For the demand analysis, the City provided 2020-2023 water use sectors, water rates, monthly water consumption and water conservation data, production data, and additional information for historical and projected use analyses. Based on the City's water demand projection analysis that was conducted, the City describes its past, current, and projected water use for its water use sectors, in five-year increments through 2050.

The following water sectors are listed in the Water Code, with additional sectors or subdivisions included as needed to reflect unique conditions for sectors or subsectors not listed in the Water Code.

Single Family Residential

This is defined as a single family dwelling unit or a lot with a free-standing building containing one dwelling unit that may include a detached secondary dwelling. The City has approximately 12,500 single family accounts.

[16] Water Code Section 10631.
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=10631
(leginfo.legislature.ca.gov

Among the City's new residential development are some single family units. However, overall, the City's newer housing is shifting from the traditional suburban single family home with individual yards to urban high-density housing units.

Multifamily Residential

This is defined as multiple dwelling units contained within one building or several buildings within one complex. The City has approximately 2,000 multifamily accounts serving approximately 15,500 dwelling units. These share outdoor space, and some are combined with retail and office space as described in the Specific Plans for future development around the BART station. This demand sector is projected to have significant growth as a result of numerous residential and mixed-use developments under construction, approved, pending entitlement, or in plan review. The City includes mobile homes in the multifamily classification.

Commercial

This is defined as a water user that provides or distributes a product or service. The City has a complex mix of commercial customers, ranging from beauty shops, supermarkets, and gas stations to multi-story office buildings, outlet and regional shopping centers, high-volume restaurants, and other facilities serving the visitor population.

Industrial

This is defined as a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System (NAICS)[17] code sectors 31-33 or an entity that is a water user primarily engaged in research and development, per Water Code Section 10608.12(h).[18] The City retains research and development facilities, along with some food preparatory facilities.

Institutional/Governmental

This is defined as a water user dedicated to public service. This type of user includes, among other users, higher-education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions per Water Code Section 10608.12(i).[19] The City has a stable institutional/governmental sector, including local government, schools, a county correctional facility, and outpatient medical facilities.

Landscape

This is defined as water connections supplying water solely for landscape irrigation. Such landscapes may be associated with multifamily or CII/governmental sites but are considered a separate water use sector if the connection is solely for landscape irrigation. Irrigation demand is anticipated to increase slightly due to continued development and redevelopment. However, requirements for newly developed and reconstructed landscapes to be more water efficient, ongoing outdoor water conservation programs, nonfunctional turf watering prohibitions for CII properties, landscape conversions to recycled water, and increased efficiency in irrigation systems are expected to offset future increases in potable water demand for landscaping.

[17] North American Industry Classification System website, accessed April 2026: https://www.census.gov/naics/

[18] *Water Code Section 10608.12(h)*.
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=10608.12

[19] *Water Code Section 10608.12(i)*.
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT&sectionNum=10608.12

Sales to Other Agencies

As a retailer, the City purchases water for its own use and does not sell water to other agencies; therefore, this section is not applicable.

Groundwater Recharge

This is defined as the managed and intentional replenishment of natural groundwater supplies using man-made conveyances such as infiltration basins or injection wells. Water used for groundwater banking or storage may also be reported using this sector. If all, or a portion of, the groundwater recharge water is subsequently pumped out of the basin in the same year, that water will be reported as groundwater. The City does not have groundwater recharge; therefore, this section is not applicable.

Saline Water Intrusion Barrier

This is defined as the injection of water into a freshwater aquifer to prevent the intrusion of saltwater. The City does not have a saline water intrusion barrier; therefore, this section is not applicable.

Agricultural

This is defined as water used for commercial agricultural irrigation. The City does not have agricultural irrigation; therefore, this section is not applicable.

Distribution System Water Loss

Distribution system water losses (also known as "real losses") are the physical water losses from the water distribution system and storage facilities, up to the point of customer consumption. The water loss projections were developed, assuming the ratio of water loss to other categories of demand remains constant over the planning horizon. See Section 4.3 for further details.

4.2.2 Water Use Sectors in Addition to Those Listed in Water Code

The water use sectors described below are not specifically listed in, nor required by, the Water Code.

Exchanges

Water exchanges are typically water delivered by one water user to another, with the recipient returning the water at a specified time or when the conditions of the parties' agreement are met. Water exchanges can be strictly a return of water on a basis agreed upon by the participants or can include payment along with the return of water. Water can be returned on a one-for-one basis or by another arrangement (e.g., for each acre-foot of water received, two are returned). For more information on this water use sector, refer to Section 6.2.7.

Surface Water Augmentation

This is defined as the planned placement of recycled water into a surface water reservoir used as a source of domestic drinking water. The City does not participate in surface water augmentation; therefore, this section is not applicable.

Transfers

The Water Code defines a water transfer as a temporary or long-term change in the point of diversion, place of use, or purpose of use due to a transfer, sale, lease, or exchange of water or water rights. Transfers can be between neighboring Suppliers or across the state, provided there is a means to convey or store the water. A water transfer can be a temporary or permanent sale of water or a water right by the water right holder, a lease of the right to use water from the water right holder, or a sale or lease of a contractual right to water supply. Water transfers can also take the form of long-term contracts to improve long-term supply reliability. Some

Retail Suppliers transfer water to other suppliers. The City does not participate in water transfers; therefore, this section is not applicable.

Wetlands or Wildlife Habitat

This is defined as water used for a managed environmental use to improve environmental conditions. The City does not manage a wetlands or wildlife habit program; therefore, this section is not applicable.

Other

The City has approximately 600 fire service accounts. The Other usage shown in this chapter is water use associated with fire service accounts.

4.2.3 Past Water Use

While not part of the DWR UWMP Reporting Tables, the Water Code requires Retail Suppliers to quantify past water use. Past water use is valuable during development of projected uses as it helps create an understanding of water use trends, the effects of temporary use restrictions imposed during the most recent prolonged drought and recovery from such temporary restrictions, the effects of long-term demand management measures, and other pertinent water use factors. The City's historical water use is part of the data that was used for the City's collaboration in the BAWSCA Regional Water Demand and Conservation Projections Study; the BAWSCA Demand Study identified demand and conservation projections through 2050. The BAWSCA Demand Study analyzed the City's historical data from 2000–2023 to assess the impacts of certain factors (e.g., water rates, economic conditions, and weather) on water demands.

4.2.4 Current Water Use

This section presents current water use as ascertained by analyzing information such as meter data, billing records, and others as well as recently submitted Electronic Annual Reports (eAR) and monthly reports. Current water use is reflected in Table 4-1 which includes current gross and recycled water use. As shown in Table 4-1, for 2025, the City's service area used a total of 3,238 million gallons (MG) of potable water. In 2025, of the City's total potable water use, approximately 27% was in the single-family residential sector, while 23% was in the multifamily sector. Of the Commercial, Institutional, and Industrial sector (CII), about 11% was Commercial, 11% Industrial, 4% Institutional, 8% Irrigation, and 0.05% Other.

Table 4-1. Demands for Potable and Non-Potable Water – Actual

Submittal Table 4-1 Retail: 2025 Actual Total Uses for Potable and Non-Potable Water - Water Code Section 10631(d)(1)			
Use Type	Additional Description	2025 Actual Water Use	
		Level of Treatment When Delivered	Volume (MG)
Single Family		Potable	812
Multifamily	Duplex, Townhouse, Condo, Mobile Homes	Potable	693
Commercial		Potable	333
Industrial		Potable	314
Institutional/Governmental	Schools, Government or Church and City Domestic Accounts	Potable	108
Landscape		Potable	231
Other (optional)	Fire	Potable	2
Distribution System Water Loss	Potable water loss	Potable	472
Other (optional)	Recycled water for industrial reuse and commercial, industrial, institutional landscapes	Non-Potable	273
		Subtotal Potable	2,965
		Subtotal Non-Potable	273
		Total	3,238
NOTES: 1. The City tracks CII uniquely in its billing and consumption recording, but in its projections has combined these uses into one category. 2. Distribution System Water Loss is calculated as the difference between total customer category use and production.			

4.2.5 Projected Water Use

This section presents projected water use for each sector, in five-year increments through 2050. Projected water use is reported in Table 4-2. Water use projections were developed using long-term population and employment growth projections, 2022-2023 base water use for residential sectors and 2021-2022 for the CII sector, which includes plumbing codes and standards. The demand projections were based on an econometric model, which included the City's specific economic conditions, retail water rates, population, monthly production data from 1980-2023, and impacts of drought restrictions implemented during the 2021-2023 period. The econometric model generated water demand forecasts to 2050 and was developed during the City's participation in BAWSCA's 2025 Regional Water Demand and Conservation Projections Study.[20] The Demand Study is described further in the BAWSCA text that follows.

[20] Demand Study: https://bawsca.org/uploads/userfiles/files/2025%20BAWSCA%20Demand%20Study_Final%20Report%20%2B%20Appendices_submittal%281%29.pdf

The demand model used to prepare the projections established a base-year water demand for each type of water use sector (e.g. single family, multifamily, CII, dedicated irrigation, recycled water accounts, etc.). Forecasting future demand involved determining the growth in the number of water service accounts. Once the rates of change were established, they were entered into the model and applied to those account types (BAWSCA, 2025).

BAWSCA Standard Text

The goal of the Demand Study was to develop transparent, defensible, and uniform demand and conservation savings projections for each Wholesale Customer using a common methodology to support both regional and individual agency planning efforts and compliance with the new statewide water efficiency targets required by Assembly Bill (AB) 1668 and Senate Bill (SB) 606.

Through the Demand Study process, BAWSCA and the Wholesale Customers (1) quantified the total average-year water demand for each Wholesale Customer through 2050, (2) quantified passive and active conservation water savings potential for each individual Wholesale Customer through 2050, and (3) identified conservation programs with high water savings potential and/or BAWSCA Member Agency interest. Implementation of these conservation measures, along with passive conservation, is anticipated to yield an additional 16.14 million gallons per day (MGD) of water savings by 2050. Based on the revised water demand projections, the identified water conservation savings, increased development and use of other local supplies by the Wholesale Customers, and other actions, the collective purchases of the BAWSCA Member Agencies from the SFPUC are projected to stay below 184 MGD through 2050.

As part of the Demand Study, each Wholesale Customer was provided with a demand model that can be used to support ongoing demand and conservation planning efforts, including UWMP preparation.

The next step in developing future demand was to evaluate the cost effectiveness and water savings of a variety of potential water conservation measures to determine how much of the projected demand can be reasonably met through demand management. The potential water conservation savings were deducted from the total demand. The model also incorporated the effects of plumbing and appliance codes, or so-called passive savings, on existing and future accounts, as well as anticipated land use changes, densification, and industrial development anticipated in the City and supported by General Plan policies and strategies.

Development Factors Affecting Water Demand

The water demand projections summarized in this section incorporate anticipated development factors within the City, affecting both residential and non-residential sectors. The potable water demand projections are built off BAWSCA's 2025 Demand Study demand model, which estimated total water demand at year 2050 to be 3,611 million gallons (Table 4-2). Of the total 2050 demand, 3,331 million gallons are anticipated to be potable and 280 million gallons to be recycled water.

The Association of Bay Area Governments (ABAG) identify RHNA numbers based on the California Department of Housing and Community Development's (HCD's) determination of the total number of new homes the Bay Area needs to build to meet the housing needs of people at all income levels. In 2021, the ABAG Executive Board adopted final RHNAs for the 2023-2031 cycle. The BAWSCA study used growth rates from ABAG Plan Bay Area 2050 and applied these to recent and historical data to derive a projection. The service area's RHNA target values were cross-checked against these to ensure compliance.

Table 4-2. Demands for Potable and Non-Potable Water – Projected

Submittal Table 4-2 Retail: Total Uses of Potable, and Non-Potable Water - Projected Water Code Section 10631(d)(1)							
Use Type	Additional Description	Level of Treatment When Delivered	**Projected Water Use**				
			2030 (MG)	**2035** (MG)	**2040** (MG)	**2045** (MG)	**2050** (opt) (MG)
Single Family		Potable	730	710	695	680	660
Multifamily	Duplex, Townhouse, Condo, Mobile Homes	Potable	690	760	820	860	890
Commercial	Commercial, Industrial, Institutional (schools, government, church, City domestic accounts)	Potable	870	910	960	1,000	1,000
Landscape		Potable	280	280	280	280	280
Distribution System Water Loss		Potable	430	450	470	490	500
Other (optional)	Fire	Potable	1	1	1	1	1
Other (optional)	Recycled water for irrigation & industrial reuse	Non-Potable	275	275	275	280	280
		Subtotal Potable	3,001	3,111	3,226	3,311	3,331
		Subtotal Non-Potable	275	275	275	280	280
		Total	3,276	3,386	3,501	3,591	3,611

NOTES:
1. Projected demands were developed as part of the 2025 BAWSCA Regional Water Demand and Conservation Projections Study. Demand projections utilized climate change scenario Representative Concentration Pathway (RCP) 8.5 and include passive savings associated with plumbing codes and natural fixture replacement, and active conservation savings from ongoing water conservation programs.
2. Demands over 8 MG are rounded to the nearest 10 MG.
3. The BAWSCA Demand Study's baseline scenario (and therefore this UWMP's projection) holds system water loss at a constant share of total consumption in the future, consistent with Milpitas' 2023 AWWA water loss reporting. As total demand grows or declines, the volumetric system water loss moves proportionally, but the percentage remains constant.

20-Year Planning Horizon

In accordance with Water Code Section 10635(a), all Suppliers will need to report their projected water use in five-year increments through 2045 and are encouraged to project through 2050.

In accordance with Water Code Section 10603(d)(2), the City projected its water use through 2050 in five-year increments in Table 4-2 and provided these projected demands to Valley Water and SFPUC (through BAWSCA). The BAWSCA Demand Study, that is available to SFPUC, incorporates projected water savings from the plumbing code, standards, ordinances, and projected demands due to growth in the City's service area.

Codes and Other Considerations Used in Projections

Water savings from codes, standards, ordinances, and land use planning, also known as *passive savings*, generally decrease water use for new and future customers compared to existing customers. However, some ordinances and standards may also apply to existing customers, such as plumbing code changes resulting in fixture and appliance replacements. Suppliers are required to state the extent to which passive savings are considered in these water use projections. This is noted in Table 4-3 and quantified in Table 4-4.

The water demand projections in Table 4-2 are based on analysis of historic metering data and projected growth in population, jobs, and development presented in the 2025 BAWSCA Demand Study. The projections in Table 4-2 include reductions due to "plumbing code" upgrades and reflect on-going change-outs of existing plumbing fixtures for more water efficient devices and the implementation of conservation measures selected by the City.

Retail Suppliers are required to include any estimated passive savings expected in their water-use projections pursuant to Water Code Section 10631(d)(4)(A) and future water projections needed for lower income residential water use pursuant to Water Code Section 10631.1.

The City includes in its 2025 UWMP the projected water use for lower income households (i.e., those with income below 80% of area median income, adjusted for family size), using population numbers from the 2025 BAWSCA Demand Study. However, it should be noted that the City does not use this estimate for any planning purposes. Projected water use by lower income households is estimated by multiplying the projected housing need for the City by the average household size and assumed per capita water use. The most recent source of data for low-income housing units for the City is the 2023-2031 Housing Element, which was adopted on January 24, 2023.

Water usage for lower income housing units and passive water savings estimates are included in the overall water demand projections, as shown below in Table 4-3.Table 4-3. Inclusion in Water Use Projections

Submittal Table 4-3 Retail: Inclusion in Water Use Projections Water Code Section 10631 (a), 10631 (d)(4)(A), and 10631 (d)(4)(B)	
Are Future Water Savings Included in Projections?	Yes
If "Yes" to above: State the section or page number, in the cell to the right, where citations of the codes, ordinances, or otherwise are utilized in demand projections are found.	Section 4.2.5
Are Lower Income Residential Demands Included in Projections?	Yes
NOTES: All of the City of Milpitas' residential customers, regardless of income level, are metered. Thus, the demands of residential customers with lower incomes are part of the single-family and multifamily water uses as shown in Table 4-1 and Table 4-2.	

The City is using optional Submittal Table 4-4 to report its projected passive water-use savings. The "Description" column presents the ordinance, plan, or other information that will bring about the expected passive savings.

Table 4-4. Passive Water Savings Projections

OPTIONAL Submittal Table 4-4 Retail: Passive Water Savings Projections - Water Code Section 10631(d)(4)(A)

Description (Codes, Standards, Ordinances, or Plans)	Passive Savings				
	2030	2035	2040	2045	2050
	(MG)	(MG)	(MG)	(MG)	(MG)
Passive Conservation	56	100	133	157	178
Active Conservation	44	69	85	100	116
NOTES: 1. Projected demands were developed as part of the 2025 BAWSCA Regional Water Demand and Conservation Projections Study, utilizing climate change scenario Representative Concentration Pathway (RCP) 8.5. 2. Passive conservation includes savings associated with plumbing codes and natural fixture replacement, and active conservation includes savings from ongoing water conservation programs. The basis for passive and active savings volume can be found in Section 4 of the 2025 BAWSCA Regional Water Demand and Conservation Projections Study.					

4.3 Distribution System Water Loss

Distribution system water losses (also known as "real losses") are the physical potable water losses from the pressurized water distribution system and the storage facilities up to the point of delivery to the customer's system (e.g., up to the residential water meter) calculated using the American Water Works Association's (AWWA) Method (Title 23 California Code of Regulations [CCR] Section 638.1 et seq.). This is the sum of the AWWA Method real losses and apparent losses.

In the 2025 UWMP, distribution system water loss for each of the five years preceding the plan update must be reported (Water Code Section 10631(d)(3)) in accordance with the rules adopted pursuant to Water Code Section 10608.34. Table 4-1 and Table 4-2 present current and projected distribution system water losses representing total non-revenue water volumes which include real losses, apparent losses, and unbilled authorized consumption.

To better understand the nature of non-revenue waters, the City completed its first detailed Water Audit and Component Analysis of Real and Apparent Losses in 2015, utilizing the AWWA Method. This method uses known factors, such as system input volume, authorized consumption, and revenue water to determine water losses. These losses are further categorized into two types:

- Apparent losses – Due to meter inaccuracies, data errors and theft. The water is consumed but is not properly measured and accounted for.
- Real losses – Due to system leaks and breaks.

Through these efforts and other measures, real losses have been reduced significantly. Table 4-5 shows that the City has submitted Water Audits for Water Use Efficiency (WUE) for the last five years, including the most recent reporting period January 1, 2024, through December 31, 2024; links to each report are provided.

Table 4-5. Water Loss Audit Reporting

Submittal Table 4-5 Retail: Water Loss Audit Reporting - Water Code Section 10631(d)(3)(A)			
Public Water System ID # Reported in Table 2-1 R	Reporting Period	Submitted to DWR Water Loss Audit Program (yes/no)	Link to the WUEdata submittals of Water Loss Audit Reports
Report submittal status for all five years for each Public Water System as available.			
4310005	2020	Yes	WUEdata - 2020
	2021	Yes	WUEdata - 2021
	2022	Yes	WUEdata - 2022
	2023	Yes	WUEdata - 2023
	2024	Yes	WUEdata - 2024

In Table 4-6, the City's defines its Water Loss Performance Standard. Each relevant Public Water System and its associated standard(s) are listed in the table, along with relevant information for converting between the performance standard and water loss volumes to determine progress toward meeting the water loss standard. Submittal of this table and relevant data does not constitute compliance or non-compliance with the Water Loss Control Regulation which is governed by the State Water Board.

Table 4-6. Progress Towards 2028 Water Loss Standard

Submittal Table 4-6 Retail: Progress Towards 2028 Water Loss Standard - Water Code Section 10631(d)(3)(C)											
		Real Water Loss					Apparent Water Loss				
		State Water Board Standard		Most Recent AWWA Water Loss Audit			State Water Board Standard		Most Recent AWWA Water Loss Audit		
Public Water System ID #	Did the Water Board Calculate a Water Loss Standard for this Public Water System?	2028 Real Water Loss Standard per Unit per day	Units for Real Water Loss	Number of Units (Connections or Miles)	Volume of Total Real Loss (MG)	Real Water Loss Per Unit per Day	2028 Apparent Water Loss Standard per Unit per Day	Units for Apparent Water Loss	Number of Connections	Volume of Total Apparent Loss (MG)	Apparent Water Loss Per Unit per Day
4310005	Yes	34.9	GPSCD	16,750	404.4	66.1	12.9	GPSCD	16,750	62.6	10.2
NOTES: Connections include active and inactive accounts. GPSCD = gallons per service connection per day.											

4.4 Climate Change Considerations

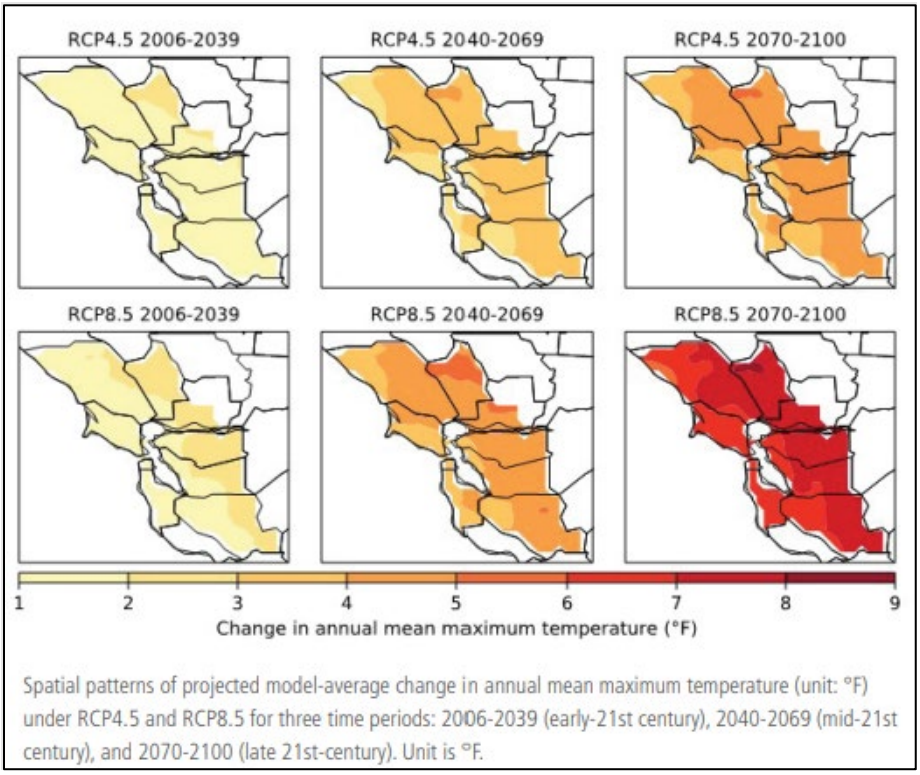
The types of climate change impacts considered in the water use projections include water demands, temperature, precipitation, and sea level rise. Following is the information upon which the projections are based.

The Public Policy Institute of California has predicted that five climate pressures will impact the future of California's water management: warming temperatures, shrinking snowpack, shorter and more intense wet seasons, more variable precipitation, and rising seas.[21] As of 2019, some of these pressures are already apparent. The climate impact on water supply is predicted to significantly exceed the impact on water demand.

Precipitation in the Bay Area will continue to have high variability. This will lead to cycles of wet years and dry years, with precipitation varying month by month within years as well. The largest winter storms in the Bay Area will likely become more powerful and potentially more damaging. The predicted increase in future temperature means California and the Bay Area could experience longer and deeper droughts, thereby impacting the water supply.

The Intergovernmental Panel on Climate Change (IPCC) developed several future climate change scenarios referred to as Representative Concentration Pathways (RCPs).[22] RCP 4.5 represents a mitigation scenario where global CO_2 emissions peak by the year 2040. RCP 8.5 represents the business-as-usual scenario where CO_2 emissions continue to rise throughout the 21st century. The following figure shows the spatial changes in annual mean maximum daily temperatures across the nine Bay Area counties under RCP 4.5 and RCP 8.5.

Figure 4-1. Bay Area Historical and Projected Mean Maximum Temperatures



Spatial patterns of projected model-average change in annual mean maximum temperature (unit: °F) under RCP4.5 and RCP8.5 for three time periods: 2006-2039 (early-21st century), 2040-2069 (mid-21st century), and 2070-2100 (late 21st-century). Unit is °F.

Source: Ackerly et al. (University of California, Berkeley), 2018.

[21] Public Policy Institute of California (PPIC). (2020). Priorities for California's Water, accessed May 2025: https://www.ppic.org/publication/priorities-for-californias-water/

[22] Intergovernmental Panel on Climate Change (IPCC). (2014). Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. https://www.ipcc.ch/report/ar5/syr/

According to California's Fourth Climate Change Assessment San Francisco Bay Area Summary Report,[23] the Bay Area's historical temperature increased 1.7 degrees Fahrenheit from 1950 to 2005. It is predicted that annual mean maximum temperatures will increase by 1 to 2 degrees Fahrenheit in the early 21st century from the years 2006 to 2039, then will increase by an additional 3.3 degrees Fahrenheit in the mid-21st century from 2040 to 2069. This increment for the mid-21st century rises to 4.4 degrees Fahrenheit if the Bay Area remains under the high emissions scenario of "business-as-usual."

The above IPCC report temperature change is broken into two time periods (early-21st century and mid-21st century).

Following are the considerations and methodology used to calculate the average annual temperature change for each of the IPCC report[24] time periods:

- Early 21st Century (2006-2039) had an estimated temperature increase of 1 to 2 degrees Fahrenheit that was averaged to 1.5 degrees Fahrenheit. For the 33-year time period, this equates to an average annual temperature increase of 0.045 degrees Fahrenheit.
- Mid-Century (2040-2069) was estimated to have a temperature increase of 3.3 degrees Fahrenheit. For the 29-year time period, this equates to an average annual temperature increase of 0.114 degrees Fahrenheit.

Hotter and drier weather may lead to an increased demand in landscape irrigation. BAWSCA's Demand Study model reflects the historical relationship of the City of Milpitas' water demand with weather and then incorporates modeled weather under future climate change conditions into the Demand Study demand projections. Therefore, the demand projections presented in Section 4.2 include considerations of climate change. A description of the weather and climate change data incorporated into Milpitas' demand model is provided in Section 5.4 of the BAWSCA Demand Study.

Downscaled CMIP5 data were obtained from CalAdapt's Local Climate Change Snapshot tool.[25] Climate projection data, including annual precipitation and maximum temperature, were collected for the three counties that overlay BAWSCA's member agencies, including Alameda, San Mateo, and Santa Clara counties. Modeled temperatures from the CalAdapt CMIP5 RCP 4.5 and RCP 8.5 datasets were processed annually for 2025 through 2050 and included as potential inputs to the demand model. Table 4-7 summarizes the estimated increases in temperature between 2025 and 2050.

Table 4-7. Average Annual Maximum Temperature Increases in 2050 (Relative to 2025)*

County	RCP 4.5	RCP 8.5
Alameda	1.20 °F	2.03 °F
Santa Clara	1.25 °F	2.05 °F
San Mateo	1.06 °F	1.77 °F

*Information derived from CalAdapt CMIP5.

[23] Ackerly, David, Andrew Jones, Mark Stacey, Bruce Riordan. (University of California, Berkeley). (2018.) *San Francisco Bay Area Summary Report.* California's Fourth Climate Change Assessment. Publication number: CCCA4-SUM-2018-005. https://www.energy.ca.gov/sites/default/files/2019-11/Reg_Report-SUM-CCCA4-2018-005_SanFranciscoBayArea_ADA.pdf

[24] Intergovernmental Panel on Climate Change (IPCC). (2014). Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. https://www.ipcc.ch/report/ar5/syr/

[25] CMIP5 Local Climate Change Snapshot Tool. https://cmip5.cal-adapt.org/tools/local-climate-change-snapshot

According to the San Francisco Bay Conservation and Development Commission (BCDC),[26] historical records show that sea level in San Francisco Bay has risen 18-20 cm (7 inches) over the past 150 years, as further detailed in the BAWSCA standard text that follows.

BAWSCA Standard Text

The updated 2018 State of California Sea-Level Rise Guidance recommends that projects in the San Francisco area with a lifespan to 2050 and under a high-emissions scenario (RCP 8.5), use three risk projections until 2050:

- Low risk aversion projection: 1.1 feet
- Medium-high risk aversion projection: 1.9 feet
- Extreme risk aversion projection: 2.7 feet

For highly vulnerable or critical assets that have a lifespan beyond 2050 and would result in significant consequences if damaged, the extreme risk aversion projection is recommended to be included in planning analyses. The range of low, medium-high, and extreme risk aversion projections should be evaluated across the range of high and low emissions scenarios (RCP 8.5 and RCP 2.6, respectively). For example, for a project with a lifespan to 2100, the recommended range of projections is as follows:

- Low risk aversion projection: 2.4 - 3.4 feet
- Medium-high risk aversion projection: 5.7- 6.9 feet
- Extreme risk aversion projection: 10.2 feet

The SFPUC assessment of the effects of climate change requires regular updating to reflect improvements in climate science, atmospheric/ocean modeling, observations, and human response to the threat of greenhouse gas emissions. Climate change research by SFPUC began in 2009 and continues to be refined. SFPUC completed a Long Term Vulnerability Assessment in 2021, which assessed the impacts of climate change on the RWS, and amended it in 2024. Findings from the assessment are summarized in the following inset text boxes, and full details are available in SFPUC's LVTA report.

SFPUC partnered with The Water Research Foundation to develop the Long Term Vulnerability Assessment (LTVA) of the RWS, to help quantitatively and qualitatively assess to what extent climate change will be a threat to the RWS in comparison to, or in combination with, other external drivers of change over the next 50 years (2020-2070). The LTVA assessed the potential effects of climate change on RWS water supply using a wide range of plausible increases in temperature and changes in precipitation to address the wide uncertainty in climate projections over the planning horizon. There are many uncertain factors, such as climate change, changing regulations, water quality, growth and economic cycles, that may create vulnerabilities for the RWS's ability to meet Levels of Service. The uncertainties associated with the degree to which these factors will occur and how much risk they present to the water system are difficult to predict but were considered in this study. To address this planning challenge, the LTVA used a vulnerability-based planning approach to explore a range of future conditions to identify vulnerabilities, and to assess the risks associated with these vulnerabilities, that could lead to developing an adaptation plan that is flexible and robust to a wide range of future outcomes. The LTVA was completed in 2021, and the University of Massachusetts Amherst and The Water Research Foundation amended it in 2024.

[26] San Francisco Bay Conservation and Development Commission (BCDC): https://www.bcdc.ca.gov/wp-content/uploads/sites/354/2025/07/2025-06-25-introducing-the-regional-shoreline-adaptation-plan.pdf

BAWSCA Standard Text

Key findings of the LTVA:

- Climate change exacerbates impacts from other external drivers of change and is not the single most important driver of vulnerability for the RWS.
- The RWS at a baseline demand of 227 MGD is resilient to changes in climate and other external drivers.
- The RWS water supply performance declines with reductions in mean precipitation but is mostly insensitive to increases in temperature.
- The RWS is more vulnerable to changes in demand and instream flow requirements than changes in mean annual temperature and precipitation.
- The RWS is vulnerable to changes to mean climate when demand or regulatory instream flow requirements increase.

Further results and conclusions from the LTVA and its amendment:

- According to climate projections and expert elicitations, there is a central tendency of warming of +2°C and +4°C by 2040 and 2070 (RCP 8.5), respectively, with no clear direction of change in mean annual precipitation over the planning horizon.
- In the upcountry region, by 2040, most projections and elicitations of warming estimate between +1°C and +4°C, and precipitation changes range between -5% and +5%, compared to historical baseline; and by 2070, estimates of warming range between +3°C and +6°C, and precipitation changes range between -15% and +15% (RCP8.5).
- Changes in hydrology due to climate change affect the RWS's ability to meet water supply targets. At 227 MGD baseline demand, the RWS can sustain up to +4°C and -5% precipitation change before failing to meet targets for delivery reliability, frequency of 20% rationing, storage reliability, and duration of rationing.
- Precipitation change is an important driver for RWS performance. A decrease by 10% or more will cause RWS water supply targets to be missed. The climate projections and expert elicitations show that such a change in precipitation is possible by 2040, although unlikely. The likelihood of this change increases toward 2070.
- The RWS shows minor sensitivity to temperature change for the metrics evaluated in this study. Most metrics stay above target under warming conditions. However, warming conditions often magnify the loss in system performance if precipitation or demand change.
- Demand change appears to be a major driver of future RWS performance. An increase in demand by 15% (265 MGD) will lead to failure to meet rationing frequency targets under current climate conditions. At 265 MGD demand, the rationing frequency targets would be met if there is an increase in precipitation of 10%. If demand increases by 30%, the rationing target cannot be met even when precipitation increases by 40%, which is believed plausible but unlikely over the planning horizon.
- The RWS is particularly vulnerable to state-amended new instream flow requirements below Don Pedro Dam, which represents a huge reduction in water available. Under all demand and climate scenarios the system reliability, defined as frequency of years without rationing, remains below 5%.
- The RWS is also vulnerable to the draft Tuolumne voluntary agreement new instream flow requirements below Don Pedro Dam, which represents a large reduction in water available, although significantly less than for the state-amended new instream flow releases. The implementation of the draft Tuolumne voluntary agreement under current climate and demand conditions would reduce system reliability to 75%, which corresponds to the effects of a reduction in average rainfall by 20% under the current Federal Energy Regulatory Commission agreement.

5 SB X7-7 BASELINES, 2020 TARGETS, AND 2025 REPORTING

Lay Description

The Water Conservation Act of 2009, also known as Senate Bill (SB) X7-7, mandated a 20% reduction in urban per capita water use across California by 2020. To achieve this goal, the Act required each Supplier to establish an urban water-use target, contributing to the State's collective efforts. The Legislature stated that the combined reductions from all Suppliers would fulfill the statewide legislative mandate.

The goal of this chapter is to allow the Supplier to report on its progress toward meeting its urban water-use targets in its UWMP, pursuant to Water Code Section 10608.40. Suppliers that did not meet their 2020 target in 2020 are required to compare their 2025 water use to the 2020 target.

To be eligible for water related state grants and loans, Suppliers are required to comply with SB X7-7 individually or as a region in collaboration with other Suppliers or demonstrate they have a plan or have secured funding for compliance.

When determining water use in a UWMP, two terms are often used interchangeably:

- Daily Per Capita Water Use – The amount of water used per person per day. In the UWMP calculations, this is total water use within a service area divided by population and measured in gallons.
- Gallons Per Capita Per Day (GPCD) – This is the "daily per capita water use" as measured in gallons. Therefore, the term commonly used when referring to "daily per capita water use" is "gallons per capita per day" or GPCD.

It is important to distinguish GPCD (as used in UWMPs) from the Residential GPCD (R-GPCD) that is used in some reporting to the State Water Board. GPCD is the total water use from all sectors within a service area (residential, commercial, institutional, and any others) minus allowable exclusions (as defined in SB X7-7), then divided by the population. R-GPCD is only a part of the GPCD, the estimated residential water use in a service area divided by population.

5.1 Reporting Requirements

Chapter 9 contains a discussion of programs implemented to support the achievement of the City's per capita water reduction goals. The City met its 2020 Target in a timely manner as verified in the following Table 5-1 with information taken from the 2020 UWMP.

Table 5-1. SB X7-7 2020 Target Progress

Submittal Table 5-1 Retail: SB X7-7 2020 Target Progress - Water Code Section 10608.40						
Was Supplier part of a merger or consolidation since 2020?	Regional Alliance Target or Individual Target?	2020 Target	Actual 2020 GPCD	Did Supplier Achieve Targeted Reduction for 2020?	Only For suppliers that did not meet the Target in 2020	
					Actual 2025 GPCD	2020 Target met in 2025?
No	Individual Target	146	108	Yes	N/A	N/A

5.2 Nexus to State Water Board Urban Water-Use Objectives

The State Water Board's "Making Water Conservation A California Way of Life" Regulation on Urban Water-Use Efficiency Standards, Objectives, and Performance Measures (Title 23 California Code of Regulations [CCR] Section 965 et seq.) uses the 2020 Target as a backstop for the Urban Water Use Objective (UWUO) calculations.

The City is currently meeting its UWUO as reported in its current annual UWUO report. The following table presents the City's current actual use compared to its current UWUO as presented in the UWUO report. Information about the City's actions towards achieving its urban water use goals can be found in Chapter 9.

Table 5-2. FY '24/'25 Actual Use Compared to Urban Water Use Objective

Water Use Component	Actual Water Use (Gallons)	Urban Water Use Objective (Gallons)
Total Residential Water Use, Indoor + Outdoor	1,523,301,674.62	1,975,095,584.93
Outdoor Irrigation of CII landscapes associated with DIMs	242,001,554.47	242,001,554.47
System Water Loss	404,415,000.00	404,415,000.00
Variances, Provisions, and 20% INI buffer, if applicable	N/A	0.00
Bonus Incentive	N/A	0.00
Sum of Water Use Components (Specific to Objective)	**2,169,718,229.08**	**2,621,512,139.40**
Excluded Demands	1,053,876,603.06	1,053,876,603.06
Sum of Water Use Components (Objective + Excluded)	**3,223,594,832.14**	**3,675,388,742.45**
SB X7-7 Target Volume Plus Previously Excluded Process and Recycled Water	N/A	4,357,683,170.00
"Capped" Objective	N/A	2,621,512,139.40
Regional Alliance Met Regional Target? (If Applicable)	N/A	N/A
Final Comparison of Actual Water Use to Objective	**2,169,718,229.08**	**2,621,512,139.40**

6 SYSTEM SUPPLIES

Lay Description

This section characterizes the City of Milpitas system supplies, including purchased or imported water, groundwater, surface water, stormwater, wastewater, recycled water, desalinated water, exchanges or transfers, future water projects, and any climate change impacts.

The water supply analysis focuses on characterizing each water asset in order to provide the information needed for reliability and risk assessments. The more accurately and detailed this characterization is, the better prepared the City will be for managing its water assets, assessing supply reliability, performing its DRA, and preparing and implementing its WSCP.

The source of the City's water supply comes from two suppliers. Water from SFPUC is primarily from the Hetch Hetchy watershed located in the Sierra Nevada mountains. Water from Valley Water is primarily from the Sacramento-San Joaquin Delta watershed via the South Bay Aqueduct, Dyer Reservoir, Lake Del Valle and San Luis Reservoir.

6.1 Water Supply Analysis Overview

This section will identify and quantify, to the extent practicable, the existing and planned sources of water available to the City in five-year increments to 20 years.

6.1.1 Specific Analysis Applicable to All Water Supply Sources

The City currently has two sources of water (SFPUC and Valley Water) which are both wholesale water agencies. Each system will be described separately below.

San Francisco Public Utilities Commission (SFPUC)

The City purchases potable water from SFPUC's Regional Water System (RWS) whose supply is predominantly snowmelt from the Sierra Nevada, delivered through the Hetch Hetchy aqueducts (see Figure 6-1), but also includes treated water produced by SFPUC from its local watersheds and facilities in Alameda and San Mateo Counties. Water from the RWS is treated before delivery and supplied to the City from Bay Division Pipelines 3 and 4.

Detailed in Milpitas' Water Master Plan, the City entered into a 25-year Water Supply Agreement (WSA) with SFPUC on June 2, 2009. This agreement affirms the City's perpetual right to purchase up to 9.232 MGD of treated potable water unless SFPUC has a water shortage. The WSA was amended and restated in 2025.

The amount of imported water available to SFPUC's customers is constrained by climate, hydrology, physical facilities, and the institutional parameters that allocate the water supply of the Tuolumne River, the key source for SFPUC. Due to these constraints, SFPUC is very dependent on reservoir and snow-pack storage to manage its water supplies.

Figure 6-1. City of Milpitas Water Sources – SFPUC Regional Water System Map



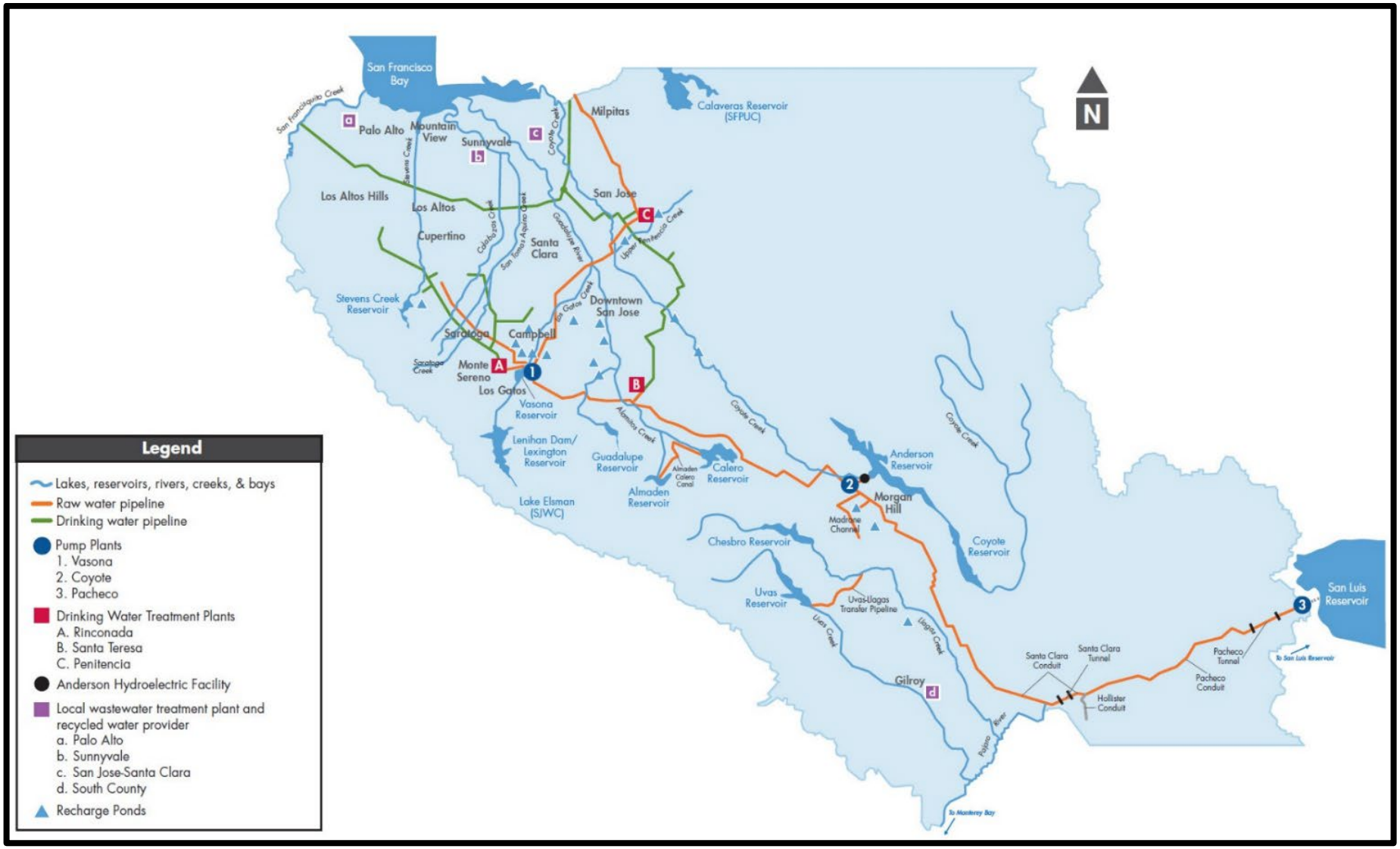
Source: SFPUC 2025 UWMP

Valley Water (Formerly Santa Clara Valley Water District)

The City began receiving treated surface water from Valley Water in August 1993 under a September 1984 contract between the City and Valley Water (previously known as Santa Clara Valley Water District). The supply delivery is adjusted annually based on a binding 3-year annual delivery schedule. The City's annual purchase must be at least 90% of the delivery schedule and the City's monthly "supply guarantee" is at least 15% of the annual delivery schedule. Valley Water provides treated water from its Penitencia and Santa Teresa treatment plants via its Milpitas Pipeline which terminates in the City.

Although the City purchases are currently limited to surface water largely purchased by Valley Water from the State Water Project and Central Valley Project, Valley Water's overall water supply comes from a variety of sources. Nearly half is from local groundwater aquifers, and more than half is imported from the Sierra Nevada through pumping stations in the Sacramento-San Joaquin River Delta. Both groundwater and imported water are sold to retailers. Valley Water also manages the groundwater basin to the benefit of agricultural users and other independent users who pump groundwater. Local runoff is captured in Valley Water reservoirs for recharge into the groundwater basin or treatment at one of Valley Water's water treatment plants. The total storage capacity of these reservoirs is about 170,000 acre-feet (AF).

Figure 6-2. City of Milpitas Water Sources – Valley Water Supply System Map



Source: Valley Water UWMP, 2025.

6.1.2 Special Considerations

Numerous special conditions may affect water supplies. Each individual water supply may have specific conditions that may affect current or future supply characterization. The City considered climatological, regulatory, projected development, and other local conditions that may affect water supply availability, especially when considering the supply's availability for the service reliability and DRAs during single dry years and drought periods lasting five consecutive years. There are no additional characterization considerations; all have been mentioned in Chapters 4, 6 and 7.

6.1.3 Climate Change Effects

The issue of climate change has become an important factor in water resources planning in the state and is frequently considered for urban water management planning purposes, though the extent and precise effects of climate change remain uncertain. The climate change impacts were discussed in Section 4.4.

Regulatory Conditions and Project Development

Emerging regulatory conditions and planned future projects may also affect characterization of future water supply availability and analysis. This does not apply to the City.

Other Locally Applicable Criteria

Other locally applicable criteria may also affect characterization and availability of an identified water supply. This does not apply to the City.

6.2 Water Supply Characterization

The City's water supply portfolio is described and quantified in the following subsections, including imported supplies and recycled water.

6.2.1 Purchased or Imported Water

The City purchases treated potable water from two wholesalers: SFPUC and Valley Water. These two sources are not blended under normal operating conditions. However, the distribution systems are physically interconnected with isolation valves to provide emergency water supply if needed. The 2025 breakdown of actual water supplies is in Table 6-8. Projected (future) water supplies include the aforementioned sources and are provided in Table 6-9.

Following its incorporation year of 1954, the City began distributing SFPUC water to all residents and businesses, expanding to the hillside area in 1982. In August 1993, the City began serving water from Valley Water, primarily to the commercial and industrial areas of the City (west of Highway 880, and also south of Calaveras Blvd. and west of Highway 680). Figure 3-1, in Chapter 3, shows the SFPUC and Valley Water service areas.

Most of the City's growth is occurring within areas served by Valley Water and as these areas grow so does the percentage of the City's potable supply that comes from Valley Water. In 2025, approximately 35% of the City's potable water came from Valley Water, which is a decrease from 40% in 2020.

Valley Water Standard Text

Major sources of supply for Valley Water include natural groundwater recharge, local surface water, imported water from the SWP and CVP, and recycled and purified water.

Imported

Much of Valley Water's current water supply comes from hundreds of miles away from natural runoff and releases from statewide reservoirs. This imported water is pumped out of the Delta and brought into the county through the complex infrastructure of the SWP and CVP. Valley Water holds contracts for 100,000 acre-feet per year (AFY) from the SWP and for 152,500 AFY from the CVP. The actual amount of water delivered is typically less than these contractual amounts and depends on hydrology, conveyance limitations, and environmental regulations.

Constraints on imported water:

Imported water supplies are subject to hydrologic variability. Local and out-of-county storage can help mitigate the impacts of hydrologic variability.

Valley Water's SWP and CVP water supplies are also subject to a number of additional constraints including regulatory requirements to protect fisheries and water quality in the Delta, and conveyance limitations. Delta-conveyed supplies are also at risk from Delta levee failures due to seismic threats and flooding, sea level rise and climate change, declining populations of protected fish species, and water quality variations (including algal blooms). Many water quality variations are addressed, by blending sources and/or switching sources to the drinking water treatment plants. Algae and disinfection byproduct precursors have been especially challenging during recent drought conditions. To address at least some of these constraints, Valley Water continues to evaluate the costs and benefits of participating in the Delta Conveyance Project relative to other water supply options such as developing additional local supplies, securing and optimizing Valley Water's existing water system, and expanding water conservation.

6.2.2 Groundwater

Agencies that pump, or expect to pump, groundwater are required to include in their UWMPs an overview of the groundwater resources and groundwater management strategies. Currently, the City does not use groundwater to meet customer demands under normal conditions. The City has one existing fully developed well, Pinewood Well and two planned or in development: Curtis Well and McCandless Well. These wells are located in the southwestern part of the City (See Figure 6-3). The Curtis Well was drilled in 2003, but the well was not equipped with above-grade infrastructure required for a functioning well, and the facility was never completed. As a result, bringing the Curtis Well online requires installing a submersible pump, piping and treatment components, as well as conducting testing and permitting. Design for the Curtis Well improvements began in 2020. Construction of the McCandless Well is scheduled to be completed in 2026.

The use of Pinewood Well, Curtis Well and McCandless Well as emergency wells or fully functioning wells is yet to be studied, however the significance of these wells cannot be understated. In 2015, the State Water Resources Control Board Division of Drinking Water (DDW) requested a formal evaluation of the City's Water Source Capacity, under Section 64558, Title 22,[27] of the California Code of Regulations. The use of well(s) for storage credits is one strategy the City may use to supplement above grade storage requirements to satisfy Section

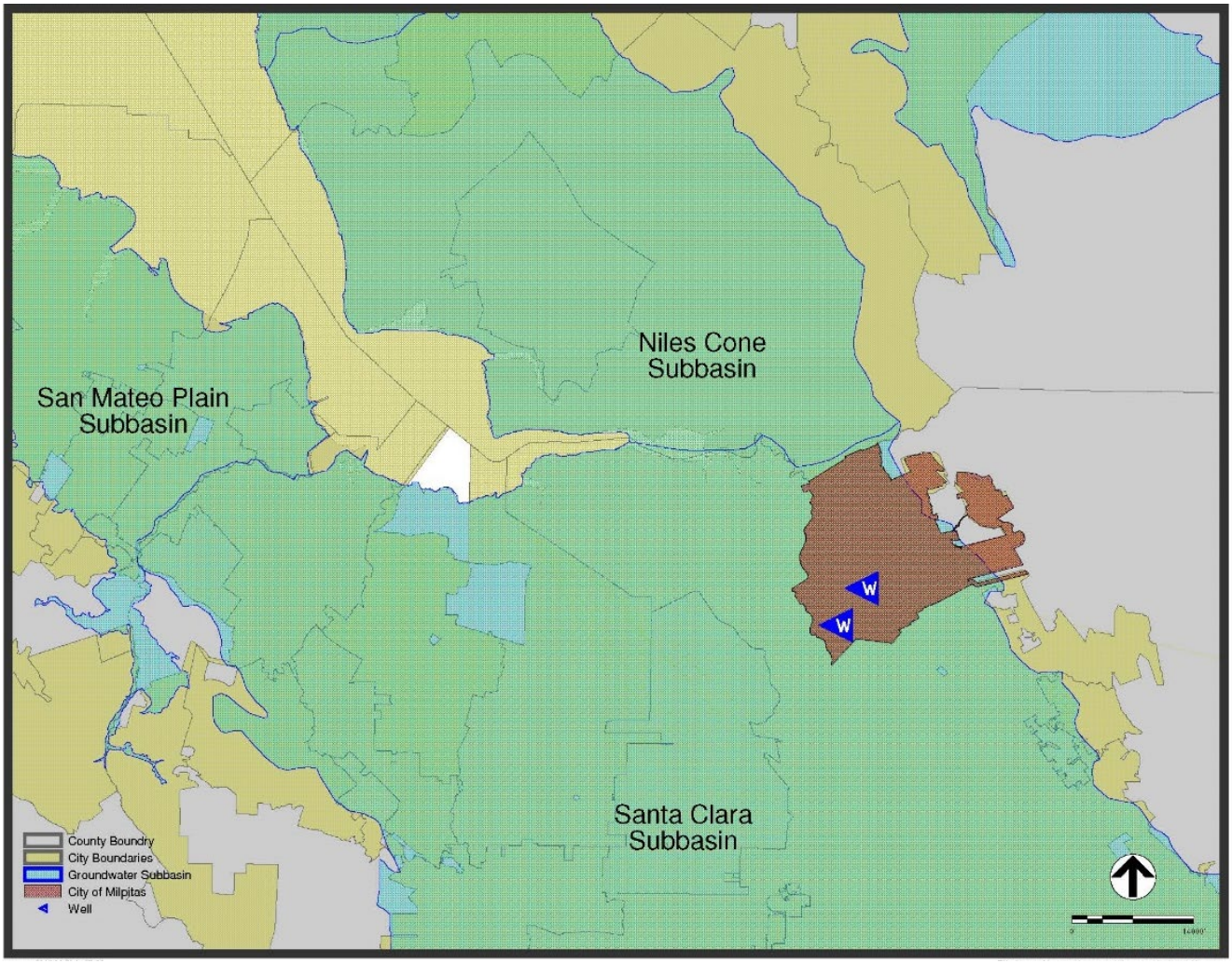
[27] Title 22 California Code of Regulations § 64558: Source Capacity Planning Study. https://www.law.cornell.edu/regulations/california/22-CCR-64558

64558, Title 22. A Source Capacity Analysis, as part of a separate study independent of the UWMP, was performed by the City. On August 9, 2022, the City adopted a Water Master Plan which identified the City's current and future water demands and the infrastructure required to address source capacity. The Master Plan Study informed the City's Source Capacity Analysis. However, preliminary evaluations indicate a combination of groundwater supply in conjunction with above grade storage (tanks) may be the appropriate balance to ensure compliance with Section 64558 of Title 22. Additionally, expanding the City's water portfolio to include groundwater wells will supplement loss of supply as a result of wholesale cutbacks in the event of prolonged droughts as discussed in Chapter 7. Pinewood Well is permitted for use as a standby emergency well. The City currently reserves groundwater supply for emergency use in the event that SFPUC and Valley Water cannot deliver contract treated water supplies.

Basin Description & Basin Management Information

The local groundwater basin is called the Santa Clara Valley Sub-basin. The basin is made up of unconsolidated alluvium. Within City boundaries, the eastern portion of the basin is unconfined and does not contain an aquitard to prevent contamination from spreading from surface to groundwater. The western portion of the City overlies a confined, aquitard-protected area with water of good quality.

Figure 6-3. City of Milpitas Groundwater Resources



Source: City of Milpitas Water Master Plan. West Yost. (2020)

Other Considerations

The Santa Clara Valley Sub-basin is not adjudicated and has not been identified as in overdraft by DWR. Neighboring utilities, including the City of Santa Clara and the City of San Jose, utilize the groundwater basin. The basin has historically experienced periods of overdraft and land surface subsidence, particularly during the 1920s and 1960s when expanding development and agricultural production increased demand. The Santa Clara Valley Water Conservation District (today's Valley Water) was originally formed in 1929 to alleviate subsidence through artificial recharge. Valley Water manages the groundwater basin, monitoring the basin for local subsidence, managing surface recharge, and working with local retailers to prevent subsidence. For more information on basin characteristics and management, please refer to Valley Water's Groundwater Management Plan.[28] Additionally, the City may expand its managed groundwater well extraction program to supplement loss of supply as a result of wholesale cutbacks in the event of prolonged droughts as discussed in Chapter 7.

Table 9-2 of the Water Master Plan (as shown in Figure 6-4) summarizes the location and capacity for each of these wells.

Figure 6-4. Location and Capacity of Emergency Groundwater Wells at Buildout

Table 9-2. Emergency Groundwater Wells at Buildout

Well Facility	Location	Pressure Zone Served	Capacity	
			gpm	mgd
Pinewood Well[(a,d)]	227 Lonetree Court	SF1	1,181	1.70
Curtis Well[(b,d)]	330 East Curtis Avenue	VW2[(e)]	400	0.58
McCandless Well[(c,d)]	Near 1680 McCandless Drive	VW1	400	0.58

(a) Pinewood Well capacity per 2009 WMPU, Table 4-3.
(b) Curtis Well capacity is assumed to be equal to McCandless Well but is subject to change pending additional testing.
(c) McCandless Well capacity per discussions with design team in September 2020.
(d) Pinewood Well has a plug-in adapter and transfer switch to receive power from a portable generator. It is assumed Curtis Well and McCandless Well will also have these backup power features.
(e) While Curtis Well is located within Zone SF1, it is adjacent to transmission mains for Zones SF1, SF2, and VW2. Given the projected large increase in demands in the VW service area, it is assumed Curtis Well would serve Zone VW2.

Source: City of Milpitas Water Master Plan. West Yost. (2020)

Past Five Years' Groundwater Pumping

Table 6-1 shows the historical annual volume of groundwater pumped over the past five years. This groundwater was pumped only for the purpose of routine water quality testing. It was not added to the municipal water supply.

Table 6-1. Groundwater Volume Pumped

Submittal Table 6-1 Retail: Groundwater Volume Pumped - Water Code Section 10631(4) and 10631(4)(c)						
Groundwater Type	Location or Basin Name	2021 (MG)	2022 (MG)	2023 (MG)	2024 (MG)	2025 (MG)
Alluvial Basin	Santa Clara Valley, Santa Clara Sub-basin	0.06	0.03	0	0	0
	Total	0	0	0	0	0
NOTES: Groundwater pumped during reporting period was for testing purposes only. No groundwater was pumped into the distribution system.						

[28] 2021 Groundwater Management Plan for the Santa Clara and Llagas Subbasins. https://s3.us-west-2.amazonaws.com/assets.valleywater.org/2021_GWMP_web_version.pdf

Table 6-1 shows the projected annual volume of groundwater pumped, in five-year intervals. The projection is based on well capacity values reported in the Water Master Plan and reflects a tiered introduction of groundwater into the municipal supply. Capacity for McCandless Well (currently under construction) is based on discussions with the design team and production testing, which was performed at the end of 2020. It was conservatively assumed that Curtis Well would have the same capacity as McCandless Well (0.58 MGD). However, the Curtis Well capacity is subject to change.

6.2.3 Surface Water

Water from streams, lakes, and reservoirs is considered a surface water supply for the purposes of the UWMP. Surface water supplies for the City are reported in Tables 6-8, 6-9, and 7-1. Surface water that is not self-supplied will be reported as Purchased or Imported Water in Tables 6-8 and 6-9.

6.2.4 Stormwater

Communities are increasingly implementing opportunities to beneficially use stormwater to meet local water supply demands. These actions are motivated by constrained local water resources, new regulations, and relieving strain on overburdened stormwater infrastructure. Beneficial uses can include blending with other waters supplies for groundwater recharge, redirecting it into constructed wetlands or landscaping, and diverting it to a treatment facility for subsequent reuse.

The City is not currently using its stormwater but could consider this in the future.

6.2.5 Wastewater and Recycled Water

Per Water Code 10633, the UWMP shall provide to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

- A description of wastewater collection and treatment systems in the supplier's service area.
- A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycle water project.
- A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.
- A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.
- The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.
- A description of actions, including financial incentives, that may be taken to encourage use of recycled water, and projected results of these actions in terms of acre-feet of recycled water used per year.

Municipal recycled water is municipal wastewater that has been treated to a specified quality to enable it to be used again for a beneficial purpose. The term "recycled water" is defined in the Water Code more broadly than "municipal recycled water." For purposes of the UWMPs, "recycled water" means only municipal recycled water, that is, water that has been treated and discharged from a municipal wastewater facility.

There are two requirements that treated municipal wastewater must meet to be classified as recycled water:

1. It must be reused beneficially, in a manner consistent with Title 22.
2. It must be reused in accordance with a Regional Water Quality Control Board permit such as National Pollutant Discharge Elimination System, waste discharge requirement, or water recycling requirement.

Recycled Water Coordination

As a tributary agency to the San Jose/Santa Clara Regional Wastewater Facility (RWF), the City has rights to the recycled water purveyed by SBWR. The City purchases recycled water from SBWR, as well as operates and maintains the recycled water distribution facilities within City boundaries. This is done through a contract with the City of San Jose, whereby Milpitas provides day-to-day operational services and helps to comply with recycled water permit requirements within the City. Design and construction criteria pertaining to recycled water are included in SBWR's guidelines[29] and *Rules and Regulations.*[30]

Wastewater Collection, Treatment, and Disposal

Per Water Code Section 10633(a), a supplier must provide a general description of wastewater collection, treatment, and disposal within the service area. This information is reported in Tables 6-2 and 6-3.

Wastewater Collected Within the Service Area

The City collects but does not treat wastewater within the service area. Rather, it pumps its wastewater, consisting primarily of industrial and sanitary discharge, through two force mains to the RWF. Table 6-2 includes the volume of wastewater collected in the service area.

Wastewater Treatment and Discharge Within the Service Area

Wastewater treatment is provided by agreement with the cities of San Jose and Santa Clara (as joint owners of RWF). Under the terms of the agreement, the City pays a capital share (in proportion to the City's 14.25 MGD capacity rights and the total plant capacity) and pays an operating cost share based on discharge volumes to RWF, which is one of the largest advanced wastewater treatment facilities in California, treating an average of 110 million gallons of wastewater per day from 1.5 million residents and over 17,000 businesses, encompassing the cities of San Jose, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. Most of the final treated water is discharged into the South San Francisco Bay. Approximately 10% is supplied to SBWR for distribution to customers. Because the RWF is outside of the City's service area, no volume numbers are included in Table 6-3, which is meant to identify the volume of treated wastewater recycled or disposed of within the service area.

Recycled Water System Description

Recycled water is predominantly used for landscape irrigation within the City but is also used for industrial use. As indicated in Table 6-4, landscape irrigation and industrial uses of recycled water are projected to continue growing within the City.

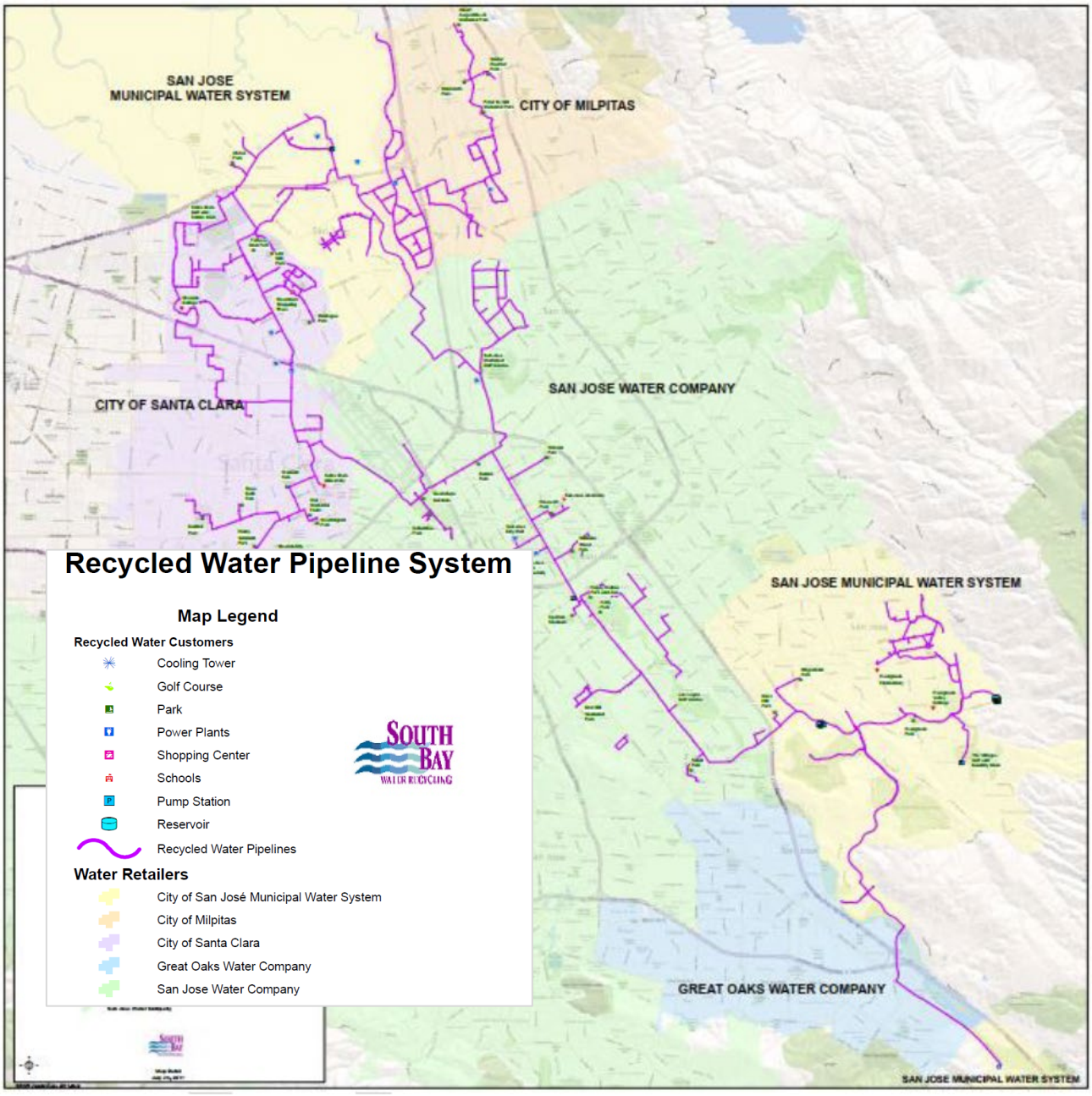
The City of San Jose in coordination with Valley Water is currently in the process of updating the SBWR Strategic and Master Plan from 2015, which describes and quantifies potential uses of recycled water throughout the

[29] City of San Jose. Recycled Water web page: https://www.sanjoseca.gov/your-government/departments-offices/environmental-services/water-utilities/recycled-water

[30] South Bay Water Recycling. *Rules and Regulations For Design and Operation of On-Site Recycled Water Facilities*. https://www.sanjoseca.gov/home/showpublisheddocument?id=526

SBWR service area and addresses technical and economic feasibility of the potential uses, including non-potable and potable alternatives. Figure 6-5 depicts the City's recycled water distribution system.

Figure 6-5. Recycled Water System



Source: City of San Jose Recycled Water web page.[31]

[31] City of San Jose. Recycled Water web page: https://www.sanjoseca.gov/your-government/departments-offices/environmental-services/water-utilities/recycled-water

Table 6-2. Wastewater Collected Within Service Area in 2025

Submittal Table 6-2 Retail: Wastewater Collected Within Service Area in 2025 - Water Code Section 10633(a)				
☐	Check the box if there is no wastewater collection system.			
99%	Percentage of 2025 service area served by wastewater collection system			
99%	Percentage of 2025 service area population served by wastewater collection system			
Wastewater Collection			**Recipient of Collected Wastewater**	
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated?	Volume of Wastewater Collected from UWMP Service Area 2025 (MG)	Name of Wastewater Treatment Plant (WWTP) and Place ID Number	Is WWTP Located Within UWMP Area?
City of Milpitas	Metered	2,308	San Jose-Santa Clara Regional Wastewater Facility	No
Total Wastewater Received from UWMP Service Area in 2025:		2,308		
NOTES: Approximately 99% of the service area and service area population served by the listed wastewater collection agency; does not include Spring Valley Heights Association (~25 units).				

Table 6-3. Wastewater Treatment and Outcomes Within Service Area in 2025

Submittal Table 6-3 Retail: Wastewater Treatment and Outcomes Within UWMP Service Area in 2025 - Water Code Section 10633(a)	
☑	**Check the box if no wastewater is treated or disposed of within the UWMP service area.** Proceed to the next table.

Current, Potential and Projected Recycled Water Use

The recycled water projections in Table 6-4 include projects currently underway to convert potable users within the vicinity of the existing recycled water system, irrigation and indoor recycled water anticipated within Specific Plan areas, conversion of cooling towers as identified through a SBWR Cooling Tower Initiative and extension of the recycled water system to capture additional irrigation use. Every year, the City purchases approximately 275 million gallons of recycled water from the RWF, through the wholesale agency SBWR. The recycled water undergoes an extensive tertiary treatment process (including filtration and disinfection) and is delivered to approximately 250 recycled water customers in Milpitas, for landscape irrigation and industrial uses.

The recycled water system is part of the SBWR Strategic Master Planning Report completed in 2014.[32] The Strategic Plan was divided into two phases, near term (2015-2020) and long term (2020-2035). Master Planning provides a basis for identifying alternative governance frameworks and associated funding strategies for non-potable water (i.e. recycled water). The SBWR system is currently developed to reflect near-term recycled water demands. The long-term plan is currently being studied, and future allocations have not been identified. Projected recycled water use is limited by the future supply allocations outlined by SBWR, and therefore not reflected in this UWMP.

[32] South Bay Water Recycling Strategic and Master Plan (Final Report). https://www.valleywater.org/sites/default/files/335%20P3%20Related%20Reports%20SBWR%20Stratigic%20and%20Master%20Plan%20-%20Report%20%28Vol.1%29%20%281%29.pdf

Table 6-4 contains information on the current, projected, and potential beneficial use of recycled water in the City's service area. The total projected recycled water use for each of the five-year planning increments is reported below in Table 6-4.

Table 6-4. Recycled Water Direct Beneficial Uses Within Service Area

Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area - Water Code Section 10633 (c)(e)									
☐	**Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.**								
Name(s) of Facility/ies Producing (Treating) the Recycled Water (OPTIONAL):	City of San Jose								
Name of Supplier Operating the Recycled Water Distribution System (OPTIONAL):	South Bay Water Recycling								
Use Type	Water Type (after treatment if treated)	Additional Information (as needed)	2025	2030	2035	2040	2045	2050	**Potential Recycled Water Use**
			(MG)	(MG)	(MG)	(MG)	(MG)	(MG)	Volume
Other (Description Required)	Tertiary	Landscape irrigation for commercial and institutional sites, parks; Industrial reuse	273	275	275	275	280	280	280
		Total	273	275	275	275	280	280	0
NOTES: Projected recycled water demands were developed as part of the 2025 BAWSCA Regional Water Demand and Conservation Projections Study, which utilizes climate change scenario RCP 8.5. Recycled water projections reflect expected use of existing recycled water accounts. Potential Recycled water use based on 2050 projected use.									

Table 6-5. 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual

Submittal Table 6-5 Retail: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual - Water Code Section 10633 (e)		
☐	Check the box if recycled water was not used in 2025 nor previously projected for use in 2020.	
Use Type	2020 Projection for 2025	2025 Actual Use
	(MG)	(MG)
Other (Description Required)	400	273
Total	400	273
NOTES: 1. The City's main uses for recycled water in 2025 were landscape irrigation at commercial, industrial, and institutional properties; and industrial reuse. 2. In the 2020 UWMP, projected recycled water use was based on the SBWR 2014 Strategic Master Plan Volume 1, and overestimated.		

Actions to Encourage and Optimize Future Recycled Water Use

Per Water Code Section 10633, the UWMP shall provide information on recycled water and its potential for use as a water source in the service area of the urban water supplier, and shall include a plan for optimizing the use of recycled water in the supplier service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

To encourage the use of recycled water, the City has an ordinance that prohibits the use of potable water for irrigation if recycled water is available and coordinates with SBWR and Valley Water on recycled water planning and implementation projects. The City has connected the recycled water infrastructure in its service area with that of neighboring San Jose Water (SJW), who is another SBWR retailer; this connection between the two retailer systems has improved overall reliability.

Table 6-6 details the methods planned to expand future recycled water use in the City's service area.

Table 6-6. Methods to Encourage Future Recycled Water Use

☐	Check the box if the Supplier does not plan to expand recycled water use in the future.		
p. 59	Provide page location of narrative in the UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use (MG)
Specific Plan	The City's Transit Area Specific Plan policy requires new development to include recycled water lines for irrigation.	Existing	Once SBWR allocation is met
Ordinance	Ordinance 240.6, § 2 prohibits the use of potable water for irrigation if recycled water is available.	2017	Once SBWR allocation is met
	Total	**(MG)**	0
		Unit Conversion to AF	0

6.2.6 Desalinated Water Opportunities

Desalination is the most cost-prohibitive of all treated waters available for the City, and as such the City does not plan to implement a desalination project at this time. However, desalination is still considered a viable option for a long-term augmentation method or back-up supply, especially with collaboration amongst neighboring agencies. The City's Water Supply Augmentation Study recommended that the City consider a partnership with a regional water purveyor for a local desalination plant.

The City is aware of the Bay Area Regional Desalination Project, of which Valley Water is a partner. More information on the regional desalination project is available at http://www.regionaldesal.org/. Currently, Valley Water does not include desalination in its projected water supplies.

6.2.7 Water Exchanges and Transfers

Per Water Code section 10631(c), this section describes the opportunities for exchanges or transfers of water on a short-term or long-term basis. The information contained in this section will inform the quantification of water supplies incorporated into Tables 6-8 and 6-9.

Exchanges

Water exchanges are typically water delivered by one water user to another water user, with the receiving water user providing water in return at a specified time or when the conditions of the parties' agreement are met. Water exchanges can be strictly a return of water on a basis agreed upon by the participants or it can include payment and the return of water.

Since the early 1990s, the water exchange market (including water rights trading) has expanded to account for approximately 5% of all water used annually by California businesses and residents. However, the approval process for water exchanges has become more complex and difficult as water contracts have shifted from short-term to several-year durations and as new pumping legislation has been introduced to address controversies arising from water banking, unprecedented droughts, and other issues. It is a result of these complications that the City does not have, or plan to have, any exchange opportunities for the purpose of reducing costs or improving water quality.

Transfers

The Water Code defines a water transfer as a temporary or long-term change in the point of diversion, place of use, or purpose of use due to a transfer, sale, lease, or exchange of water or water rights. The City of Milpitas is not currently engaging in water transfers.

Emergency Interties

Emergency water interties are connections between water systems that allow for the exchange or delivery of water between those systems on a short-term emergency basis. Emergency interties are addressed in Section 7 Water Service Reliability and Drought Risk Assessment.

The City has one intertie with San Jose Water (SJW) and two interties with Alameda County Water District (ACWD) for emergency water supply. The SJW intertie is a 6-inch line with a capacity of 2.6 million gallons per day (MGD). If a short-term or emergency supply were needed, the ACWD interties, both of which are eight inches, could each suffice to supply the City with approximately 2.3 MGD, equating to 4.6 MGD, which is nearly half of Milpitas' pre-drought average day demand. If more interties were constructed and connected, it would be possible to purchase an even higher volumetric flow rate from ACWD.

6.2.8 Supply From Storage

If a supplier removes water from either surface storage or underground storage (surface water) for use during the reporting year, the supplier should report this as a "supply from storage" in Tables 6-8 R and 6-9.

This section is not applicable to the City.

6.2.9 Future Water Projects

Per Water Code section 10631(f) this section describes all water supply projects and water supply programs that may be undertaken to meet the total projected water use. The City can meet future projected water needs from wholesale water purchases. However, as discussed earlier in Section 6.1, the City completed a Source Capacity Analysis in 2022 as part of its Water Master Plan update, which recommended development of groundwater. Table 6-7 summarizes the expected increase in water supply as a result of these projects.

Table 6-7. Expected Future Water Supply Projects or Programs

Submittal Table 6-7 Retail: Expected Future Water Supply Projects - Water Code Section 10631 (f)					
☐	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.				
☐	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.				
p. 61	Provide page location of narrative in the UWMP				
Name of Future Projects or Programs	Joint Project with other suppliers?	Additional Description (as needed)	Planned Implementation Year	Planned for Use in Year Type	Expected Increase in Water Supply to Supplier (MG)
Groundwater	No	Three groundwater wells (Pinewood, Curtis and McCandless) pumping at 1.2 mgd as supply augmentation to reduce dry year shortfall.	2030	Single-Dry and Multi-Dry Year	1,314
Groundwater	No	One or more groundwater wells pumping at 1.2 mgd as supply augmentation to reduce shortfall.	2035	Single-Dry and Multi-Dry Year	438
NOTES: 1. The three groundwater wells in this table that are shown online by year 2030 are currently for emergency use only and permitted to be operated no more than 5 consecutive days, and for no more than 15 calendar days per year. They pump at 1.2 MGD and are not designed as production supply wells. By year 2030, these groundwater wells will become an active non-emergency supply source and be able to operate at full production rate in dry year conditions. 2. By 2035, one or more additional wells pumping at 1.2 MGD or 438 MGY will be online yielding a total well capacity of 1,752 MGY for all groundwater wells. More than one well may be built between 2030 and 2035 depending on anticipated shortfall and well pumping capacities.					

6.2.10 Summary of Existing and Planned Sources of Water

Per Water Code Section 10631 this section will identify and quantify the existing and planned sources of water available over five-year increments and provide supporting and related information.

Description of Supplies

The City's existing water supplies include imported water, groundwater, recycled water, and interties with neighboring agencies. Under normal conditions, imported water comprises the City's entire water supply. The City purchases treated surface water from two agencies: SFPUC and Valley Water, which was previously known as the Santa Clara Valley Water District. In 2025, water supplies from SFPUC totaled 1,929 MG and represented about 60% of the City's total water supplies, while water supplies from Valley Water totaled 1,036 MG and represented about 32% of the City's total water supplies. Recycled water is produced at the RWF and delivered to the City by SBWR. In 2025, the City used approximately 273 MG of recycled water, mainly for landscape irrigation. This represented about 8% of the City's total 2025 water use. In emergencies, the City can activate interties with SJW and ACWD and/or pump groundwater. The City overlies the Santa Clara Valley Groundwater Sub-basin and currently has one groundwater well (Pinewood Well) permitted for emergency use.

Quantification of Supplies

Table 6-8 lists the actual volume of purchased or imported water for the City's service area. Each supply source is listed and quantified separately. The City purchases its potable water supplies from SFPUC and Valley Water. Under normal conditions, SFPUC and Valley Water supplies remain separate. Isolation valves prevent mixing and create two distinct water service areas. Recycled water is produced at the RWF and is delivered to the City by SBWR's recycled water system.

Table 6-8. Water Supplies – 2025 Actual

Submittal Table 6-8 Retail: Water Supplies — 2025 Actual - Water Code Section 10631 (b)			
Water Supply	Additional Description	**2025**	
		Water Type (after treatment if treated)	**Actual Volume**
			(MG)
Purchased or Imported Water	San Francisco Public Utilities Commission	Potable	1,929
Purchased or Imported Water	Valley Water	Potable	1,036
Recycled Water	South Bay Water Recycling	Non-Potable	273
		Subtotal Potable	2,965
		Subtotal Non-Potable	273
		Total	3,238

Table 6-9 lists the projected volume of water supplies, including volume by source, for the City's service area.

Table 6-9. Water Supplies – Projected

Submittal Table 6-9 Retail: Water Supplies — Projected - Water Code Section 10631 (b)							
Water Supply	Additional Detail on Water Supply	Water Type (after treatment if treated)	Projected Water Supply (Report to the Extent Practicable)				
			2030	2035	2040	2045	2050
			Reasonably Available Volume	Reasonably Available Volume	Reasonably Available Volume	Reasonably Available Volume	Reasonably Available Volume
			(MG)	(MG)	(MG)	(MG)	(MG)
Purchased or Imported Water	SFPUC	Potable	1,936	1,954	1,976	1,994	2,016
Purchased or Imported Water	Valley Water	Potable	1,065	1,157	1,250	1,317	1,315
Recycled Water	South Bay Water Recycling	Non-Potable	275	275	275	280	280
Subtotal Potable			3,001	3,111	3,226	3,311	3,331
Subtotal Non-Potable			275	275	275	280	280
Total			3,276	3,386	3,501	3,591	3,611

NOTES: 1. SFPUC volume based on supplies provided to BAWSCA and SFPUC by the City of Milpitas in order to meet projected potable and nonpotable demands with no surplus or shortfall. Projected use reported in Table 4-2. Volumes provided by SFPUC in their March 12, 2026 documentation of the "Basis for SFPUC's Water Supply Reliability Modeling" and file 2025 UWMP Wholesale Customer Dry Year Allocations_FINAL.xls.
2. Valley Water supplies are equal to total normal year potable demands less SFPUC supplies. Assumes Valley Water's Water Supply Master Plan 2050 low-cost portfolio: Semitropic storage (350 thousand acre-feet [TAF]) through 2035; groundwater banking (250 TAF) starting 2040; Sisk Reservoir expansion in 2035; DCP in 2045; Pure Water Silicon Valley in 2035. Valley Water model period is 1922–2021.
3. Supplies meet Table 4-2 demands which include climate change as well as passive and active conservation.

6.3 Energy Use

Water energy intensity is the total amount of energy, calculated on a whole-system basis, required for the use of a given amount of water in a specific location.[33] The City used the Total Utility Approach for reporting energy intensity. This approach reports a single energy intensity for all water management operations. The energy intensity is reported for the calendar year. 2025 was selected as the one-year reporting period, and utility bills for the associated reporting period were used as the source for energy consumption data. Total energy consumed by City during calendar year 2025 based on reported utility bills is 704,489.71 kilowatt hour (kWh), excluding 860,313 kWh from solar. Based on the Total Utility Approach, the City's energy intensity is estimated to be 217.6 (kilowatt hour per million gallons) kWh/MG.

The City also has calculated the energy associated with recycled water and with the collection and treatment of wastewater for the Calendar Year 2025 reporting period. Reported utility bills are used as the source for energy consumption data for the collection of wastewater. Energy use metered is used as the source for energy consumption data for wastewater treatment. Pumping volumes and energy associated with pumping is used as sources for data on recycled water. The City is not involved in the treatment or final discharge of wastewater. The City's energy intensity for the collection of wastewater is estimated to be 312.49 (kilowatt hour per million gallons kWh/MG).

[33] Wilkinson. (2000). *Methodology for Analysis of the Energy Intensity of California's Water Systems,* supported by Ernest Orlando Lawrence Berkeley Laboratory and the California Institute for Energy Efficiency, accessed May 2026: http://large.stanford.edu/courses/2012/ph240/spearrin1/docs/wilkinson.pdf

7 WATER SYSTEM RELIABILITY

Lay Description

This chapter contains information about the City of Milpitas's water service reliability and its Drought Risk Assessment (DRA). Assessing water service reliability is the fundamental purpose for water suppliers to prepare a UWMP. Water service reliability reflects the supplier's ability to meet the water needs of its customers under varying conditions. This chapter integrates information from SFPUC, BAWSCA, Valley Water and the City about water reliability and planning for water shortages.

7.1 Introduction

This chapter incorporates information about its supply from SFPUC and Valley Water (described in Chapter 6) and its water uses (described in Chapter 4) and provides an evaluation of the City's risk under a severe drought period lasting for five consecutive years (California Water Code Section 10635).

For its overall reliability assessment, the City uses current information from Valley Water, SFPUC and BAWSCA to assess its water service reliability under varying hydrologic and regulatory conditions. This analysis looks beyond the City's past experience and considers what could be reasonably foreseen in the future.

The UWMP requires the City to develop a DRA that evaluates its risk under a severe drought period lasting for five consecutive years. The DRA is an important element for selecting the City's Demand Management Measures (DMMs, Chapter 9) and for planning projects for a reliable water supply. The DRA is discussed in Section 7.3 and DMMs are discussed in Chapter 9 and the City's WSCP (Appendix D).

In this chapter, the City also presents other water management measures in which the City has invested resources for long-term management and planning, such as the use of advanced technologies: advanced metering infrastructure (AMI), supervisory control and data acquisition (SCADA), and geographic information systems (GIS) for managing its water system and supplies effectively. Potential impacts from new development and climate change are long-term variables in the City's supply planning.

The City incorporates the current information from SFPUC and BAWSCA[34] to present its supply availability under the two contrasting scenarios provided by SFPUC: Scenario 1 – with the implementation of the 2018 amendments to the Bay-Delta Water Quality Control Plan and Scenario 2 – without the implementation of the Bay-Delta Plan. Using Scenario 1, the City presents its water supply and potential cutbacks – its water supply reliability – under the following hydrologic conditions:

- Normal hydrological conditions
- A single dry year
- Five consecutive years of drought

The analysis is conducted in 5-year increments to project what conditions may look like for the next 25 years.

In BAWSCA's Dry Year Allocations tables for near-term single-year and multi-year droughts,[35] the data are based on SFPUC's guidance for Scenario 1 and Scenario 2 and forecast agency purchases for 2026 through 2030.

While it is not possible to predict specific future regulatory and development variables, to the extent they can be anticipated, they are discussed in this chapter.

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[34] Wilkinson. (2000). *Methodology for Analysis of the Energy Intensity of California's Water Systems,* supported by Ernest Orlando Lawrence Berkeley Laboratory and the California Institute for Energy Efficiency, accessed May 2026: http://large.stanford.edu/courses/2012/ph240/spearrin1/docs/wilkinson.pdf

[35] BAWSCA Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations, BAWSCA, March 11, 2026. See Appendix E for more details.

7.2 Water Service Reliability Assessment

Every Supplier is required to conduct a water service reliability assessment (WRSA) projection for a normal year, single dry year and five consecutive dry years.

Given that the City partially relies on supplies from SFPUC and Valley Water, a discussion about the potential impacts on SFPUC and Valley Water service reliability, due to the Bay-Delta Plan Amendment adoption, is warranted and presented below.

7.2.1 SFPUC system

In December 2018, the SWRCB adopted amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan Amendment) to establish water quality objectives for the San Francisco Bay-Delta watershed. The SWRCB is required by law to regularly review this plan. The adopted Bay-Delta Plan Amendment was developed with the stated goal of increasing salmonid populations in three San Joaquin River tributaries (the Stanislaus, Merced, and Tuolumne Rivers) and the San Francisco Bay-Delta. The Bay-Delta Plan Amendment requires the release of 30-50% of the "unimpaired flow"[36] on the three tributaries from February through June in every year type. In SFPUC modeling of the new flow standard, it is assumed that the required release is 40% of unimpaired flow. The Bay-Delta Plan amendment is discussed in further detail in Section 7.2.3.

As described in Chapter 6, the SFPUC RWS's dominant supply is from the Tuolumne River watershed at high elevations in the Sierra Nevada Mountains. This main source of water for the SFPUC RWS is augmented by treated water produced by SFPUC from its local watersheds and facilities in Alameda and San Mateo counties.

In 2019, the SFPUC established the Alternative Water Supply (AWS) Program to identify and plan water supply and storage projects and actions that increase the dry-year reliability of the RWS. Based on the 2045 planning horizon that the SFPUC applied in its February 2024 AWS Plan, the SFPUC anticipates a water supply gap will occur in future dry years. The AWS Program aims to help fill the gap through local and regional capital projects.

Since the City's water supply relies partially on the SFPUC RWS, impacts from the potential implementation of the Bay-Delta Plan, as presented in SFPUC's Scenario 1, will impact the City's service reliability. The City will be able to meet the projected water demands presented in this UWMP in normal years but would experience supply shortages in single dry years and multiple dry years. Implementation of the Bay-Delta Plan will require rationing in all single dry years and multiple dry years.

For the 2025 UWMPs, SFPUC provided two scenarios, using hydrologic models with and without the Bay-Delta Plan Amendment. BAWSCA, in turn, provided drought cutback allocations based on the information about projected water supply availability for the wholesale customers from SFPUC. All of BAWSCA's allocation tables assume that wholesale customers can purchase up to 184 MGD from SFPUC's RWS through 2050. Further details about the two scenarios can be found in Section 7.2.5 of this UWMP

In normal years 100% of the City's ISG is available to the City, that is 9.232 MGD. Assumptions from SFPUC about dry-year water supply projects are included in SFPUC's Water System Improvement Program (WSIP) and considered in SFPUC's Regional Water System supply reliability.[37] The SFPUC's Regional Water System supply reliability data reflect SFPUC's projected instream flow requirements under each scenario.

[36] "Unimpaired flow represents the natural water production of a river basin, unaltered by upstream diversions, storage, or by export or import of water to or from other watersheds." Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Dec. 12, 2018) p.17, fn. 14, available at https://www.waterboards.ca.gov/plans_policies/docs/2018wqcp.pdf.

[37] SFPUC Regional Water System supply reliability letter from SFPUC, March 11, 2026.

The City's expected water service reliability projections for a normal year, single dry year and five consecutive dry years are presented in the following tables:

- Table 7-1 presents the City's water service reliability projections.
- Table 7-2 shows a normal year supply and demand comparison through 2050.
- Table 7-3 shows a single dry year supply and demand comparison through 2050.
- Table 7-4 shows a multi-dry year supply and demand comparison through 2050.
- Table 7-5 is the DRA, showing a five-year Drought Risk Assessment to address Water Code Section 10635(b), for a multi-dry year supply and demand comparison from 2026 through 2030.

Table 7-1. Basis of Water Year Data (Reliability Assessment)

OPTIONAL Submittal Table 7-1 Retail: Basis of Water Year Data (Reliability Assessment)	
☑	Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** UWMP Section 7.2 and appendices D, E, and F

Note that the City's Tables 7-2 through 7-4 extend to the year 2050, beyond the requirement of 2050 [Water Code Section 10635(a)].

7.2.2 Valley Water System

To maintain water supply reliability and flexibility, Valley Water's water supply includes a variety of sources including local groundwater, imported water, and local surface water. Valley Water has an active conjunctive water management program to optimize the use of groundwater and surface water, and to prevent groundwater overdraft and land subsidence.

Long-term planning and modeling analysis performed by Valley Water as part of its Integrated Water Resources Planning Study (IWRP) indicates that if additional investments are made, future countywide demands can reliably be met. It is the intent of Valley Water to invest in accordance with the IWRP framework to develop a flexible resource mix. This flexibility will allow Valley Water to respond to uncertain future conditions.

Valley Water's first IWRP report, completed in 1997, identified alternative water resource strategies and ranked them against planning objectives that ultimately resulted in a final preferred strategy.

That strategy identified three programs corresponding to a range of future water shortage levels, with components phased in over time, based on demand.

The 2003 IWRP developed a planning framework and supporting modeling tools to help Valley Water identify and select specific water resource investments. The 2003 IWRP evaluation was based on a best estimate of the water demand and water supply outlook through 2040. Future water demand was estimated based on data from ABAG, California Department of Finance (DOF) and general plans from cities and Santa Clara County. The demand projection for the cities in Santa Clara County did not distinguish between Valley Water or SFPUC supplies.

The key findings from the 2003 IWRP are: (1) securing baseline supplies is top priority for ensuring reliability, 2) a mix of three types of new water supply investments makes the best water supply portfolio, and 3) local supplies decrease vulnerability; details on key findings from Valley Water's 2003 IWRP document[38].

[38] Valley Water (formerly Santa Clara Valley Water District), Integrated Water Resources Planning Study 2003, https://archive.org/details/csjvwd_000436.

7.2.3 Service Reliability – Constraints on Water Sources

To the extent practical, DWR requires retail suppliers to include information from their wholesale supplier about constraints on their water supply [Water Code section 10631 (b)(1)].

The amount of water available from SFPUC's RWS and Valley Water's Agreement No. A0657[39] for a Supply of Treated Water for the City is constrained by climate, hydrology, facilities, and the institutional parameters that allocate the water supply from the Tuolumne River. Climate change may affect the snow-pack storage and water availability in future.

The recent changes to instream flow requirements for SFPUC and wholesale customer demand projections have affected SFPUC's water supply planning. As a result, SFPUC established an Alternative Water Supply (AWS) Planning program in 2019 to evaluate several regional and local water supply options. The SFPUC published its AWS Plan in February 2024 and prepared a progress report on AWS projects in June 2025. The SFPUC plans to review and update the AWS Plan in 2027. Full details on SFPUC's planned projects and actions can be found in SFPUC's Alternative Water Supply Plan.

Constraints on SFPUC and Valley Water supplies were discussed in more detail in Chapters 3, 4, and 6. The main long-term constraints on supplies are due to climate change and regulatory changes. Key factors impacting water supply for both wholesalers include:

- Changes in precipitation patterns, such as time of snowfall or rain, intensity, and duration.
- Changes in water quality because of changes in precipitation patterns and storage.

The constraints noted below will potentially affect SFPUC's Hetch-Hetchy watershed and management of the RWS water supply and its distribution.

- Fewer months of continuous below freezing (-32F) temperatures in the Sierra Nevada, resulting in less precipitation as snow, shorter duration for snowpack storage.
- Warmer temperatures leading to melt of the snowpack storage.
- Inadequate storage capacity to store the snowmelt water source.
- Regulatory changes affecting SFPUC water supplies, such as implementation of the Bay-Delta Plan Amendment that could reduce supply water for the SFPUC RWS by 48% in drought years.

The constraints noted below will potentially affect Valley Water's treated surface water and groundwater supply.

- Groundwater availability.
- Regulatory changes impacting the State Water Project supply availability.

Potential Constraints on SFPUC's RWS Supply – Bay-Delta Plan Amendment Updates

As mentioned in Section 7.2.1 – SFPUC System, the SFPUC RWS' supplies may be impacted by the implementation of the Bay-Delta Plan Amendment.

If the Bay-Delta Plan Amendment is implemented, SFPUC will be able to meet the projected water demands presented in its 2025 UWMP in normal years but is expected to experience supply shortages in single dry years or multiple dry years. Implementation of the Bay-Delta Plan Amendment could require rationing in all single dry years and multiple dry years. Given that the City partially relies on supplies from SFPUC, the City could also experience shortages.

Implementation of the Bay-Delta Plan Amendment remains uncertain for multiple reasons.

[39] *Agreement No. A0657 between the City and County of San Francisco and Santa Clara Valley Water District:* https://www.valleywater.org/sites/default/files/A0657_Agreement.pdf

- Over a dozen lawsuits have been filed in both state and federal courts challenging the SWRCB's adoption of the Bay-Delta Plan Amendment, including a legal challenge filed by the federal government at the request of the U.S. Department of Interior, Bureau of Reclamation. This litigation is currently at the appellate level.
- The Bay-Delta Plan Amendment is not self-implementing and does not automatically allocate responsibility for meeting its new flow requirements to San Francisco or any other water rights holders. The Bay-Delta Plan Amendment merely provides a regulatory framework for implementing water quality objectives, which must be accomplished by other regulatory and/or adjudicatory proceedings, such as a comprehensive water rights adjudication or, in the case of the Tuolumne River, may be implemented through the water quality certification process set forth in section 401 of the Clean Water Act as part of the Federal Energy Regulatory Commission's licensing proceedings for the Don Pedro and La Grange hydroelectric projects. It is currently unclear when the license amendment process is expected to be completed. This process and the other regulatory and/or adjudicatory proceedings may face legal challenges and have lengthy timelines, and quite possibly could result in a different assignment of flow responsibility (and therefore a different water supply impact on the RWS).

In recognition of the obstacles to implementation of the Bay-Delta Plan Amendment, the SWRCB Resolution No. 2018-0059 adopting the Bay-Delta Plan Amendment directed staff to help complete a "Delta watershed-wide agreement, including potential flow measures for the Tuolumne River," and to incorporate such agreements as an "alternative" for a future amendment to the Bay-Delta Plan to be presented to the SWRCB "as early as possible after December 1, 2019." On March 26, 2019, the SFPUC adopted Resolution No. 19-0057 to support the SFPUC's participation in the Voluntary Agreement negotiation process. To date, those negotiations are ongoing under the California Natural Resources Agency and the leadership of the Newsom administration.[40] On November 10, 2022, the SFPUC along with the Modesto and Turlock Irrigation Districts signed a Memorandum of Understanding Advancing the Term Sheet for the Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan

Because of the uncertainty surrounding implementation of the Bay-Delta Plan Amendment, the water service reliability assessment in the 2025 UWMP looks at two future supply scenarios: (1) implementation of the Bay-Delta Plan Amendment and (2) SFPUC system's current conditions without implementation of the Bay-Delta Plan Amendment.

SFPUC Alternative Water Supply Planning Program[41]

In 2019, the SFPUC established the Alternative Water Supply (AWS) Program to identify and plan water supply and storage projects and actions that increase the dry-year reliability of the RWS. Based on the 2045 planning horizon that the SFPUC applied in its February 2024 AWS Plan, the SFPUC anticipates a water supply gap will occur in future dry years. The AWS Program aims to help fill the gap through local and regional capital projects. The February 2024 AWS Plan identified six regional projects that might partially address the future water supply gap and the priorities for this planning effort. Since the development of that plan, three projects have been deferred (Daly City Recycled Water Expansion, Alameda County Water District-Union Sanitary District Purified Water, and Calaveras Reservoir Expansion) and one project has been canceled (Los Vaqueros Reservoir Expansion). SFPUC's AWS Program is continuing to pursue the following two projects (see the program for full details on each project):

- PureWater Peninsula
- South Bay Purified Water

[40] California Natural Resources Agency, "Voluntary Agreements to Improve Habitat and Flow in the Delta and its Watersheds," available at https://files.resources.ca.gov/voluntary-agreements/.

[41] Draft 2025 UWMP Common Language, BAWSCA, March 25, 2026.

If both AWS projects that SFPUC staff has identified through the current planning process can be implemented, there would still be a supply shortfall to meet projected needs associated with implementation of the Bay-Delta Plan Amendment. Furthermore, both alternative water supply options are in the planning phase and are subject to changes in institutional structure and design. Given the limited availability of water supply alternatives, unless the supply risks are significantly reduced, the SFPUC will continue to plan, develop, and implement all potential projects that can help bridge the anticipated water supply gap during droughts.

Outside of the AWS Program, the following additional regional projects are included in the Agreements to Support Healthy Rivers and Landscapes discussed in the Bay-Delta Plan Amendment section above. Progress on these water supply options will be guided by scientific monitoring and collaborative decision making.

- **Groundwater Banking.** Groundwater banking projects in the Modesto Irrigation District and Turlock Irrigation District service areas could provide the SFPUC with some additional water supply to meet instream flow releases in dry years, reducing water supply impacts on the RWS. A feasibility study of this option is included in the Agreements to Support Healthy Rivers and Landscapes within the AWS Plan.
- **Inter-Basin Collaborations.** Inter-Basin Collaborations could include establishing a partnership between interests on the Tuolumne River (such as the SFPUC) and those on the Stanislaus River, which would allow responsibility for streamflow to be assigned variably based on the annual hydrology.
- **Dry-Year Transfers.** The SFPUC initiated discussions with irrigation districts under WSIP to secure a dry-year transfer (see WSIP Dry-Year Water Supply Projects section below). While no transfer was secured, the SFPUC continues to engage in discussions with irrigation districts to explore potential transfer opportunities.

SFPUC's AWS Plan published in February 2024 included a planning framework for SFPUC to consider water supply needs and related tradeoffs; guide the decisions to proceed with environmental review; and continue the development of projects that can best meet anticipated water supply needs. In June 2025, SFPUC prepared a progress report that provided status updates on the AWS projects. In 2027, SFPUC plans to review and revise its Alternative Water Supply Plan based on updated information.

SFPUC's Water System Improvement Program (WSIP) Dry Year Water Supply Projects

With WSIP, SFPUC has undertaken several water supply projects to meet dry-year demands. Those projects include the following:

- Calaveras Dam Replacement Project
- Alameda Creek Recapture Project
- Lower Crystal Springs Dam Improvements
- Regional Groundwater Storage and Recovery Project
- Regional Groundwater Treatment Improvements Project
- Water Transfers

Details of the projects can be found in the SFPUC 2025 UWMP.

Constraints on the Valley Water System

Valley Water Standard Text

Groundwater

Constraints on groundwater:

Valley Water manages the Santa Clara and Llagas subbasins for the benefit of its groundwater customers and the county at large. Since the 1930s, Valley Water's water supply strategy has been to maximize conjunctive use of surface water and groundwater supplies to enhance water supply reliability and avoid land subsidence. Local groundwater resources make up the foundation of the county's water supply, but they need to be augmented by Valley Water's comprehensive water management activities to reliably meet the needs of county residents, businesses, agriculture, and the environment. These activities include managed recharge of imported and local supplies and in-lieu groundwater recharge through the provision of treated surface water and raw water, acquisition of supplemental water supplies, and water conservation and recycling.

Groundwater supply is largely constrained by hydrologic variability and the estimated 548,000 AF of operational storage capacity within the subbasins. The inflows to the groundwater subbasins are constrained by Valley Water's managed aquifer recharge program and natural recharge. Valley Water has about 144,000 AFY of managed recharge capacity, including about 98 miles of in-stream recharge and 102 off-stream recharge ponds. Maintaining Valley Water's managed recharge program requires ongoing operational planning for the distribution of local and imported water to recharge facilities; maintenance and operation of reservoirs, diversion facilities, distribution systems, and recharge ponds; and the maintenance of water supply contracts, water rights, and relevant environmental clearance. Valley Water's managed recharge program is critical to maintaining groundwater supply, because natural recharge is insufficient to meet groundwater demands. However, protecting natural recharge capacity is also important. Valley Water's District Act and Board policy help preserve open space that supports agriculture and natural recharge capacity.

Groundwater quality can also be a constraint on groundwater supply. In general, the Santa Clara and Llagas subbasins have high-quality groundwater, except for nitrate, which is elevated in some wells in the Coyote Valley and Llagas Subbasin from historic and ongoing sources including fertilizers, septic systems, and animal waste. However, nitrate concentrations are generally stable or declining and Valley Water has many programs to protect groundwater quality, including several targeted to improve nitrate in groundwater. Additional details about constraints on groundwater supply and quality and Valley Water's comprehensive groundwater management strategies are described in the 2021 Groundwater Management Plan: https://www.valleywater.org/your-water/where-your-water-comes-from/groundwater/sustainable-groundwater-management

The City's water quality may also be affected if SFPUC's sources of water change significantly. The City's current water quality is characterized in its annual Water Quality Report.[42] Specific expected changes will be identified when alternative water supplies are considered for implementation.

[42] The City's most recent Water Quality Reports can be found here: https://www.milpitas.gov/758/Water-Quality-Report.

7.2.4 Year Type Characterization

Water Supply – All Year Types

SFPUC historically has met demand in its service area in all year types from its watersheds, which consist of:

- Tuolumne River watershed
- Alameda Creek watershed
- San Mateo County watersheds.

In general, 85% of SFPUC supply comes from the Tuolumne River through Hetch Hetchy Reservoir and the remaining 15% comes from the local watersheds through the San Antonio, Calaveras, Crystal Springs, Pilarcitos and San Andreas Reservoirs. SFPUC's adopted WSIP retains this mix of water supply for all year types.

Details about the projected projects and mix of water supply from SFPUC's watersheds can be found in the 2025 SFPUC UWMP.

Types of Years

DWR uses the terms *normal* and *average* interchangeably when addressing the water year type. DWR requires, as part of the water service reliability assessment in the DRA, that water suppliers include three types of years with specific hydrologic conditions. These include:

Normal Year. This condition represents the normal/average water supplies from SFPUC for BAWSCA agencies, and Valley Water for its water contractors. This condition represents the normal/average water supplies from SFPUC for BAWSCA agencies.

Single Dry Year. The single dry year represents the year with the lowest water supply available from SFPUC to the City.

Five-Consecutive-Year Drought. The five-consecutive year drought for the DRA is the driest five-year historical sequence for the water supply (Water Code Section 10612). For the water service reliability assessment, the City is using 2025 as its base year, because the City's demand volume is based on the actual 2025 purchases from SFPUC and Valley Water. As recommended by DWR, the City uses the same five-year sequence (2026–2030) for its water service reliability assessment. Note that SFPUC derived the five-year consecutive drought based on the driest five-year sequence in the hydrologic record. This supply condition is a requirement of Water Code Section 10612. SFPUC has provided information about the likelihood of this severe condition in its 2025 UWMP.

Valley Water Standard Text

The greatest challenge to Valley Water's water supply reliability is multiple dry years, such as those that occurred in 1988 through 1992 and in 2012 through 2016. The five dry-year period used in this analysis is 1988 to 1992, which was an extended drought within historic record and WEAP modeling period. The analysis indicates that with existing and planned projects' supplies, Valley Water's diverse water supplies are sufficient to meet demands throughout the full five-year drought in demand years 2035 and 2040 without having to call for short-term water use reductions, but in demand years 2030 as well as 2045 through 2050, there will be shortages in the last two years of the drought. The shortages are less than 10% of projected demands, thus within Valley Water's level of service goal of meeting 100% of annual water demand during non-drought years and at least 80% of annual water demand in drought years. Those shortages will be addressed through a combination of supply augmentation from transfer and exchange and water use reductions.

7.2.5 Water Service Reliability Assessment

Every urban water supplier is required to include an assessment of its water service reliability to its customers through at least 2045, in five-year increments, during normal, dry, and multiple dry water years [Water Code Section 10635(a)].

Reliability of the SFPUC Regional Water System

Since the City purchases over 60% of its water from SFPUC, it is highly dependent on the SFPUC RWS infrastructure reliability.

Initiated in 2008, SFPUC's Water System Improvement Program (WSIP)[43] is a $4.8 billion, multi-year capital program to upgrade the RWS as well as the SFPUC's local water system. The program is delivering capital improvements that enhance the SFPUC's ability to provide reliable, affordable, high quality drinking water in an environmentally sustainable manner to its Retail and Wholesale Customers. The SFPUC structured the WSIP to cost-effectively meet water quality requirements, improve seismic and delivery reliability goals through the year 2030, and fulfill water supply objectives. The SFPUC completed the San Francisco portion of WSIP in October 2020. As of June 30, 2025, the regional portion of WSIP was 99.3% complete, having repaired, replaced, and seismically upgraded crucial portions of the RWS; only two regional projects remain in planning and construction, while 49 regional projects have been completed or are in close-out. The SFPUC forecasts that the overall WSIP will be completed in June 2032.

The SFPUC undertook the WSIP to ensure the ability of the RWS to meet Level of Service (LOS) Goals and Objectives for water quality, seismic reliability, delivery reliability, and water supply. The Water Supply LOS goal, stated in the WSIP and adopted in 2008, is to meet customer water needs in non-drought and drought periods. The SFPUC amended and updated the LOS Goals and Objectives in November 2023. The SFPUC's current LOS Goals and Objectives related to water supply include the following:

- Meet an average annual water demand of 265 MGD from the SFPUC watersheds for Retail and Wholesale Customers during non-drought years consistent with the Water Supply Agreement (WSA) between San Francisco and its Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties.
- Meet dry-year delivery needs while limiting rationing to a maximum 20% system-wide reduction in water service during extended droughts.
- Diversify and improve use of new water sources and drought management, including groundwater, recycled water, conservation, transfers, storage expansion, purified water, desalinated water, and technological innovations that can increase supply and/or water use efficiency.

In addition to SFPUC's infrastructure reliability for the RWS, the imported water available to SFPUC's retail and wholesale customers is constrained by climate, geology, hydrology, and the institutional parameters that allocate the water supply of the Tuolumne River. Due to these constraints, SFPUC is very dependent on reservoir and snow-pack storage to manage its water supplies. A summary of SFPUC's vulnerability assessment related to climate change is included in Section 4.4.

These performance objectives serve as the basis for water supply planning by SFPUC for the RWS.

In planning for water service reliability during droughts, BAWSCA worked with SFPUC to develop a two tier, drought allocation plan. The two tiers are discussed below.

[43] SFPUC WSIP: https://www.sfpuc.gov/sites/default/files/documents/WSIPFiscalYear22-23AnnualReport.pdf

SFPUC's Tier One Drought Allocations

The WSA[44] between SFPUC and the Wholesale Customers is included in the references section of this UWMP, a Water Shortage Allocation Plan (WSAP), also known as the Tier 1 Shortage Plan. This plan describes the method for allocating water from the RWS between the SFPUC's Retail Customers, on the one hand, and the Wholesale Customers collectively, on the other, during system-wide shortages caused by drought. The Tier 1 Shortage Plan applies only when the SFPUC determines that a system-wide water shortage due to drought exists, as set forth in a declaration of water shortage emergency by the SFPUC Commission; in the absence of such a declaration, the SFPUC also may opt to request voluntary cutbacks from its Retail and Wholesale Customers to achieve water use reductions. The SFPUC and the Wholesale Customers most recently amended the Tier 1 Shortage Plan in 2025.

SFPUC allocates water under the Tier 1 Shortage Plan[45] when it determines that the projected available water supply is less than projected system-wide water purchases for the upcoming Supply Year, defined as the period from July 1 through June 30. The following table shows the Retail Customers' share and the Wholesale Customers' share of the annual water supply available during shortages depending on the level of system-wide reduction in water use that is required. If the SFPUC determines that the level of system-wide reduction required during a shortage is greater than 20%, SFPUC and the Wholesale Customers will meet to discuss the appropriate Retail and Wholesale Customers' shares of available water. The Retail and Wholesale Customers' shares of available water are also known as the Retail and Wholesale Customers' Tier 1 Allocations. The Wholesale Customers' Tier 1 Allocation will be apportioned among the individual Wholesale Customers based on a separate methodology, known as the Tier 2 Drought Response Implementation Plan (Tier 2 Plan),[46] which is separately adopted by all the Wholesale Customers without the SFPUC's involvement as discussed further below.

Figure 7-1. Share of Available Water – SFPUC and Wholesale Customers

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%

The Tier 1 Shortage Plan allows for voluntary transfers of shortage allocations between the SFPUC and any Wholesale Customer as well as between Wholesale Customers themselves. In addition, voluntary transfers of water "banked" by the SFPUC or a Wholesale Customer, through reductions in usage greater than required, may occur.

Under the Tier 1 Shortage Plan, as amended in 2018, if the Retail Customers' Tier 1 Allocation results in the Retail Customers receiving a "positive allocation" (i.e., a supply of additional water rather than a required reduction in water use), then the excess percentage for Retail is re-allocated to the Wholesale Customers' Tier 1 Allocation.

[44] City of Milpitas & City and County of San Francisco. (2021). Amended and Restated Water Supply Agreement. https://www.milpitas.gov/DocumentCenter/View/9998/2021-Amended-and-Restated-WSA-with-Attachments

[45] Water Supply Agreement, Appendix I – Tier 1 Water Shortage Allocation Plan. https://www.calwater.com/wp-content/uploads/2025/01/Appendix_I_-_SF_WSA-1.pdf

[46] *Tier 2 Drought Response Implementation Plan (Tier 2 Plan).* https://milpitasca.portal.civicclerk.com/event/2048/files/attachment/1456

The Retail Customers are also required to conserve a minimum of 5% for any level of reduction in system-wide water use. The additional water conserved by Retail Customers up to the minimum 5% level is deemed as remaining in RWS storage for inclusion in the calculation of projected available water in future successive dry years.

The Tier 1 Shortage Plan will expire at the end of the WSA in 2034, unless the SFPUC and the Wholesale Customers mutually agree to revise or terminate it prior to that date.

BAWSCA's Tier Two Drought Allocations

The BAWSCA member agencies have negotiated and adopted the Tier 2 Plan, referenced above, which allocates the Wholesale Customer Tier 1 Allocation from the Tier 1 Shortage Plan among each of the 26 Wholesale Customers. These Tier 2 Allocations are based on a formula that takes into account multiple factors for each Wholesale Customer including:

- Residential population;
- Non-residential "base" (i.e., indoor) use;
- Seasonal uses;
- Total RWS purchases in recent non-drought years; and
- Individual Supply Guarantee;

The Tier 2 Plan employs a structured, sequential, five-step method to allocate water to each Wholesale Customer. The allocations are constrained by minimum and maximum cutbacks, which establish the maximum final allocation and minimum guaranteed final allocation, respectively. No agency's final allocation can fall outside of these bounds. The allocation then proceeds by prioritizing indoor uses.

The subsequent steps systematically allocate the remaining available water based on different customer demands. First focusing on indoor demand, water is allocated based on an agency's residential population and the State residential efficient indoor standard (47 gallons per capita per day (GPCD) in 2025), followed by an allocation based on non-residential "base" (i.e., indoor) use. A limited amount of water is allocated based on seasonal use (e.g., cooling towers and irrigation). Finally, the remaining supply is allocated based on a weighted share of two-thirds RWS purchases in the recent non-drought years and one-third ISG.

The result of the Tier 2 Plan is each Wholesale Customers' proportion, expressed as a percentage, of the available Tier 1 Allocation (Allocation Factor).

The Tier 2 Plan requires that the Allocation Factors be calculated by BAWSCA each year in preparation for a potential water shortage emergency. As the Wholesale Customers change their water use characteristics (e.g., increases or decreases in RWS purchases and use of other water sources, changes in monthly water use patterns, or changes in population), the Allocation Factor for each Wholesale Customer will also change. However, for long-term planning purposes, each Wholesale Customer may use as its Allocation Factor, the value identified in the Tier 2 Plan when adopted.

The Tier 2 Plan was renegotiated and adopted by all Wholesale Customers in 2025.

Additional BAWSCA Efforts to Facilitate Water Supply Reliability

BAWSCA, on behalf of its member agencies, facilitates local projects that augment water supply reliability. BAWSCA's key water management objective is to ensure that a reliable, high-quality supply of water is available where and when people within the BAWSCA service area need it. A reliable supply of water is required to support the health, safety, employment, and economic opportunities of the existing and expected future residents in the BAWSCA service area and to supply water to the agencies, businesses, and organizations that serve those communities.

In 2018, BAWSCA began working with SFPUC to amend the 2009 WSA between SFPUC and BAWSCA's member agencies, which included requirements for SFPUC to formally engage with BAWSCA during SFPUC's development of its 10-year capital improvement program (CIP). The updated and restated WSA (also termed the 2019 WSA) was executed by SFPUC and BAWSCA's member agencies in August 2019. [47] Subsequent amendments were made to the WSA, resulting in a 2021 WSA and the current 2025 WSA.

In December 2025, BAWSCA completed its Demand Study that presents updated information about the BAWSCA service area demands and demand management as part of its strategy for a long-term reliable supply. The Demand Study identifies demand management measures for the commercial, irrigation, and residential sectors, and system water loss management.

BAWSCA Updated 2025 UWMP Drought Cutbacks based on SFPUC March 2026 Water Supply Reliability

As discussed in earlier chapters, BAWSCA's role in representing the interests of its 26 member agencies is to work with SFPUC to ensure that SFPUC meets its contractual obligations to maintain its infrastructure and provide a reliable, high quality, potable water supply at a fair price.

The updated drought cutback allocations that BAWSCA developed for the 2025 UWMPs are based on SFPUC's Scenario 1 and Scenario 2 (see Appendix E of this UWMP). BAWSCA's drought allocation cutback calculations use SFPUC Regional Water System supply reliability models under extreme hydrologic conditions and on actual historic supply.

Note that SFPUC derived the five-year consecutive drought based on the driest five-year sequence in the hydrologic record. This supply condition is a requirement of Water Code Section 10612. SFPUC has provided information about the likelihood of this severe condition in the SFPUC 2025 UWMP.[48]

Individual Supply Guarantee

SFPUC has a perpetual commitment (Supply Assurance) to deliver 184 MGD to its 24 permanent Wholesale Customers collectively. San Jose and Santa Clara are not included in the Supply Assurance commitment and each has temporary and interruptible water supply contracts with SFPUC. The Supply Assurance is allocated among the 24 permanent Wholesale Customers through an Individual Supply Guarantee (ISG), which represent each Wholesale Customer's allocation of the 184 MGD Supply Assurance.

The City of Milpitas's ISG is 9.232 MGD

The City's ISG is of critical importance to its current and future customers for long-term vitality of its community, economy, and security.

SFPUC's Water Supply Reliability Evaluation[49]

In general, 85% of the RWS supply comes from the Tuolumne River through Hetch Hetchy Reservoir and the remaining 15% comes from the local watersheds through the San Antonio, Calaveras, Crystal Springs, Pilarcitos and San Andreas Reservoirs. The adopted Water System Improvement Program (WSIP) retains this mix of water supply for all year types.

To evaluate its supply reliability, SFPUC closely monitors the hydrologic conditions impacting its watersheds in the Sierras and the San Francisco Bay Area. Based on hydrologic conditions, SFPUC routinely provides updates about its water supply that may impact water supply for BAWSCA agencies. Annual weather trends and long-

[47] BAWSCA Capital Improvement Planning Comparison Study, September 2019, page 1. http://bawsca.org/uploads/userfiles/files/CIP%20Comparison%20Study%20_09-2019_V_Final_9_10_19.pdf

[48] SFPUC, April 2026, Likelihood of a five-year drought sequence as provided in their UWMP.

[49] 2025 UWMP SFPUC Common Language March 25, 2026.

term impacts from a changing climate are part of SFPUC's on-going analyses and are included in long-term planning for a reliable RWS water supply.

Unlike previous SFPUC water supply reliability forecasts that were mostly based on hydrologic conditions and projects that impacted infrastructure, in March 2026 SFPUC provided BAWSCA with two forecasts (Scenario 1 and Scenario 2) for the reliability of its water supply. The 2025 SFPUC water supply reliability evaluation incorporates potential extreme impacts to its RWS supply from regulatory changes due to the Bay-Delta Plan Amendment (Bay-Delta Plan) as well as a reference comparison with the current supply regime.[50] The Bay-Delta Plan Amendment requires the release of 30-50% of the "unimpaired flow"[51] on the three tributaries from February through June in every year type. In SFPUC modeling of the new flow standard, it is assumed that the required release is 40% of unimpaired flow. As a result, SFPUC has established an Alternative Water Supply Planning (AWS) program to evaluate several regional and local water supply options; the AWS program is discussed in further detail in Section 7.2.3 and in SFPUC's UWMP;

The implementation of the Bay-Delta Plan is uncertain for multiple reasons that are presented in Section 7.2.3, Service Reliability – Constraints on Water Sources. Because of the uncertainty surrounding implementation of the Bay-Delta Plan Amendment, the water service reliability assessment in the 2025 UWMP looks at two future supply scenarios: (1) with implementation of the Bay-Delta Plan Amendment and (2) SFPUC system's current conditions without implementation of the Bay-Delta Plan Amendment.

For the 2025 UWMPs, agencies are required to develop a Drought Risk Assessment (DRA) that assumes a single year and multiple years of drought, starting with 2026 through 2030. SFPUC provided tables with its forecast for Scenario 1 and 2 that provide specific water supply data to address the DRA.

For drought planning for SFPUC wholesale water shortages of less than 20%, SFPUC and BAWSCA have developed the Tier One Plan to allocate shortages between SFPUC and the Wholesale Customers collectively. BAWSCA utilizes the Tier Two plan to allocated available water supplies to the wholesale agencies. However, the BAWSCA Tier Two plan was not intended for shortages of more than 20%. Therefore, for the shortage scenarios and assumptions in SFPUC's Scenario 1 "with Bay-Delta Plan Amendment" that reduce water use in dry years by almost 48% for its wholesale customers, BAWSCA recommended an alternate method to apply drought cutbacks equally among BAWSCA agencies. [52]

Information Sources for Projected SFPUC RWS and Wholesale Purchases

SFPUC supply provides its projected supply availability and reliability based on hydrologic conditions and modeling, and regulatory and infrastructure constraints. wholesale supply allocations are based on projected BAWSCA wholesale purchases provided by BAWSCA member agencies. Active conservation by BAWSCA agencies is treated as a source of supply by BAWSCA, therefore projected wholesale purchases are after passive and active conservation.

[50] Bay-Delta Plan Update: Amendments and Substitute Environmental Document (SED) for lower San Joaquin River and Southern Delta– Adoption and approval of plan amendments and final SED. https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/bay_delta_plan/water_quality_control_planning/2018_sed/

[51] "Unimpaired flow represents the natural water production of a river basin, unaltered by upstream diversions, storage, or by export or import of water to or from other watersheds." (Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Dec. 12, 2018) p.17, fn. 14, available at https://www.waterboards.ca.gov/plans_policies/docs/2018wqcp.pdf.)

[52] BAWSCA Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations, BAWSCA, March 11, 2026.

Following the completion of BAWSCA's Demand Study in December 2025,[53] BAWSCA used the results to develop a table for each member agency listing possible supplies and total demand for 2030, 2035, 2040, 2045, and 2050. BAWSCA populated the tables with total water demand after passive conservation and entered active conservation, as calculated in each agency's analysis.

Each year agencies are offered the opportunity to review and, if needed, revise their purchase forecasts in January. BAWSCA Agencies have provided BAWSCA with similar updates to projected purchases annually for the past 10 years. On March 4, 2026, BAWSCA transmitted agency purchase requests for SFPUC's use in their 2025 UWMP. This annual reporting is part of SFPUC's wholesale rate setting process.

Key Findings of the Water Service Reliability Analysis

BAWSCA/SFPUC Reliability

The results of the current water reliability assessment affect the City's short- and long-term water management decisions. The City is working with BAWSCA and its member agencies to identify regional mitigation measures to improve reliability for regional and local water supplies and meet its customers' water needs.

If conditions for large drought cutbacks to BAWSCA wholesale agencies persist, such as those presented by SFPUC in Scenario 1, the City will need to implement additional demand management practices to invoke strict restrictions on potable water use and obtain funding to accelerate developing alternate supplies of water.

Due to the continued uncertainty for SFPUC water supply during droughts and impacts from the implementation of the Bay-Delta Plan on its water supply reliability, in its 2025 UWMP, the City presents information for water supply reliability using SFPUC Scenario 1, with the Bay-Delta Plan.

SFPUC is continuing negotiations with the California State Water Board on implementation of the Bay-Delta Plan for water supply cutbacks, particularly during droughts. SFPUC is developing a collaborative approach to protect the environment and plan for a reliable and high-quality future potable water supply. This is a dynamic situation and drought cutback allocations may need to be revised before the City's 2030 UWMP.

With this uncertainty, the City could update its DRA (see Section 7.3) prior to the 2030 UWMP update if significant new information becomes available. The Water Code Section 10635(b) permits urban water suppliers to conduct an interim update or updates to their DRA within the five-year cycle of its UWMP update. The City anticipates that by the 2030 UWMP update, SFPUC will provide more specific information about the Alternative Water Supply Planning Program, with estimated water supply contributions from such projects. Additionally, the City expects that SFPUC will provide more specific information and a refined estimate of the Bay-Delta Plan impacts to SFPUC supply.

The City recommends that users of its 2025 UWMP contact City staff for potential updates about the City's water supply reliability and its DRA before using the 2025 UWMP drought cutback projections for their planning projects and referencing the drought allocations.

[53] Demand Study: https://bawsca.org/uploads/userfiles/files/2025%20BAWSCA%20Demand%20Study_Final%20Report%20%2B%20Appendices_submittal%281%29.pdf

Valley Water's Water Supply Reliability Evaluation

Valley Water Standard Text

Demand and Supply Assessment

Valley Water maintains diverse water supply sources to meet countywide demands. Major sources of supply for Valley Water include natural groundwater recharge, local surface water, imported water from the State and Federal projects, and recycled and purified water. In addition, the SFPUC delivers water to eight retailers in the northern part of Santa Clara County. Below is a summary of the constraints to Valley Water's water supply sources.

Imported water – Valley Water's SWP and CVP water supplies are subject to hydrologic variability and several additional constraints including regulatory constraints, seismic threats to the Delta levee system, sea level rise, climate change, and water quality variations.

Groundwater – The groundwater supply is largely constrained by hydrologic variability and the estimated operational storage capacity within the subbasins. The inflows to the groundwater subbasins are constrained by Valley Water's managed aquifer recharge program and natural recharge. Groundwater quality can also be a constraint on groundwater supply.

Local surface water – Local surface water supplies are vulnerable to hydrologic variability and constrained by environmental regulations and permit requirements. Climate change may cause decreases in the ability to utilize local surface water supplies.

Recycled and Purified Water – The constraints on future recycled water deliveries include infrastructure capacity and the availability of recycled water. Some of the potential constraints on the development of potable reuse include reverse osmosis concentrate disposal, public acceptance, permitting, hydrogeologic conditions, wastewater availability from other agencies (Valley Water is not a wastewater agency), and cost.

Water Service Reliability

Valley Water's water service reliability was assessed by comparing supplies and demands under three hydrologic conditions – an average year, a single dry year, and five consecutive dry years. Valley Water uses the Water Evaluation and Planning (WEAP) model to evaluate water supply reliability under these conditions. Developed by the Stockholm Environment Institute, WEAP is a deterministic, integrated water resources management model that uses water demand and supply information and accounts for multiple and competing uses and priorities. Valley Water uses the WEAP model as a tool to support its long-term water supply planning. The WEAP model simulates Valley Water's water supply system comprised of facilities to recharge the county's groundwater subbasins, operation of reservoirs and creeks, treatment and distribution facilities, and raw water conveyance facilities. The model also accounts for non-Valley Water sources and distribution, such as supplies from the SFPUC, non-potable recycled water, and local water developed by other agencies, such as the San Jose Water Company. In essence, the model was formulated to simulate the management of the current and future water resources within the county.

Valley Water's WEAP water supply planning model operates on a monthly time-step that simulates the water supply and demand over 100 years, using the historic hydrologic sequence of 1922 through 2021. The model tracks water resources throughout the county and delivery of water to meet demands according to availability and priority. Water supply reliability assessment for average year, a single dry year, and five consecutive dry year conditions was based on the model results under each condition.

Average Year Supply Reliability

Valley Water uses the average annual supply over the 100 modeled years to represent the average year condition. Under average conditions, Valley Water's projected water supplies exceed projected demand through 2050 in all demand years.

Valley Water Standard Text (cont.)

Single Dry Year Supply Reliability

The single driest year in the 100 model years occurred in 1977, based on the historic hydrological record. With supply from storage, supplies are sufficient to meet demands during a single dry year through 2050. This assumes that reserves are at healthy levels at the beginning of the year and that the projects and programs identified in Valley Water's Water Supply Master Plan (WSMP) 2050 are implemented. Supplies available for this single year drought represent water needed not only for that single drought year, but also water that may be needed for a prolonged drought. Valley Water would manage the supplies reported in this table assuming the drought may continue beyond a single year, and thus not all supplies are expected to be used by retailers during the single year drought.

Multiple Dry Year Supply Reliability

The greatest challenge to Valley Water's water supply reliability is multiple dry years, such as those that occurred in 1988 through 1992 and in 2012 through 2016. The five dry-year period used in this analysis is 1988 to 1992, which was an extended drought within historic record and WEAP modeling period. The analysis indicates that with existing and planned projects' supplies, Valley Water's diverse water supplies are sufficient to meet demands throughout the full five-year drought demand years 2035 and 2040 without having to call for short-term water use reductions, but in demand years 2030 as well as 2045 through 2050, there will be shortages in the last two years of the drought. The shortages are less than 10% of projected demands, thus within Valley Water's level of service goal of meeting 100% of annual water demand during non-drought years and at least 80% of annual water demand in drought years. Those shortages will be addressed through a combination of supply augmentation from transfer and exchange and water use reductions.

Valley Water's basic water supply strategy to compensate for supply variability is to store excess wet year supplies in the groundwater basin, local reservoirs, San Luis Reservoir, and/or Semitropic Groundwater Bank, and draw on these reserve supplies during dry years to help meet demands. These reserves, along with existing and planned future projects in the WSMP, help Valley Water meet demands during a prolonged drought. Future projects and programs recommended in the WSMP 2050, including additional long-term water conservation savings, potable reuse, recharge capacity increases, and banking and storage, were developed in accordance with this policy to minimize the need to call for water use reductions greater than 20%.

City of Milpitas Service Reliability

The City's water service reliability assessment is based on historic and current information about water use in its service area, SFPUC's RWS water sources and SFPUC's water supply reliability and Valley Water Sources and Valley Water's water supply reliability. In its assessment, the City also includes impacts from climate change projections.

The City's Tables 7-2, 7-3, and 7-4 summarize the water supply reliability for a normal (average) year, a single dry year, and five- consecutive dry years for 2030, 2035, 2040, 2045, and 2050.

Summary information and location of details are also included with the tables (notes).

In its reliability assessment, the City considers:

- The potential for acquiring supplemental water supplies.
- The potential for increased demands due to increased irrigation use due to low rainfall.
- Expected demand reduction due to increased implementation of demand management measures.

- Implementation of its updated 2025 WSCP.
- Savings from local ordinances and standards.
- Increased drought messaging.

In Section 7.2.7, Description of Management Tools and Options, the City discusses potential management actions that it may take in response to SFPUC shortages. Table 7-6, in Section 7.3.3, shows projected shortages of SFPUC supply compared with the City's projected demand.

DWR's Optional Planning Tool

DWR provided an optional Planning Tool Worksheet for 2025 UWMP preparation. DWR's optional Planning Tool was introduced earlier in Chapter 4.

The City is not using the Planning Tool, instead the City is using information from SFPUC, BAWSCA, and its demand projections from the BAWSCA Demand Study. The City's planning for drought cutbacks includes historical, current, and forecasts about water use, water sector growth, population, jobs, and conservation.

7.2.6 WSRA Supply and Demand Comparison

The WSRA combines the details of the City's water-use analysis in Chapter 4 and their water supply analysis in Chapter 6. A comparison of supplies and demands provides the City with a complete picture of both their short-term and long-term water service reliability.

Water Service Reliability – Normal Year

In Table 7-2, DWR requests suppliers to provide their normal year supply and demand for comparison, in five-year increments through at least 2045. The normal year supply for BAWSCA agencies is 100% of SFPUC's Supply Agreement, that is 184 MGD. Therefore, in Table 7-2, under the City's normal SFPUC supply is 100% of its ISG, that is 9.232 MGD. SFPUC normal year supply will meet the City's projected demands for 2030, 2035, 2040, 2045, and 2050. Table 7-2 supply totals are based on table 6-9 and present projected SFPUC purchases, Valley Water supplies, and recycled water supplies.

Table 7-2. Normal Year Supply and Use Comparison

Submittal Table 7-2 Retail: Normal Year Supply and Use Comparison - Water Code Section 10635 (a)					
	2030	2035	2040	2045	2050
	(MG)	(MG)	(MG)	(MG)	(MG)
Supply totals (autofill from Submittal Table 6-9 R)	3,276	3,386	3,501	3,591	3,611
Use totals (autofill from Submittal Table 4-2 R)	3,276	3,386	3,501	3,591	3,611
Surplus/(shortfall)	0	0	0	0	0

Water Service Reliability – Single Dry Year

In Table 7-3, DWR requests suppliers to provide their single dry year supply and demand for comparison, in five-year increments through at least 2045. In this table, the City includes its supply reliability using SFPUC scenarios, with Bay-Delta Plan for a single dry year through 2050. The City is using SFPUC's "2025 UWMP Wholesale Customer Dry Year Allocations," dated, March 11, 2026, based on SFPUC's Regional Water Supply Reliability letter (see Appendix E), which was also released on March 11, 2026, for 1st dry year allocation with Bay-Delta Plan.

As can be seen in Table 7-3, with Bay-Delta Plan for a single dry year Supply and Demand Comparison, the City will experience significant water supply cutbacks with SFPUC supply. These SFPUC supply shortfalls will invoke

the City's WSCP, and the City will have to work closely with its customers. Supply augmentation and water demand reduction measures for all levels of the City's WSCP are discussed in the WSCP (see Appendix D of this UWMP).

The City submitted Table 7-3, with Bay-Delta Plan, in the WUE portal to comply with the 2025 UWMP requirements and to be consistent with its supplier, SFPUC.

Table 7-3. Single Dry Year Supply and Demand Comparison, with Bay-Delta Plan

Submittal Table 7-3 Retail: Single Dry Year Supply and Use Comparison - Water Code Section 10635(a)					
	2030	**2035**	**2040**	**2045**	**2050**
	(MG)	(MG)	(MG)	(MG)	(MG)
Supply totals	2,672	2,740	2,805	2,855	2,836
Use totals	3,276	3,386	3,501	3,591	3,611
Surplus/(shortfall)	(604)	(646)	(696)	(736)	(775)
OPTIONAL Planned WSCP Actions					
WSCP - use reduction savings benefit	604	646	696	736	775
Revised Surplus/(shortfall)	0	0	0	0	0

NOTES: 1. Supply and use include both potable water and recycled water.
2. Single dry year use expected to align with Table 4-2 projected normal year water use, for potable and non-potable. Table 4-2 projected use includes climate change as well as passive and active conservation.
3. Non-potable supply totals based on projected recycled supplies meeting recycled water demands.
4. Potable supply totals include Valley Water and SFPUC delivered supplies.
5. SFPUC potable water supplies based on projected supply by year and year type per "2025 UWMP Wholesale Customer Dry Year Allocations_FINAL.xlsx", WITH implementation of the 2018 amendments to the Bay-Delta Water Quality Control Plan (Bay-Delta Plan Amendment).
6. Valley Water single dry year supplies align with Valley Water normal year supplies with no reduction (or increase) in Valley Water potable water supplies expected in a single dry year. Assumes Valley Water's Water Supply Master Plan 2050 low-cost portfolio: Semitropic storage (350 TAF) through 2035; groundwater banking (250 TAF) starting 2040; Sisk Reservoir expansion in 2035; DCP in 2045; Pure Water Silicon Valley in 2035. Valley Water model period is 1922–2021; single dry year is 1977. Reasonably available supply is water in storage above thresholds for emergency needs, subsidence protection, and operational withdrawal limits for each storage facility.
7. Shortfall to be preliminarily addressed with WSCP use reduction actions as reported in Table 8-3. Stage 2 and 3 drought response actions would yield the anticipated 15%-25% use reduction estimated.
8. WSCP supply augmentation benefits as reported in Table 8-2 and including groundwater production will be implemented if necessary.

Water Service Reliability – Five Consecutive Dry Years

In Table 7-4, DWR requests suppliers to provide their multiple dry years supply and demand comparison multi-dry year (five) consecutive supply and demand for comparison, from 2030 through at least 2045.

In Table 7-4, the City includes its supply reliability using SFPUC scenarios with Bay-Delta Plan for five multiple dry years (starting in 2030, 2035, 2040, 2045, and 2050). The City is using SFPUC's "2025 UWMP Wholesale Customer Dry Year Allocations", dated, March 11, 2026, based on SFPUC's Regional Water Supply Reliability letter, which was also released on March 11, 2026 for 1st, 2nd, 3rd, 4th, and 5th dry year allocations with Bay-Delta Plan.

Note that SFPUC derived the five-year consecutive drought based on the driest five-year sequence in the hydrologic record. This supply condition is a requirement of Water Code Section 10612. SFPUC has provided information about the likelihood of this severe condition in 2025 SFPUC UWMP.

As can be seen in Table 7-4, with Bay-Delta Plan, for multiple dry years supply and demand comparison, from 2030 through 2050, the City will experience significant water supply cutbacks.

Table 7-4. Multiple Dry Years Supply and Use Comparison, with Bay-Delta Plan

Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison - Water Code Section 10635(a)						
		2030	2035	2040	2045	2050
		(MG)	(MG)	(MG)	(MG)	(MG)
First year	Supply totals	2,673	2,741	2,806	2,856	2,837
	Use totals	3,276	3,386	3,501	3,591	3,611
	Surplus/(shortfall)	(603)	(645)	(695)	(735)	(774)
	OPTIONAL Planned WSCP Actions					
	WSCP - use reduction savings benefit	603	645	695	735	774
	Revised Surplus/(shortfall)	0	0	0	0	0
Second year	Supply totals	2,459	2,547	2,610	2,658	2,636
	Use totals	3,276	3,386	3,501	3,591	3,611
	Surplus/(shortfall)	(817)	(839)	(891)	(933)	(975)
	OPTIONAL WSCP Actions					
	WSCP - use reduction savings benefit	817	839	891	933	975
	Revised Surplus/(shortfall)	0	0	0	0	0
Third year	Supply totals	2,459	2,547	2,610	2,658	2,636
	Use totals	3,276	3,386	3,501	3,591	3,611
	Surplus/(shortfall)	(817)	(839)	(891)	(933)	(975)
	OPTIONAL Planned WSCP Actions					
	WSCP - use reduction savings benefit	817	839	891	933	975
	Revised Surplus/(shortfall)	0	0	0	0	0
Fourth year	Supply totals	2,406	2,547	2,610	2,592	2,570
	Use totals	3,276	3,386	3,501	3,591	3,611
	Surplus/(shortfall)	(870)	(839)	(891)	(999)	(1,041)
	OPTIONAL Planned WSCP Actions					
	WSCP - use reduction savings benefit	870	839	891	999	1,041
	Revised Surplus/(shortfall)	0	0	0	0	0
Fifth year	Supply totals	2,406	2,547	2,610	2,592	2,570
	Use totals	3,276	3,386	3,501	3,591	3,611
	Surplus/(shortfall)	(870)	(839)	(891)	(999)	(1,041)
	OPTIONAL Planned WSCP Actions					
	WSCP - use reduction savings benefit	870	839	891	999	1,041
	Revised Surplus/(shortfall)	0	0	0	0	0

Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison - Water Code Section 10635(a)
NOTES for Table 7-4: 1. Supply and use include both potable water and recycled water. 2. Multiple dry year use expected to align with Table 4-2 projected normal year water use, for potable and non-potable. Table 4-2 projected use includes climate change as well as passive and active conservation. 3. Non-potable supply totals based on projected recycled supplies meeting recycled water demands. 4. Potable supply totals include Valley Water and SFPUC delivered supplies. 5. SFPUC potable water supplies based on projected supply by year and year type per "2025 UWMP Wholesale Customer Dry Year Allocations_FINAL.xlsx", WITH implementation of the 2018 amendments to the Bay-Delta Water Quality Control Plan (Bay-Delta Plan Amendment). 6. Valley Water multiple dry year supplies align with Valley Water normal year supplies with an additional reduction of 5% in Valley Water potable water supplies expected in a multiple dry years 4 and 5 in multiple dry years starting in 2030, 2045 and 2050. Valley Water supplies are based on their Water Supply Master Plan 2050 low-cost portfolio: Semitropic storage (350 TAF) through 2035; groundwater banking (250 TAF) starting 2040; Sisk Reservoir expansion in 2035; DCP in 2045; Pure Water Silicon Valley in 2035. Valley Water model multi-year drought is 1988–1992; this remains the most severe extended drought in the record. Reasonably available supply is water in storage above thresholds for emergency needs, subsidence protection, and operational withdrawal limits for each storage facility. 7. Shortfall to be preliminarily addressed with WSCP use reduction actions as reported in Table 8-3. Stage 2 and 3 drought response actions would yield the anticipated 15%-30% use reduction estimated. 8. WSCP supply augmentation benefits as reported in Table 8-2 and including groundwater production will be implemented if necessary.

The reduction measures for all levels of the City's WSCP are discussed in the WSCP (see Appendix D of this UWMP).

DWR requires that suppliers only use one scenario to input data into the Water Use Efficiency Data (WUE) portal. The City submitted Table 7-4, with Bay-Delta Plan in the WUE portal to comply with the 2025 UWMP requirements and to be consistent with its supplier, SFPUC.

7.2.7 Description of Management Tools and Options

According to Water Code Section 10620(f), urban water suppliers are required to describe management tools and options used that will maximize resources and minimize the need to import water from other regions.

BAWSCA agencies have long-term contracts with SFPUC to purchase water. The 26 BAWSCA agencies rely on SFPUC imported water as a significant source of high-quality potable water that is not pumped from groundwater basins or directly diverted from the Sacramento Bay-Delta.[54] Several of the BAWSCA agencies (not including the City of Milpitas) do not have alternate water supplies and solely rely on SFPUC to supply water for their service area. Over the past decade, the City has taken significant demand management measures to reduce its water demand. The City's increasingly lower GPCD is evidence that the City's demand management tools are successful. The City continues to implement advanced technology and other measures to reduce demand for its SFPUC supply.

Below is a summary of the City's water management tools that are being implemented and planned to minimize the need for imported SFPUC water.

The City will work closely and continuously with its customers when implementing the Level 6 WSCP measures. Since extended emergency reductions of more than 50% are unprecedented and will be very difficult to sustain, additional alternate supplies and measures may be necessary.

[54] SFPUC, 2025 Draft UWMP.

In recent years, the City has invested in modern technologies and implemented the following measures:

- As of 2025, 100% of Advanced Metering Infrastructure (AMI) meters were installed in the City's service area for near real-time metering of water use. The City has invested $14M in this advanced technology to:
    - Continuously track all meters and water use.
    - Engage with customers about their water use and identify potential leaks through an email and text alert 'ping' within days, rather than through a bi-monthly bill with potentially abnormally high consumption and cost to customers.
    - Provide almost real-time water consumption data for its customers through the City's AMI customer portal.
- Investment in modern technologies – Supervisory Control and Data Acquisition (SCADA) for:
    - Pressure zone management.
    - Spatial identification of maintenance areas for improved visibility of service areas requiring a higher level of maintenance.
    - Spatial identification of line breaks and break frequency to prioritize line replacement.
    - Spatial identification of abnormally high water use to prioritize leak investigations and/or identify areas for water conservation measures.
- Evaluate, assess, and implement Ordinances that target water efficiency:
    - Prohibition on water waste.
- Geographic Information Systems (GIS) is being used for system mapping.
- Increased implementation of demand management measures.
- Coordinate the use of additional recycled water.
- Coordinate with other water agencies to share regional water resources.

The City may pursue a managed groundwater well extraction program similar to neighboring water agencies, Alameda County Water District to the north and City of Santa Clara and San Jose Water to the south. The south-western portion of the City overlays a groundwater aquifer which is adequately productive therefore, in-pipe blending with SFPUC and Valley Water is a viable option for augmenting supply shortages. Four wells at an average withdrawal rate of 1.2 million MGD (450 million gallons per year) can produce up to 5 MGD of new water supply or the City. The extraction rate and volume is based on preliminary production tests of McCandless Well and Curtis Well which have indicated the aquifer in this zone produces 500-1,200 gallons per minute or an average of 850 gallons per minute. Prior to use, a State Water Quality Report must be completed, as well as treatment (if necessary) and disinfection. Assuming new wells would be of similar quality to that of Pinewood Well (the primary municipal well for Milpitas' emergency water supply), treatment for contaminants would be minimal. Issues to be resolved include both mineral and odor concerns which will require treatment or in-pipe blending with current water supplies. Planning for future wells, while an increase to the infrastructure costs, allows for better long-term supply reliability by expanding the City's water supply portfolio which will allow the City to supplement water supply cutbacks in some or all drought scenarios. Wells also provide the City storage credits to offset above grade water storage requirements which also include infrastructure and land acquisition costs.

Sustainability of wells and groundwater aquifers are based on aquifer recharge, as currently performed by Valley Water. The City, in concert with Valley Water, should study the feasibility of offsetting SFPUC supply reductions, as outlined in the Bay-Delta Plan and this UWMP, to determine the approximate quantity of groundwater and the rate at which groundwater can be extracted from the aquifer during various drought scenarios. If it is determined the aquifer has the capacity to offset most if not all of the supply cutbacks from SFPUC, the City should develop a Water Supply Augmentation Feasibility Report to determine the recommended number and location of wells.

BAWSCA Water Conservation Programs

BAWSCA manages a Regional Water Conservation Program comprised of several programs and initiatives that support and augment Member Agencies' and customers' efforts to use water more efficiently. The implementation of the Regional Water Conservation Program builds upon the Demand Study (completed in December of 2025). These efforts include both Core Programs (implemented regionally throughout the BAWSCA service area) and Subscription Programs (funded by individual Member Agencies that elect to participate and implement them within their respective service areas).

BAWSCA's Core Conservation Programs include organizing classes focused on sustainable and water-efficient landscape design, assistance related to automated metering infrastructure, and other associated programs that work to promote smart water use and practices. BAWSCA's Subscription Programs include numerous rebate programs, educational programs that can be offered to area schools, technical assistance to Member Agencies in evaluating water loss, and programs that use data analytics to provide customized water-saving recommendations to customers. In total, BAWSCA offers 24 programs to its Member Agencies and that number continues to grow over time.

Each fiscal year, BAWSCA prepares an Annual Water Conservation Report that documents several conservation program metrics exemplifying the benefits of the Regional Water Conservation Program to all 26 of BAWSCA Member Agencies. Additionally, the report highlights how all 26 Member Agencies participate in one or more of the Subscription Programs offered by BAWSCA, such as rebates, water loss management and large landscape audits. The Demand Study indicates that through a combination of active and passive conservation, 16.14 mgd will be conserved by BAWSCA's Member Agencies by 2050.

Valley Water Demand Management Reduced Delta Reliance Requirement

Valley Water, with the financial support of all its retailers as reflected in its water rates, has made significant investments in demand management and developing local supplies to reduce Santa Clara County's reliance on the Delta watershed and increase regional self-reliance. These investments include:

- Conservation and demand management
- Recycled and purified water
- Dam improvements/seismic retrofits to lift storage restrictions on local reservoirs
- Regional collaborations to increase self-reliance

7.3 Drought Risk Assessment (DRA)

The DRA requires that every urban water supplier includes a drought risk assessment for its water service and develops Demand Management Measures (DMMs) and water supply projects and programs [Water Code Section 10635(b)].

The Water Code Section 10635(b) permits urban water suppliers to conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. This allows

Suppliers to modify the DRA as more information becomes available, supplies or uses change, and in the event of unforeseen circumstances.

Suppliers must prepare a DRA that includes a description of the following:

- Data and methods used
- Basis for the supply shortage conditions
- Determination of the reliability of each source
- Comparison of total water supplies and uses during the drought

In accordance with Water Code Section 10612, the DRA evaluation is based on the five driest consecutive years on record. However, Water Code Section 10635 also requires that the analysis includes plausible changes in climate, regulations, and other locally applicable criteria.

For the DRA, SFPUC derived the five-year consecutive drought based on the driest five-year sequence in the hydrologic record and provided two scenarios for BAWSCA agencies to choose from. The supply conditions provided by SFPUC satisfy the Water Code requirements. SFPUC has provided information about the likelihood of this severe condition in their UWMP. The historic five driest consecutive years on record provided by SFPUC are required to be presented as if they occur over the next five years, 2026 through 2030 in the DRA. They are analyzed in this Section.

Table 7-5will demonstrate water supply reliability during the long-term drought. In Table 7-5, the Drought Risk Assessment (DRA), DWR requests suppliers to provide their five-year drought Risk Assessment (five-year drought sequence, supply and demand for comparison), from 2026 through 2030, including planned Water Shortage Contingency Plan (WSCP) Actions, to address Water Code Section 10635(b).

In Table 7-5, the DRA includes the City's supply reliability using SFPUC scenario with Bay-Delta Plan. SFPUC projects that in multiple dry years, with the Bay-Delta Plan, the wholesale volume available will range from 71% of normal in the first year and second year, and 72% of normal in the third year to fifth (Data Sources: SFPUC 2025 UWMP Water Supply Reliability Letter, Table 8).[55] SFPUC's projections for available supplies for wholesale agencies translate to significant cutback allocations for all BAWSCA agencies (2025 UWMP Wholesale Customer Dry Year Allocations, 3/25/2026).

The City will experience water supply shortfalls with the implementation of the Bay-Delta Plan, for multiple (five) dry years. These shortfalls will invoke the City's WSCP in the first year (2026) through fifth year (2030) of a multi-year drought. To reduce the need for continued extreme use reductions, the City will need to implement demand reduction actions as described in the Water Shortage Contingency Plan and consider groundwater supplies as necessary.

Water Shortage Contingency Plan (WSCP) Actions, to address Water Code Section 10635(b)

To achieve reductions of SFPUC supply during shortages, the City will invoke all elements of the WSCP. The City's measures could include, but not be limited to the following:

- Extremely restricted water supplies
- Strict enforcement of water waste prohibitions
- Restrictions on outdoor domestic water use, except for fire-fighting and critical needs
- Prioritizing water use for essential domestic sanitation and other critical needs
- No irrigation with domestic water permitted

[55] SFPUC: March 11, 2026, 2025 Water Supply Reliability Letter, Table 8.

- Mandatory reductions on indoor water uses

During the 2021-2023 drought, the City sustained water use reductions by invoking multiple water reduction measures, including continued public notifications and conservation messaging, rebates for water-efficient fixtures and turf removal, and enforcing indoor and outdoor water use restrictions. Although staff could not identify exact savings associated with implementing specific measures, it was clear that outdoor water use restrictions contributed significantly to water use reductions. Additionally, the City's AMI meter technology can further increase water use reductions by allowing more frequent monitoring of consumption data and pressure zone management.

The key means by which the City will be able to sustain more than 40% reductions, for extended periods of time, without additional supplies, will require severe restrictions of potable use outdoors and lowering its water losses. For prolonged reductions of 40-50%, the City could achieve approximately 41% reductions. Using its 2025 domestic water production and wastewater discharge data:

- The City's production: 3,238 MG/year
- Wastewater to SVCW: 2,308 MG/year
- Non-sewered use including Irrigation water = Production (3,238) – [wastewater (2,308) + water loss (302)] = 1,232 MG/year

Therefore, non-sewered use in 2025 was approximately 1,232 MG/year in 2025 or almost 40% of the City's 2020 water demand. Although savings of 41% from non-sewered are unlikely, the potential for the highest potable water savings are from outdoor and other non-potable uses.

These cutbacks follow the WSA and are contractually within SFPUC's planned Level of Service, limiting supply cutbacks to less than 20% for its wholesale customers. During a five-year drought, shortages of water supply result for the City's service area.

DWR requires that suppliers only use one scenario to input data into the Water Use Efficiency Data (WUE) portal.

7.3.1 DRA Data, Methods, and Basis for Water Shortage Condition

DWR requires that suppliers provide a description of the data used for the DRA. Although SFPUC and BAWSCA data are described earlier in this chapter, and because the DRA can be updated separately from the UWMP five-year plan cycle, DWR requires a description of the data in the DRA.

In its DRA, the City includes information and the tables about SFPUC and BAWSCA source(s) of data. SFPUC has developed hydrologic models based on the DWR-required scenarios for a multi-year drought. All documentation received from SFPUC and BAWSCA for decisions to determine supply shortage conditions, used for the City's DRA is provided in Appendix E. Details about SFPUC's RWS models are included in SFPUC's Draft 2025 UWMP. [56]

All the Scenario 1 tables presented earlier in this chapter assume full implementation by SFPUC of the Bay-Delta Plan Amendment. All BAWSCA tables assume that the wholesale customers may purchase up to 184 MGD from the RWS through 2045. When 184 MGD or100% of SFPUC's water supply is available to the wholesale customers, 100% of the City's ISG, or 9.232 MGD per year, is available to the City. Assumptions about the status of the dry-year water supply projects included in SFPUC's Water System Improvement Program (WSIP) are provided in the table 'WSIP Project Assumptions for RWS Supply Modeling'.[57] The tables reflect instream flow requirements at San Mateo and Alameda Creeks.

[56] SFPUC. (2025). Draft 2025 UWMP, https://www.sfpuc.gov/sites/default/files/documents/2025-UWMP-Public-Draft.pdf.

[57] SFPUC Regional Water System supply reliability letter from SFPUC, Table 2, March 11, 2026 (see Appendix F).

7.3.2 DRA Individual Water Source Reliability

DWR requires suppliers to include an assessment of the reliability of each water source over the five-consecutive-year drought under a variety of water shortage conditions in the DRA. In contrast, the water service reliability assessment only requires an assessment of total water supply.

In its DRA, the City presents the potential challenges to its normal year supplies. Unlike the previous drought cutbacks, if the Bay-Delta Plan is implemented, as SFPUC presents it in its extreme supply reductions, using Scenario 1, during multi-year droughts, severe cutbacks from the normal wholesale supply are projected to result. SFPUC projects reductions in their wholesale supply of up to 48%. The RWS-wide supply reductions also translate to the most severe cutbacks during multi-year droughts for the City of up to 48%.

The cutback values presented in this chapter are uncertain and could change, therefore users and readers of the City's 2025 UWMP are cautioned to contact the City to obtain updated information prior to making decisions based on water supply and demand values in this plan.

The regulatory conditions and negotiations about the Bay-Delta Plan are continually evolving, therefore conditions could change from those documented in SFPUC's and the City's 2025 UWMPs. SFPUC's two scenarios present contrasting results. Based on the current negotiations between SFPUC and the State Water Board, as well as other stakeholders, neither of the two scenarios appears to be final.

With this uncertainty, the City may consider an update to its DRA (see Section 7.3) prior to the 2030 UWMP update if significant new information becomes available. The Water Code Section 10635(b) permits urban water suppliers to conduct an interim update or updates to their DRA within the five-year cycle of its UWMP update.

The City will have to work closely with BAWSCA and continuously with its customers when implementing Levels 5 and 6 WSCP measures. Since extended emergency reductions of more than 50% are unprecedented and will be very difficult to sustain, even implementation of the strongest mitigation measures in Level 6 of the City's 2025 WSCP, will likely require augmentation with alternate water supplies.

Separate Potable and Non-Potable. The City does not have a non-potable source of water; therefore, its DRA is for its SFPUC and Valley Water potable water supply.

Monthly or Other Time-Step. DWR recommends that suppliers conduct their DRA on a time-step that best illuminates water supply and use constraints that may affect water shortage conditions. For its DRA, the City uses an annual time-step, because the City's SFPUC supply is based on an annual allocation, rather than a monthly allocation. Due to the Mediterranean climate in the City's service area, variability in seasonal temperatures and rainfall are normal, therefore monthly variability in water use is typical for the service area.

7.3.3 DRA Total Water Supply and Use Comparison

The City submitted Table 7-5, with Bay-Delta Plan in the WUE portal to be in compliance with the 2025 UWMP requirements and to be consistent with its supplier, SFPUC. The City's DRA may be revised outside of its 2025 UWMP.

Table 7-5. Five-year Drought Risk Assessment – With Bay-Delta Plan

Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment - Water Code Section 10635(b)(3)		
2026		**Total**
Total Water Use	(MG)	3,180
Total Supplies	(MG)	3,025
Surplus/Shortfall w/o WSCP Action		(155)
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)		
WSCP - use reduction savings benefit	(MG)	155
Revised Surplus/(shortfall)		0
2027		**Total**
Total Water Use	(MG)	3,190
Total Supplies	(MG)	3,026
Surplus/Shortfall w/o WSCP Action		(164)
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)		
WSCP - use reduction savings benefit	(MG)	164
Revised Surplus/(shortfall)		0
2028		**Total**
Total Water Use	(MG)	3,230
Total Supplies	(MG)	3,032
Surplus/Shortfall w/o WSCP Action		(198)
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)		
WSCP - use reduction savings benefit	(MG)	198
Revised Surplus/(shortfall)		0
2029		**Total**
Total Water Use	(MG)	3,250
Total Supplies	(MG)	2,985
Surplus/Shortfall w/o WSCP Action		(265)
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)		
WSCP - use reduction savings benefit	(MG)	265
Revised Surplus/(shortfall)		0
2030		**Total**
Total Water Use	(MG)	3,270
Total Supplies	(MG)	2,991
Surplus/Shortfall w/o WSCP Action		(279)
OPTIONAL Planned WSCP Actions (use reduction and supply augmentation)		
WSCP - use reduction savings benefit	(MG)	279
Revised Surplus/(shortfall)		0

Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment - Water Code Section 10635(b)(3)
NOTES for Table 7-6 (DWR Submittal Table 7-5): 1. Supply and use include both potable water and recycled water. 2. Multiple dry year use expected to align with BAWSCA Demand Study projected normal year water use, for potable and non-potable. BAWSCA Demand Study projections include climate change as well as passive and active conservation. 3. Non-potable supply totals based on projected recycled supplies meeting recycled water demands. 4. Potable supply totals include Valley Water and SFPUC delivered supplies. 5. SFPUC potable water supplies based on projected supply by year and year type per "2025 UWMP Wholesale Customer Dry Year Allocations_FINAL.xlsx", WITH implementation of the 2018 amendments to the Bay-Delta Water Quality Control Plan (Bay-Delta Plan Amendment). 6. Valley Water multiple dry year supplies align with Valley Water normal year supplies with an additional reduction of 5% in Valley Water potable water supplies expected in a multiple dry years 4 and 5. Valley Water supplies based on their Water Supply Master Plan 2050 low-cost portfolio: Semitropic storage (350 TAF) through 2035; groundwater banking (250 TAF) starting 2040; Sisk Reservoir expansion in 2035; DCP in 2045; Pure Water Silicon Valley in 2035. Valley Water model multi-year drought is 1988–1992; this remains the most severe extended drought in the record. Reasonably available supply is water in storage above thresholds for emergency needs, subsidence protection, and operational withdrawal limits for each storage facility. 7. Shortfall to be preliminarily addressed with WSCP use reduction actions as reported in Table 8-3. Stage 1 drought response actions would yield the anticipated 5%-10% use reduction estimated. 8. WSCP supply augmentation benefits as reported in Table 8-2 and including groundwater production will be implemented if necessary.

8 WATER SHORTAGE CONTINGENCY PLANNING

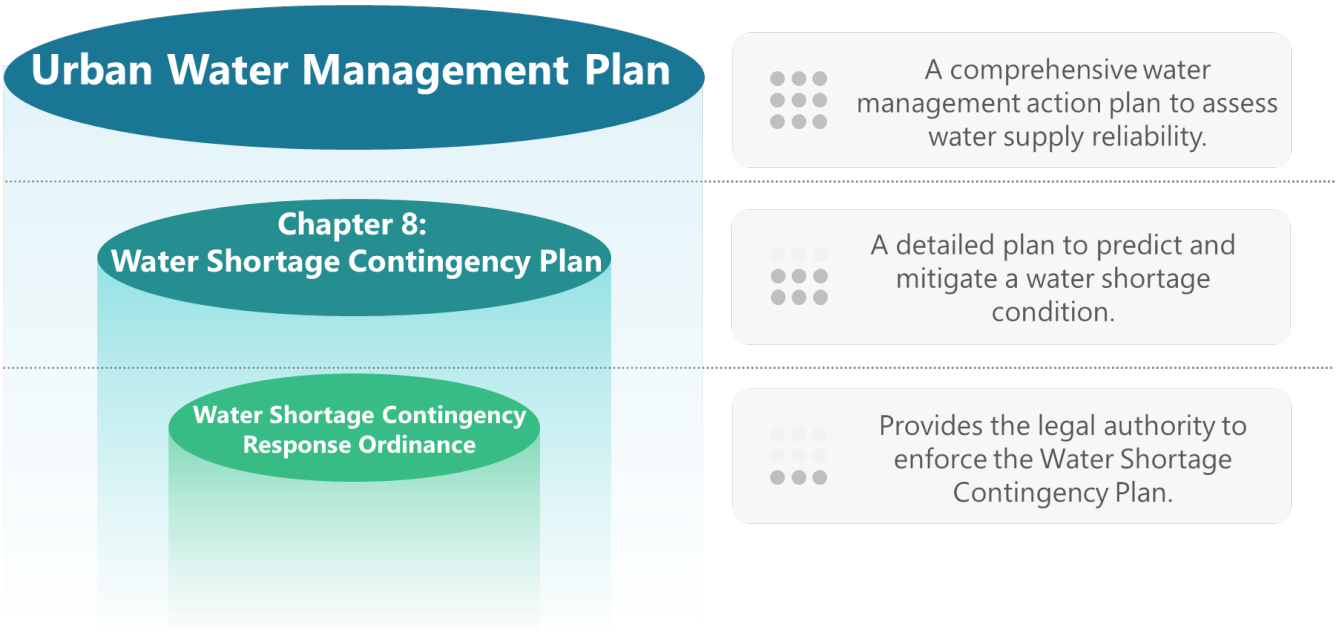
Lay Description

The California Water Code Section 10632 requires every urban water supplier that serves more than 3,000 acre-feet per year or has more than 3,000 connections to prepare and adopt a standalone WSCP as part of its UWMP. The WSCP is required to allow Suppliers to plan for a greater than 50% supply shortage and is due to be updated every five years. Water shortage contingency planning is a strategic planning process in which the City of Milpitas engages to prepare for and respond to water shortages, which occur when available water supply is insufficient to meet the normal expected customer water use. A shortage may occur due to several reasons, such as water supply quality changes, climate change, drought, and catastrophic events (e.g., earthquake). The City's WSCP provides real-time water supply availability assessment and structured steps designed to respond to actual conditions. This level of detailed planning and preparation will help maintain reliable supplies and reduce the impacts of supply interruptions. This WSCP is due to be updated, based on new requirements, every five years and will be adopted as a current update for submission to DWR by July 1, 2026.

8.1 Overview of the WSCP

The WSCP serves as the operating manual that the City will use to prevent catastrophic service disruptions through proactive, mitigation of water shortages. The WSCP contains documented processes and procedures, which are given legal authority through the Water Shortage Contingency Response Ordinance (Water Code Section 10632). This way, when shortage conditions arise, the City's governing body, its staff, and the public can easily identify and efficiently implement pre-determined steps to mitigate a water shortage to the level appropriate for the degree of anticipated shortfall. Figure 8.1 illustrates the interdependent relationship between the three procedural documents related to planning for and responding to water shortages.

Figure 8-1. Water Shortage Contingency Plan Flow of Information



The City's WSCP is provided in Appendix D. It includes the steps to assess if a water shortage is occurring and the level of shortage actions to achieve the best response as appropriate to the conditions.

The WSCP contains the following prescriptive elements:

- An analysis of water supply reliability

- The drought shortage actions for each of the six standard water shortage levels that correspond to water shortage percentages ranging from 10% to greater than 50%
- An estimate of the potential to close the supply gap for each measure
- Protocols and procedures to communicate identified actions for any current or predicted water shortage conditions
- Procedures for an Annual Water Supply and Demand Assessment
- Monitoring and reporting requirements to determine customer compliance
- Procedures for reevaluating and improving the WSCP

8.2 Summary of Water Shortage Response Strategy and Required DWR Tables

This WSCP is organized into three main chapters as listed below, with Chapter 3 aligned with the California Water Code Section 16032 requirements. In addition to the WSCP, Chapter 6 of this UWMP has further details of the City's water supply systems.

Chapter 1 – **Introduction and WSCP Overview.** This chapter gives an overview of the WSCP fundamentals.

Chapter 2 – Background Information. This chapter provides information on the City's water service area.

Chapter 3 – Water Shortage Contingency Response and Preparedness Planning. This chapter describes the procedures, policies, and response actions used to monitor water supply conditions and implement staged responses to water shortages.

Section 3.1 – **Water Supply Reliability Analysis.** This section provides a summary of the water supply analysis and water reliability findings from the 2025 UWMP.

Section 3.2 – **Annual Water Supply and Demand Assessment Procedures.** This section provides a description of procedures to conduct and approve the Annual Assessment.

Section 3.3 – **Six Standard Water Shortage Levels**. This section explains the WSCP's six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, 50, and more than 50% shortages.

Section 3.4 – **Shortage Response Actions.** This section describes the WSCP's shortage response actions that align with the defined shortage levels.

Section 3.5 – **Seismic Risk Assessment and Mitigation Plan.** This section addresses the vulnerability of the systems to earthquakes and the Federal Emergency Management Agency-approved Santa Clara County Multijurisdictional Hazard Mitigation Plan.

Section 3.6 – **Communication Protocols.** This section addresses communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding any current or predicted shortages and any resulting shortage response actions.

Section 3.7 – **Compliance and Enforcement.** This section describes customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions.

Section 3.8 – **Legal Authorities.** This section describes the legal authorities that enable the City to implement and enforce its shortage response actions.

Section 3.9 – **Financial Consequences of the WSCP.** This section provides a description of the financial consequences of and responses to drought conditions.

Section 3.10 – **Monitoring and Reporting.** This section describes monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and meeting state reporting requirements.

Section 3.11– WSCP Refinement Procedures. This section addresses reevaluation and improvement procedures for monitoring and evaluating the functionality of the WSCP.

Section 3.12 – Special Water Feature Distinction. This section defines water features that are artificially supplied with water.

Section 3.13 – Plan Adoption, Submittal, and Implementation. This section provides a record of the process the City followed to adopt and implement its WSCP.

The WSCP is based on adequate details of demand reduction and supply augmentation measures structured to match varying degrees of shortage will inform the relevant stakeholders of what to expect during a water shortage. The City has adopted water shortage levels consistent with the requirements identified in Water Code Section 10632 (a)(3)(A) (Table 8-1 here and in the Water Shortage Contingency Plan).

Table 8-1. Water Shortage Contingency Plan Levels

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)		
☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.	
Standard Shortage Levels	**Percent Shortage Range**	**Shortage Response Actions**
0	0% (Normal)	A Level 0 Water Supply Shortage condition exists when the City notifies its water users that no supply reductions are anticipated in this year. The City proceeds with planned water efficiency best practices to support consumer demand reduction in line with state mandated requirements and local City goals for water supply reliability. Permanent water waste prohibitions are in place as stipulated in the City's Water Shortage Response Ordinance.
1	Up to 10%	A Level 1 Water Supply Shortage condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 10% is necessary to make more efficient use of water and respond to existing water conditions. The City shall implement the mandatory Level 1 conservation measures identified in this WSCP. The type of event that may prompt the City to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
2	Up to 20%	A Level 2 Water Supply Shortage condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 20% is necessary to make more efficient use of water and respond to existing water conditions. Upon declaration of a Level 2 Water Supply Shortage condition, the City shall implement the mandatory Level 2 conservation measures identified in this WSCP.

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)		
☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.	
Standard Shortage Levels	**Percent Shortage Range**	**Shortage Response Actions**
3	Up to 30%	A Level 3 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 30% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
4	Up to 40%	A Level 4 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 40% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
5	Up to 50%	A Level 5 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
6	>50%	A Level 6 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that greater than 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

The supply augmentation actions that align with each shortage level are described in Table 8-2 here and in the WSCP. These augmentations represent short-term management objectives triggered by the WSCP and do not overlap with the long-term new water supply development or supply reliability enhancement projects.

Table 8-2. Supply Augmentation and Other Actions

Submittal Table 8-2 Retail: Supply Augmentation and Other Actions - Water Code Section 10632(a)(4)(A), (C), and (E)				
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier	How much is this going to reduce the shortage gap?		Additional Explanation or Reference
		Volume or Percentage	Shortage Gap Reduction (MG)	
1	Other Actions (describe)	Percentage	0-10%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
2	Other Actions (describe)	Percentage	10-20%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
3	Other Actions (describe)	Percentage	20-30%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
4	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
5	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
6	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
NOTES: 1. The City currently has three groundwater wells that are used for emergency use only and permitted to be operated no more than 5 consecutive days, and for no more than 15 calendar days per year. They pump at 1.2 MGD and are not designed as production supply wells. By year 2030, these groundwater wells will become an active non-emergency supply source and be able to operate at full production rate in dry year conditions. 2. By 2035, one or more additional wells pumping at 1.2 MGD or 438 MGY will be online yielding a total well capacity of 1,752 MGY for all groundwater wells. More than one well may be built between 2030 and 2035 depending on anticipated shortfall and well pumping capacities.				

The demand reduction measures that align with each shortage level are described in Table 8-3 here and in the WSCP. This table also estimates the extent to which each action will reduce the gap between supply and demand, demonstrating that the selected suite of shortage response actions can be expected to meet the requirements of a given shortage level.

Table 8-3. Demand Reduction Actions

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
0	Other water feature or swimming pool restriction	Percentage	Statewide Prohibition is Required	Cleaning, filling, or operating water features, such as decorative fountains, except where the water is part of a recirculating system.	No
0	Other	Percentage	Statewide Prohibition is Required	Washing or hosing down vehicles is prohibited except by use of a handheld container, hose with an automatic shut off device, or at a commercial car wash.	No
0	Other - Prohibit use of potable water for washing hard surfaces	Percentage	Statewide Prohibition is Required	Washing hard or paved surfaces is prohibited except to alleviate safety or sanitary hazards using a handheld container, hose with an automatic shut off device, or a low-volume high pressure cleaning machine that recycles used water.	No
0	Landscape - Restrict or prohibit runoff from landscape irrigation	Percentage	Statewide Prohibition is Required	Watering vegetated areas in a manner that causes excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Statewide Prohibition is Required	Irrigating ornamental turf on public street medians is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Statewide Prohibition is Required	No landscape watering shall occur within 48 hours after measurable precipitation.	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
0	Landscape - Other landscape restriction or prohibition	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	CII - Restaurants may only serve water upon request	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	CII - Restaurants may only serve water upon request	No
0	CII - Other CII restriction or prohibition	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	No
0	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	All new commercial car wash and laundry facilities must re-circulate the wash water.	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
0	Landscape - Limit landscape irrigation to specific times	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	No
0	Other - Require automatic shut of hoses	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Use a shutoff nozzle on hoses.	No
0	Pools and Spas - Require covers for pools and spas	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Pools and spas shall be covered when not in use to prevent evaporation.	No
0	Other - Prohibit use of potable water for construction and dust control	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	No
0	Landscape - Limit landscape irrigation to specific days	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Irrigation shall be limited to 4 days per week turf watering when using potable water.	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
0	Landscape - Other landscape restriction or prohibition	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than cemeteries, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities.	No
1	Landscape - Limit landscape irrigation to specific times	Percentage	0-5%	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	Yes
1	Landscape - Limit landscape irrigation to specific days	Percentage	0-5%	Irrigation shall be limited to 4 days per week turf watering when using potable water.	Yes
1	Expand Public Information Campaign	Percentage	0-1%	Community Outreach and Messaging (Expand Public Information Campaign)	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
1	Reduce System Water Loss	Percentage	0-5%	Real Loss Reduction - Pressure Management and More Aggressive Leak Detection and Repair	Yes
1	Increase Water Waste Patrols	Percentage	0-1%	Increase Water Waste Patrols	Yes
1	Expand Public Information Campaign	Percentage	0-1%	Expand promotion and outreach about rebates available	No
2	Improve Customer Billing	Percentage	0-1%	Improve AMI Leak Reports to include more details on water use	No
2	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers promptly/within 5 days.	Yes
2	Landscape - Other landscape restriction or prohibition	Percentage	0-1%	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems.	Yes
2	Landscape - Limit landscape irrigation to specific days	Percentage	5-10%	Irrigation shall be limited to 3 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
2	Water Features - Restrict water use for decorative water features, such as fountains	Percentage	0-1%	Filling or refilling ornamental lakes and ponds is prohibited. Ornamental lakes and ponds that sustain aquatic life of significant value and were actively managed prior to the storage declaration are exempt.	Yes
2	Pools and Spas - Require covers for pools and spas	Percentage	0-1%	Pools and Spas - Require covers for pools and spas	Yes
2	Decrease Line Flushing	Percentage	0-1%	Decrease Line Flushing	Yes
2	CII - Restaurants may only serve water upon request	Percentage	0-1%	CII - Restaurants may only serve water upon request	Yes
2	Pools - Allow filling of swimming pools only when an appropriate cover is in place	Percentage	0-1%	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 4 days.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	0-1%	Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.	Yes
3	Other - Prohibit use of potable water for construction and dust control	Percentage	0-1%	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	Yes
3	Landscape - Limit landscape irrigation to specific days	Percentage	10-25%	Irrigation shall be limited to 2 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
3	Other water feature or swimming pool restriction	Percentage	0-1%	Decorative water features that use potable water must be drained and kept dry.	Yes
3	CII - Other CII restriction or prohibition	Percentage	0-1%	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
4	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 3 days.	Yes
4	Landscape - Limit landscape irrigation to specific days	Percentage	5-20%	Irrigation shall be limited to 1 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
4	Other water feature or swimming pool restriction	Percentage	0-1%	Existing pools shall not be emptied and refilled using potable water unless required for public health and safety purposes.	Yes
4	Other water feature or swimming pool restriction	Percentage	0-1%	No new permits for pools will be issued.	Yes
4	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Irrigation of golf courses only allowed for greens and tees area.	Yes
5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 2 days.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
5	Landscape - Prohibit all landscape irrigation	Percentage	5-20%	All irrigation is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Watering of all golf course areas is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Watering of parks, school grounds, and recreation fields is prohibited, except for rare plant or animal species.	Yes
6	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 1 day.	Yes
6	Other	Percentage	0-50%	Water use for public health and safety purposes only.	Yes
6	Landscape - Prohibit all landscape irrigation	Percentage	0-5%	The City may shut off all non-essential water services. All irrigation is prohibited.	Yes
6	CII - Other CII restriction or prohibition	Percentage	0-15%	Water for commercial, manufacturing, or processing purposes shall be reduced in volume by up to 50% or exceeded if necessary for public health and safety purposes.	Yes
6	Other	Percentage	0-70%	Water use for public health and safety purposes only. Customer rationing may be implemented.	Yes

9 DEMAND MANAGEMENT MEASURES

Lay Description

This chapter communicates the City of Milpitas's efforts to promote conservation, reduce demand on water supplies and implement several Demand Management Measures (DMMs) including similar information from Valley Water, the City's wholesaler.

As a member of the California Water Efficiency Partnership (CalWEP) the City continues to implement numerous DMMs in the form of conservation programs, most of which builds from and meets the goals of the last iteration of the CUWCC's foundational and programmatic Best Management Practices (BMPs). The California Water Efficiency Partnership (CalWEP) was formerly known as the California Urban Water Conservation Council (CUWCC). Due to substantial changes in social, economic, environmental, regulatory, and political conditions over its 25 years of existence, the CUWCC underwent an organizational transformation in 2016 and subsequently sunset. It was relaunched in 2017 as the California Water Efficiency Partnership (CalWEP).

The City's conservation program is guided by a mix of agency and City policy directives and state and local water efficiency requirements that have evolved over time. On the state level, these shifted from meeting BMPs to the state per capita water reduction targets set by the Water Conservation Action of 2009 (SB X7-7), to the more recent water efficiency targets mandates by AB 1668 and SB 606. Urban water retailers will need to meet these new mandates starting in 2027. The City has been implementing conservation measures for decades. Through continued efforts to promote conservation and educate its residents and retail customers on efficient and appropriate uses of water, the City was able to exceed its SB X7-7 target. As mentioned in Chapter 5, the City's 2020 confirmed GPCD target was 146; however, its actual 2020 GPCD was 108.

In addition, the City participates in all rebates and offers that are available from Valley Water including cost-sharing on the landscape rebate program, which allows residential customers to receive higher rebate amounts. Due to this participation with Valley Water, the City does not currently participate in any Bay Area Water Supply & Conservation Agency (BAWSCA) rebate programs. However, the City does work with BAWSCA to hold Landscape Education Workshops (typically 3 classes each period).

Valley Water Standard Text

Valley Water has made significant investments to manage demands for water, and water savings from conservation and stormwater capture were about 87,000 acre-feet per year (AFY) in 2025, compared to a 1992 baseline. Valley Water's long-term conservation goals are to achieve 99,000 AFY by 2030, 110,000 AFY by 2040, and 126,000 AFY by 2050. Currently, Valley Water has more than 20 active water conservation programs in place to reduce water consumption in homes, businesses, schools, government facilities, and agriculture. These programs are designed to achieve sustainable, long-term water savings and are implemented regardless of water supply conditions.

9.1 Demand Management Measures for Retail Suppliers

This section describes the City's planned efforts in implementing various conservation measures to meet its water use targets and its future plans for achieving its water use objectives.

9.1.1 Water Waste Prevention Ordinances

The City's water waste prevention ordinance is in place and prohibitions are included in response to shortages. The ordinance also reflects permanent restrictions which remain in effect even when the City is not experiencing a water shortage. The City's current Ordinance 240.7 can be found in the City's WSCP; see Appendix D of this

UWMP. The City plans to update its water waste ordinance shortly after the adoption of the 2025 WSCP to include the prohibition of irrigating nonfunctional turf with potable water as a permanent water waste restriction.

9.1.2 Metering

All the City's customer accounts are metered. As of 2024, 99% of meters that were installed in the City's service area are Advanced Metering Infrastructure (AMI) which allow for near real-time metering of water use. The City maintains water use information for residential, commercial, industrial, institutional/governmental, and irrigation (potable and recycled) water users. Table 4-1 describes actual water deliveries for 2025.

9.1.3 Conservation Pricing

The City's water rate structure is consistent with a recent consultant report and current ordinance. The uniform rates for the quantity charges are billed bimonthly and imposed per hundred cubic feet for metered water service, based on the size of the water meter. The rates and effective dates for the bimonthly fire service charges are determined based on the size of the fire service. Current rates can be found in the City Ordinance.[58]

9.1.4 Public Education and Outreach

The City conducts its conservation program in conjunction with resources provided by Valley Water and BAWSCA. Programs implemented through partnerships with these agencies may include free showerheads and aerators, the Irrigation Hardware Upgrades Rebate Program, Landscape Conversion Rebate Program, Rainwater Capture Program, Graywater Laundry-to-Landscape Rebates, free Water Wise Outdoor Surveys and free Landscape Education workshops. The City contributes to these programs indirectly through wholesale water costs and wastewater treatment purchases. The City cost-shares with Valley Water for the Landscape Rebate program to provide additional funds to participants applying for the landscape conversion, laundry-to-landscape graywater, and rainwater harvesting rebates. The City also distributes educational information to schools, various fairs and other public events. Conservation-related workshops, resources, and drought information are also posted on the City's website and social media channels.

9.1.5 Programs to Assess and Manage Distribution System Real Loss

City maintenance crews investigate and repair water leaks, the majority of which occur in service laterals. Long-term plans to reduce water loss include the following:

- Replace existing meters with smart meters
- Implement supervisory control and data acquisition system
- Replace selected water pipe with upgraded design criteria to withstand seismic events
- Maintain an active cathodic protection system

9.1.6 Water Conservation Program Coordination and Staffing Support

As part of the City's response to the drought, the City established a Water Conservation Program. The program was structured to facilitate and respond to reports of water waste and violations of local water use restrictions. It also provides an opportunity to educate home and business owners on water conservation. To facilitate the

[58] Ord. No. 120.50, § 2, April 18, 2023. https://library.municode.com/ca/milpitas/codes/code_of_ordinances?nodeId=TITVIIIPUWO_CH1WASY_S6WASECH_VIII-1-6.13QUCH

community's ability to report water waste, various reporting options were developed including email, a water–waste hotline, the City's website and through a mobile application. The Water Conservation Coordinator is:

Samantha Vergara
455 E Calaveras Blvd
Milpitas, CA 95035
408-586-2617
svergara@milpitas.gov

9.2 Planned Implementation to Achieve Water Use Targets

As discussed in Chapter 5, the City of Milpitas has met its water use targets. The City will continue to promote Valley Water's conservation programs and BAWSCA's landscape classes to the community.

9.3 Members of the California Water Efficiency Partnership

Until 2022, the City was not a member of the California Water Efficiency Partnership (CalWEP) formerly the Urban Water Conservation Council (Council). However, the City has submitted annual reports to the Council in accordance with the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated September 1991, as amended. The City is now a member of CalWEP, as of 2022, and attends workshops and working group meetings to stay informed of regulatory requirements and collaborate with other member agencies to develop and share Best Management Practices.

9.4 Urban Water Use Objectives

The City, as an Urban Water Retail Supplier, has included information on their annual Urban Water Use Objectives (UWUOs) in Chapter 5. Valley Water and the City offer a suite of programs, described in detail throughout this chapter, that will help the City meet and calculate the UWUO and fulfill CII BMP requirements.

The following table describes the City's programs that will assist the City in meeting its UWUO through both direct measures: programs/activities that result in directly quantifiable water savings; and indirectly: programs that provide resources promoting water efficiencies to the public that are impactful but not directly measurable.

Table 9-1. Programs to Assist in Meeting Water Use Objectives

WUO Component	Calculation	Program	Impact
Indoor Residential	Population and GPCD standard	Direct Impact • Plumbing Devices Giveaways Indirect Impact • Water efficiency surveys • Customer water portal • Public and School Education	Direct Impact: Increase in indoor residential efficiencies and reductions through GPCD use Indirect Impact: Provide information, resources, and education to promote efficiencies in the home
Outdoor Residential	Irrigated/irrigable area measurement and a percent factor of local ETo	Direct Impact • Landscape Conversion • Weather-Based Irrigation Controller upgrade • In-line drip conversion Indirect Impact • Landscape Surveys • Public and School Education	Direct Impact: Increase outdoor residential efficiencies and reductions of gallons per ft2 of irrigated/ irrigable area use Indirect Impact: Provide information, resources, and education to promote efficiencies in the landscape
Outdoor Dedicated Irrigation Meters	Irrigated/irrigable area measurement and a percent factor of local ETo	Direct Impact • Turf Removal • Landscape incentives Indirect Impact • Public and School Education • Landscape Survey • Customer landscape water portal	Direct Impact: Increase outdoor residential efficiencies and reductions of gallons per ft2 of irrigated/ irrigable area used Indirect Impact: Provide information, resources, and education to promote efficiencies in the landscape
Water Loss	Following the AWWA M36 Water Audits and Water Loss Control Program, Fourth Edition and AWWA Water Audit Software VI	Direct Impact • Water Balance Validation • Customer Meter Accuracy Testing • Distribution System Pressure Surveys • Distribution System Leak Detection • No-Discharge Distribution System Flushing • Water Audit Compilation • Component Analysis	Direct Impact: Identify areas of the distribution system that need repair, replacement, or other action

10 PLAN ADOPTION, SUBMITTAL AND IMPLEMENTATION

Lay Description

Procedures for adopting and implementing the UWMP in a transparent and stakeholder-accessible manner are essential for good governance of water resources. It is important for customers to have the opportunity to understand how water is managed and how reliable it is. Supporting a public process through adequate notifications and public hearings also allows the interested public to submit comments and suggest revisions affecting reliability and future investments in local water management. Adopting the plan makes it part of the formal management of the Supplier, which is often important for justifying investment decisions and potential rate restructuring over the near- and long-term. In this chapter, information is provided on the processes the City of Milpitas followed for the public hearing, adoption, and submission of the UWMP and its public availability, plan implementation and how to amend an adopted UWMP.

This 2025 UWMP also includes a Water Shortage Contingency Plan (WSCP) as required under the provisions of AB 11X of (1991) and addresses changes required by subsequent legislation including the Water Conservation Act of 2009 (SB X7-7). The WSCP also incorporates the water conservation initiatives that the City has implemented.

If any update is made to this 2025 UWMP or the WSCP, the City will follow the amendment process outlined in Section 10.8 of this UWMP.

As required by Section 10621 (a) of the Water Code, the City will update the UWMP again for the 2030 UWMP process.

10.1 Notice of Plan Preparation

This section describes the notice distributed to cities, the county and other entities by the City of Milpitas. The notice included the location where the 2025 UWMP could be viewed, the UWMP revision schedule and the City's contact information. A copy of this notice is included in Appendix B. Table 10-1 lists the specific entities notified.

Table 10-1. Notification to Cities and Counties

Submittal Table 10-1 Retail: Notification to Cities and Counties - Water Code Section 10621(b) and 10642		
Entity Name	60 Day Notice	Notice of Public Hearing
City of Brisbane	Yes	
City of Burlingame	Yes	
City of Daly City	Yes	
City of East Palo Alto	Yes	
City of Foster City	Yes	
City of Gilroy	Yes	
City of Hayward	Yes	
City of Hillsborough	Yes	
City of Menlo Park	Yes	
City of Millbrae	Yes	
City of Morgan Hill	Yes	
City of Mountain View	Yes	
City of Palo Alto	Yes	
City of Redwood City	Yes	
City of San Bruno	Yes	
City of San Jose	Yes	
City of Santa Clara	Yes	
City of Sunnyvale	Yes	
Alameda County Water District	Yes	
BAWSCA	Yes	
California Water Service	Yes	
Coastside County Water District	Yes	
Great Oaks Water Company	Yes	
Mid-Peninsula Water District	Yes	
Milpitas Chamber of Commerce	Yes	
Milpitas Unified School District	Yes	
North Coast County Water District	Yes	
Purissima Hills Water District	Yes	
SFPUC - Wholesaler	Yes	
San Jose Water	Yes	
Stanford University	Yes	
Valley Water - Wholesaler	Yes	
Westborough Water District	Yes	
City of Brisbane	Yes	
County Name	60 Day Notice	Notice of Public Hearing
Santa Clara County	Yes	
NOTES: 60-day notice sent out via email February 11, 2026. Notice of public hearing posted May 22 and 29, 2026.		

10.2 Notice of Public Hearing

The public was notified on May 22 and May 29, 2026 prior to the public hearing that the City would be reviewing and considering amendments to the UWMP. The public hearing was placed in a local newspaper for two successive weeks (14 calendar days) or two separate one-week timeframes with at least five days between publication dates, as prescribed in Government Code Section 6066.[59] This notice included the time and place of the hearing as well as the location where the UWMP was available for public inspection. Notification came through a display advertisement in *The Milpitas Post* and by posting the 2025 UWMP on the City's website (https://www.milpitas.gov/752/Urban-Water-Management-Plan) by May 22, 2026.

A public hearing before the City Council was held on June 9, 2026, to discuss and receive comments/input regarding the City's 2025 UWMP and WSCP prior to its adoption. The public hearing was advertised in *The Milpitas Post* 14 days and 7 days prior to the hearing. See Appendix C for a copy of the newspaper notice.

10.3 Implementation over the Past Five Years

The following water DMMs have been implemented to achieve water use targets. The City communicates these programs to all Milpitas residents through newsletter distribution, local advertisements, and City media.

Residential Surveys

Valley Water's residential survey program includes educating the customer on how to read a water meter; checking flow rates; installing low-flow devices; checking for leaks; checking the irrigation system for efficiency; measuring landscaped area; developing an efficient irrigation schedule for different seasons; and providing the customer with evaluation results, water savings recommendations, and other educational materials. Valley Water increased efficiency and participation by using landscape measurements from this program as an initial qualifying step for the Landscape Rebate Program.

Water Wise Outdoor Survey

Valley Water's Water Wise Outdoor Survey Program offers a free, comprehensive consultation from a trained irrigation professional to single-family and small multi-family sites with a working irrigation system. The consultation includes evaluating the irrigation system, flagging issues onsite, irrigation scheduling assistance, identifying rebate programs for which participants may also qualify, and creating a custom report detailing the survey findings.

Water Use Reports

Water use reports have been proven effective at encouraging residents to save water and when combined with Advanced Metering Infrastructure, can inform residents about water leaks quickly. In FY 2014, Valley Water started a program to share costs with the local water retailers on home water use reports.

The City has a cost-share agreement with Valley Water to provide water use reports to its residential customers. Water use reports include information about the customer's water use during the previous bill period, the customer water use portal, links to rebate information and educational materials, and tips to conserve water.

Residential Plumbing Retrofit

Valley Water has provided free low-flow showerheads and faucet aerators to Santa Clara County residents via its water retailers, residential water surveys, public events, and the Online Shopping Cart program. City staff offer these free water-saving devices to Milpitas residents via distribution at City-sponsored events, City media, and residential newsletters. In addition to the showerheads and aerators directly distributed by Valley Water,

[59] California State Legislature. (1949). Government Code Section 6066. http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=6066

the City has distributed thousands of low-flow showerheads and aerators. The City also offers a variety of free water conservation tools, such as low-flow showerheads, aerators, hose nozzles, moisture meters, and more.

System Water Surveys, Leak Detection and Repair

All connections within the City are metered, except for some City maintenance activities such as street sweeping, fire flow testing, and sewer vactor truck filling. To minimize leaks from residential, business, and irrigation connections, City maintenance crews replace all leaking meters, repair water service and main leaks, and calibrate compound or multi-head meters annually. The City will continue to conduct its meter calibration and replacement program.

From 2019 to 2023, the City worked with its water loss management consultant, E-source, to conduct a full-system leak detection survey. During the surveys, E-Source technicians listened to all accessible infrastructure and fittings, including customer meters, fire hydrants, blow-off valves, and backflow preventers, to ensure that all acoustically detectable leaks on the survey route were identified. This 2025 UWMP includes water loss audit distribution system losses for the past five years (see Section 4.3). The City is developing a large meter testing program to better understand meter accuracy. In addition, the City participates in the Water Loss Management Plan through BAWSCA's subscription program with E-source to compile validate water loss audits and identify future actions that can be taken to further reduce water loss. Additional water loss management tasks have included: large meter testing, real loss component analyses, billing data analyses, and meter testing strategy development.

Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections

All water connections in the City are metered, and separate irrigation meters, called Dedicated Irrigation Meters (DIMs) are required for non-residential customers and new large-scale multi-family developments. Commercial, industrial, and institutional customers are required to have fire sprinkler systems with separate meters. The City has also installed separate meters for recycled water services. Rebates for the installation of submeters, as well as switching from a mixed-use meter to a dedicated landscape meter, are offered through Valley Water. The submeter program provides $150 per submeter installed at multi-family housing complexes. Valley Water plans to continue to offer this program in the future to reach the region's long-term water conservation goals. The City will continue to install and read meters for all new services.

Landscape Rebate Program Conversion & Rainwater Harvesting Rebates

Valley Water began to focus on water efficient landscapes by launching a program in early 2005. To increase program participation, the Valley Water Board approved doubling the maximum rebate from $1000 up to $2,000 for residents and from $10,000 up to $20,000 for commercial sites in 2009. In January 2019, Valley Water added Rainwater Capture Rebates to the Landscape Rebate Program. The rebate cap for commercial, institutional, and multi-family (5 or more units) sites was increased to $50,000 on January 1, 2020. In July 2021, the turf conversion rebate was increased to $2 per square foot and the residential site cap was increased to $3,000. In response to an emergency regulation that prohibits the watering of non-functional turf areas at commercial, industrial, and institutional sites, issued by the State Water Resources Control Board in June 2022, Valley Water introduced a Lawn to Mulch rebate in July 2022 for commercial properties. Valley Water then increased the lifetime cap for CII sites to $100,000. Cost sharing agreements increase the rate per square foot and rebate cap in some areas.

Currently, Santa Clara County single family, multi-family and business properties with qualifying high water using landscape can receive rebates for converting to qualifying low water using landscape with a minimum of 50% qualifying plant coverage, 2 to 3 inches of mulch, and a conversion from overhead irrigation to drip/micro spray/bubbler or no irrigation.

The City has a cost-sharing agreement with Valley Water to increase the rainwater harvesting and landscape conversion rebate amounts for the City's residential customers, and in July 2021, the City amended the cost-share agreement to provide additional funds. The amendment resulted in increased rebates: up to $4.00 per

square foot for residential landscape conversions; up to $400 for installing a laundry-to-landscape graywater system; up to $75 per rain barrel and up to $600 for installing a rain garden.

Large Landscape Program

Valley Water has offered the Large Landscape Program since 2014 to provide large landscape water surveys and site-specific landscape water budgets. Participating landscape managers are provided with water-use analyses, scheduling information, in-depth irrigation evaluation, a site-specific water budget, and recommendations for affordable irrigation upgrades. Each site receives a detailed report upon completion of the survey. Participants and site stakeholders are encouraged to participate in the Landscape Rebate Program and are given access to the Waterfluence online portal. Through Waterfluence, property managers and landscapers can review water use information, recommendations to increase water use efficiency, and receive e-mail notifications for unusual irrigation events.

Public Information Programs

Valley Water operates an extensive public information program and associated school program, which provides materials, speakers, and outreach activities to the public. Outreach activities include publications and website development, public meetings, participation at community events, multi-media campaigns, inter-agency partnerships, corporate environmental fairs, professional trade shows, landscaping workshops and seminars. In addition to Valley Water's public information program, City staff also disseminates information to the public through City media, the City's annual Consumer Confidence Report, and City sponsored events.

Since the COVID-19 pandemic, much public outreach has been focused on online content. Valley Water continues to apply community-based marketing approaches in their conservation outreach campaigns, highlighting local success stories from past rebate program participants.

School Education Programs

Valley Water has a full-time staff to coordinate the school education programs. Valley Water provides free classroom presentations, puppet plays, and tours of district facilities to schools within the county. The objective is to teach students about water conservation, water supply, watershed stewardship and flood protection. Valley Water also provides school curricula to area educators, including workbooks and videos, as well as hands-on training for teachers. Students range from pre-kindergarten through college. Included in the educational services is Project WET (Water Education for Teachers) to train teachers how to lead their own classroom activities to independently educate students on water-related topics into the future.

Conservation Programs for Commercial, Industrial, and Institutional (CII) Accounts

Water Efficient Technology Rebate Program

The Water Efficient Technology Rebate (WET Rebate or WET Program) provides rebates for process, technology, and equipment retrofits that save water at CII and multi-family properties. Qualifying retrofit projects that meet program requirements are eligible for a rebate of either $4 per hundred cubic feet (CCF) of water saved annually or up to 100% of equipment costs excluding taxes and labor, whichever is less, up to $100,000. To qualify, projects must save at least 100 cubic feet of water annually. Examples of eligible projects include ozone laundry systems, cooling towers efficiency upgrades, onsite water reuse, water softeners, and any other equipment that results in measurable water savings, including customized equipment. Cost sharing agreements increase the rate and maximum rebate in some areas. In 2023, eligibility for WET was expanded to include multi-family properties, such as condominium, apartment, and townhome complexes.

The WET Rebate continues to be one of Valley Water's most cost-effective programs in meeting the region's long-term water conservation goals.

Commercial Toilet and Urinal Program

Valley Water has been replacing inefficient toilets in commercial, industrial, and institutional (CII) sites since 1994. The CII toilet rebate programs have frequently been offered in tandem with various iterations of high-efficiency urinal (HEU) programs, HET and HEU direct install programs, and retrofit programs for urinal valve installation.

In May 2021, Valley Water launched the Fixture Replacement Program (FixRP), a direct-install initiative focused on replacing inefficient indoor plumbing fixtures with high-efficiency, WaterSense-certified models in multi-family residential and commercial properties. The program concluded in April 2025 and has since been replaced by the Direct Retrofit Indoor Plumbing (DRIP) Program, which expands eligibility to include single-family homes.

Commercial Faucet Aerator Program

Since 2010, Valley Water has offered free 0.5 gallon per minute faucet aerators to qualifying businesses and schools. Free faucet aerators can be ordered through Valley Water's Online Shopping Cart.

Pre-Rinse Spray Valve Program

Pre-rinse spray valves are designed to remove food waste from dishes prior to dishwashing and are often used in commercial kitchens. In previous years, Valley Water partnered with other agencies to offer a direct installation program for high-efficiency pre-rinse spray valves (PRSVs). In 2010 Valley Water purchased a quantity of PRSVs with a flow rate of 1.15 gallons per minute for distribution to commercial sites, especially those identified through Valley Water's previous CII Water Survey Program. Valley Water plans to continue distributing these devices for free through their Online Shopping Cart program to meet the region's long-term water conservation goals.

Commercial Indoor Water Survey Pilot Program

Valley Water initiated the Commercial Indoor Water Use Survey Pilot Program (CIW Survey Pilot) in FY 2024 to support state's conservation requirements under Making Conservation a California Way of Life (AB 1668/SB 606) and to engage with hard-to-reach commercial, industrial, and institutional (CII) customers. Developed in partnership with a subset of water retailers, the pilot sought to improve understanding of CII indoor water use, update water savings assumptions, and strengthen coordination among agencies and customers. While initial outreach yielded limited participation, revised efforts resulted in modest engagement and valuable insights, highlighting challenges related to customer contact data, data-sharing constraints, technology gaps, and outreach timing.

In FY 2025, Valley Water strengthened and expanded the pilot, refining outreach strategies and partnering with new retail partners.

Wholesale Agency Assistance Program

Valley Water, through a unique cooperative partnership with its retailers, offers regional implementation of a variety of water conservation programs to permanently reduce water use in Santa Clara County. It continues to collaborate with water retailers to implement various water conservation programs on a regional basis, ensuring its long-term water supply reliability goals are met as well as assisting its water retailers in meeting their goals.

Conservation Coordinator

As noted in Section 9.1.6, as part of the City's response to the most recent drought, the City established a Water Conservation Program.

Water Waste Prohibition

In May 1994, the City adopted Water Conservation Ordinance No. 240, which describes water use prohibitions and was last amended August 5, 2021. Ordinance 240.7 can be found in the City's WSCP (see Appendix D of this UWMP). The City plans to update its water conservation ordinance shortly after the adoption of 2025 WSCP to include the prohibition of irrigating nonfunctional turf with potable water as a permanent water waste restriction.

10.4 Public Hearing and Adoption

This section details the public hearing and adoption processes for the 2025 UWMP and WSCP.

10.4.1 Public Hearing

The public hearing allowed for community input, consideration of economic impacts and adoption of a method for determining the City's urban water use target.

10.4.2 Adoption

This 2025 UWMP was presented to the City Council for review and adopted on June 9, 2026, thereby superseding the existing plan prepared in 2020. The adopted 2025 UWMP has been filed with the Water Efficiency Office in the Department of Water Resources, the California State Library, the Bay Area Water Supply & Conservation Agency, the City offices, Santa Clara County and the Cities of Brisbane, Burlingame, Daly City, East Palo Alto, Foster City, Gilroy, Hayward, Hillsborough, Menlo Park, Millbrae, Morgan Hill, Mountain View, Palo Alto, Redwood City, San Bruno, San Jose, Santa Clara and Sunnyvale, as required by law, and will be used by the City staff during the current five-year planning cycle.

A copy of the resolution adopting the 2025 UWMP is provided in Appendix G.

10.5 Plan Submittal

To satisfy California Water Code Sections 10635(c), 10644(a)(1) and (2) and 10645(a) and (b), within 30 days of adoption, the City submitted a copy of the 2025 UWMP and WSCP to DWR, the California State Library Government Publications Section (Sacramento) and to any city or county to which the City provides water.

10.5.1 Submitting a UWMP and WSCP to DWR

To satisfy DWR requirements, all UWMPs and WSCPs must be submitted to DWR within 30 days of adoption and prior to July 1, 2026. The City met this requirement as outlined in the following sections.

10.5.2 Electronic Data Submittal

The City submitted its 2025 UWMP and WSCP to DWR electronically. Documentation confirming the City's 2025 UWMP and WSCP submittal can be found in Appendix H.

10.5.3 Submitting a UWMP to the California State Library

The City submitted a CD or hard copy of its adopted 2025 UWMP to the California State Library within 30 days of adoption.

10.5.4 Submitting a UWMP to Cities and Counties

The City submitted a copy of its adopted 2025 UWMP to any city or county served by the City within 30 days of adoption.

10.6 Public Availability

Within 30 days after filing the 2025 UWMP and WSCP with DWR, the documents were made available for public review on the City's website.

10.7 Notification to Public Utilities Commission

Per Water Code Section 10621(c), Suppliers that are regulated by the California Public Utilities Commission (CPUC) must submit their UWMP and WSCP to the CPUC as part of its general rate case filings. Since this was not applicable to the City, the plans were not submitted to the CPUC.

10.8 Plan Implementation

The City will implement this plan adopted pursuant to this chapter in accordance with the schedule set forth in this plan.

10.9 Amending an Adopted UWMP or WSCP

Should any changes be made to the 2025 UWMP and/or the WSCP, per Water Code Sections 10621(d) and 10644(a)(1), within 30 days after adoption, the City must submit copies of the amendments or changes to DWR, the California State Library and any city or county to which the City supplies water.

10.9.1 Amending a UWMP

If the City amends the adopted 2025 UWMP, each of the steps for notification, public hearing, adoption and submittal must also be followed for the amended UWMP.

10.9.2 Amending a WSCP

Specific to Water Code Section 10644(b), if the City revises its WSCP after DWR has approved the 2025 UWMP, the City must submit to DWR an electronic copy of the revised WSCP within 30 days of adoption.

11 REFERENCES

All links below were accessed in May 2026 unless otherwise indicated.

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APPENDIX A – UWMP CHECKLIST

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Chapter 1	10615	A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities.	Introduction and overview	Section 1.7
Chapter 1	10630.5	Each plan shall include a simple description of the Supplier's plan including water availability, future requirements, a strategy for meeting needs, and other pertinent information. Additionally, a Supplier may choose to include a simple description at the beginning of each chapter.	Plan preparation	Start of Each Chapter
Section 2.1	10620(b)	Every person that becomes a Supplier shall adopt UWMP within one year after it has become a Supplier.	Plan preparation	Chapter 1 and Section 2.2
Section 2.5	10644	Supplier shall report the Public Water Systems number, volume of delivered water, and number of connections that are included in this UWMP.	Plan preparation	Section 2.2
Section 2.5	10644	Supplier shall report if this UWMP is an individual UWMP and whether the Supplier belongs to a regional UWMP or regional alliance.	Plan preparation	Section 2.4
Section 2.5	10644	Supplier shall report whether the data is in fiscal or calendar years and the units of measure used for reporting water volumes.	Plan preparation	Section 2.5
Section 2.4	10642	Provide supporting documentation that the Supplier has encouraged active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan and contingency plan.	Plan preparation	Section 2.6.2

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 2.4.2	10620(d)(3)	Coordinate the preparation of its plan with other appropriate agencies in the area, including other Suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.	Plan preparation	Section 2.6.2
Section 2.4.1	10631(h)	Retail Suppliers will include documentation that they have provided their Wholesale Supplier(s)—if any—with water use projections from that source.	Plan preparation	Table 2-4 R
Chapter 3.0	10631(a)	Describe the Supplier service area.	System description	Section 3.1
Section 3.3	10631(a)	Describe the climate of the Supplier's service area.	System description	Section 3.3
Section 3.4.1	10631(a)	Provide the current and projected service area populations for 2030, 2035, 2040, 2045 and optionally 2050.	System description	Table 3-1
Section 3.4.2	10631(a)	Describe other social, economic, and demographic factors affecting the Supplier's water management planning.	System description	Section 3.4.2
Section 3.5	10631(a)	Describe the land uses within the service area… include the current and projected land uses within the existing or anticipated service area affecting the Supplier's water management planning. Describe the land uses within the service area.	System description and baselines	Section 3.5
Sections 4.2.3 and 4.2.4	10631(d)(1)	Quantify past, current, and projected water use, identifying the uses among water use sectors.	System water use	Tables 4-1 and 4-2

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 4.3.1	10631(d)(3)(A)	Report the distribution system water loss for each of the five years preceding the plan update.	System water use	Table 4-5
Section 4.3.2	10631(d)(3)(C)	Retail Suppliers shall provide data to show the distribution loss standards were met.	System water use	Table 4-6
Section 4.2.5.4	10631.1(a)	Include projected water use needed for lower income housing projected in the service area of the Supplier.	System water use	Table 4-3
Section 4.2.5.3	10631(d)(4)(A)	In projected water use, include estimates of water savings from adopted codes, plans, and other policies or laws.	System water use	Table 4-3
Section 4.2.5.3	10631(d)(4)(B)	Provide citations of codes, standards, ordinances, or plans used to make water use projections.	System water use	Section 4.2.5
Section 4.2.5.3	10631(d)(4)(B)(ii)	To the extent that a Supplier reports the information described in subparagraph (A), an urban water Supplier shall… Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.	System water use	Section 4.2.5
Section 4.2.5.6	10635(b)	Demands under climate change considerations must be included as part of the drought risk assessment.	System water use	Section 4.4
Section 5.2	10608.4	Retail Suppliers shall report on their compliance in meeting their water use targets. Reporting requirements will vary depending on whether the Supplier: - Was considered an urban retail	Baselines and targets	Table 5-1

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
		water supplier in 2020, - Met its 2020 target in 2020, or - Was part of a merger or consolidation since 2020. Chapter 5 Subsections 5.2.1, 5.2.2, and 5.2.3 address each of these situations.		
Section 6.1	10631(b)(2)	When multiple sources of water supply are identified, describe the management of each supply in relationship to other identified supplies.	System supplies	Section 6.2
Sections 6.1 and 6.2	10631(b)(1)	Provide a discussion of anticipated supply availability under a normal, single dry year, and a drought lasting five years, as well as more frequent and severe periods of drought, including changes in supply due to climate change.	System supplies	Section 7.2
Section 6.2.2	10631(b)(4)(C)	Indicate whether groundwater is an existing or planned source of water available to the Supplier. If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	Water supplies and recycled water	Table 6-1
Section 6.2 .2	10631(b)(4)(A)	Indicate whether a groundwater sustainability plan or groundwater management plan has been adopted by the Supplier or if there is any other specific authorization for groundwater management. Include a copy of the plan or authorization.	System supplies	Section 6.2.2
Section 6.2.2	10631(b)(4)(B)	Describe the groundwater basin.	System supplies	Section 6.2.2

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 6.2.2	10631(b)(4)(B)	Indicate if the basin has been adjudicated and include a copy of the court order or decree and a description of the amount of water the Supplier has the legal right to pump.	System supplies	Section 6.2.2
Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… (include) information as to whether DWR has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin…	Water supplies and recycled water	Section 6.2.2
Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… describe efforts by the Supplier to coordinate with sustainability or groundwater agencies to achieve sustainable groundwater conditions.	Water supplies and recycled water	Section 6.2.2
Section 6.2.2.	10631(b)(4)(C)	If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	System supplies	Section 6.2.2
Section 6.2.2	10631(b)(4)(D)	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	System supplies	Section 6.2.2
Section 6.1	10631(b)	Identify and quantify the existing and planned sources of water available for 2025, 2030, 2035, 2040, 2045 and optionally 2050.	System supplies	Tables 6-8 and 6-9
Section 6.2.7	10631(c)	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	System supplies	Section 6.2.7
Section 6.2.5	10633(a)	Describe the wastewater collection and treatment systems in the Supplier's service area with quantified amount of collection and treatment and the disposal	System supplies (recycled water)	Table 6-2, Section 6.2.5

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
		methods.		
Section 6.2.5	10633(b)	Describe the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.	System supplies (recycled water)	Section 6.2.5
Section 6.2.5	10633(c)	Describe the recycled water currently being used in the Supplier's service area.	System supplies (recycled water)	Table 6-4, Section 6.2.5
Section 6.2.5	10633(d)	Describe and quantify the potential uses of recycled water and provide a determination of the technical and economic feasibility of those uses.	System supplies (recycled water)	Section 6.2.5
Section 6.2.5	10633(e)	Describe the projected use of recycled water within the Supplier's service area at the end of 5, 10, 15, and 20 years, and describe the actual use of recycled water in comparison to uses previously projected.	System supplies (recycled water)	Tables 6-9, 6-4
Section 6.2.5	10633(f)	Describe the actions that may be taken to encourage the use of recycled water and the projected results of these actions in terms of acre-feet of recycled water used per year.	System supplies (recycled water)	Section 6.2.5
Section 6.2.5	10633(g)	Provide a plan for optimizing the use of recycled water in the Supplier's service area.	System supplies (recycled water)	Section 6.2.5
Section 6.2.6	10631(g)	Describe desalinated water project opportunities for long-term supply.	System supplies	Section 6.2.6
Section 6.2.10	10631(f)	Describe the expected future water supply projects and programs that may be undertaken by the water Supplier to address water supply reliability in average, single-dry, and	System supplies	Section 6.2.9

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
		for a period of drought lasting five consecutive water years.		
Section 6.3 and Appendix O	10631.2(a)	The UWMP must include energy information, as stated in the code, that a Supplier can readily obtain.	System suppliers, energy intensity	Section 6.3
Section 7.1	10634	Provide information on the quality of existing sources of water available to the Supplier and the manner in which water quality affects water management strategies and supply reliability.	Water supply reliability assessment	Section 7.2.1 through Section 7.2.3
Section 7.2	10635(a)	Service Reliability Assessment: Assess the water supply reliability during normal, dry, and a drought lasting five consecutive water years by comparing the total water supply sources available to the Supplier with the total projected water use over the next 20 years.	Water supply reliability assessment	Tables 7-2, 7-3, and 7-4
Section 7.2.3	10620(f)	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	Water supply reliability assessment	Section 7.2.7
Section 7.3	10635(b)	Provide a drought risk assessment as part of information considered in developing the demand management measures and water supply projects.	Water supply reliability assessment	Section 7.3
Section 7.3	10635(b)(1)	Include a description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive years.	Water supply reliability assessment	Section 7.3.1
Section 7.3	10635(b)(2)	Include a determination of the reliability of each source of supply under a variety of water shortage conditions.	Water supply reliability assessment	Section 7.3.2

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 7.3	10635(b)(3)	Include a comparison of the total water supply sources available to the Supplier with the total projected water use for the drought period.	Water supply reliability assessment	Table 7-5
Section 7.3	10635(b)(4)	Include considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.	Water supply reliability assessment	Section 7.2.5, Section 6.1.2
Chapter 8	10632(a)	Provide a water shortage contingency plan (WSCP) with specified elements below.	Water shortage contingency planning	Chapter 8, WSCP
Chapter 8	10632(a)(1)	Provide an analysis of water supply reliability (from Guidebook Chapter 7) in the WSCP.	Water shortage contingency planning	WSCP Section 3.1
Section 8.2	10632(a)(2)(A)	Provide the written decision-making process and other methods that the Supplier will use each year to determine its water reliability.	Water shortage contingency planning	WSCP Section 3.2
Section 8.2	10632(a)(2)(B)	Provide data and methodology to evaluate the Supplier's water reliability for the current year and one dry year pursuant to factors in the code.	Water shortage contingency planning	WSCP Section 3.2
Section 8.3	10632(a)(3)(A)	Define six standard water shortage levels of 10%, 20%, 30%, 40%, 50% shortage, and greater than 50% shortage. These levels shall be based on supply conditions, including percent reductions in supply, changes in groundwater levels, changes in surface elevation, or other conditions. The shortage levels shall also apply to a catastrophic interruption of supply.	Water shortage contingency planning	WSCP Section 3.3

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 8.3	10632(a)(3)(B)	Suppliers with an existing WSCP that uses different water shortage levels must cross reference their categories with the six standard categories.	Water shortage contingency planning	Table 8-1
Section 8.4	10632(a)(4)(A)	Suppliers with WSCPs that align with the defined shortage levels must specify locally appropriate supply augmentation actions.	Water shortage contingency planning	Table 8-2
Section 8.4	10632(a)(4)(B)	Specify locally appropriate demand reduction actions to adequately respond to shortages.	Water shortage contingency planning	Table 8-3
Section 8.4	10632(a)(4)(C)	Specify locally appropriate operational changes.	Water shortage contingency planning	Table 8-2
Section 8.4	10632(a)(4)(D)	Specify additional mandatory prohibitions against specific water use practices that are in addition to State-mandated prohibitions are appropriate to local conditions.	Water shortage contingency planning	WSCP Section 3.4
Section 8.4	10632(a)(4)(E)	Estimate the extent to which the gap between supplies and demand will be reduced by implementation of the action.	Water shortage contingency planning	Tables 8-2 and 8-3
Section 8.4.6	10632.5	The UWMP shall include a seismic risk assessment and mitigation plan.	Water shortage contingency plan	WSCP Section 3.13
Section 8.5	10632(a)(5)(A)	Suppliers must describe that they will inform customers, the public and others regarding any current or predicted water shortages.	Water shortage contingency planning	WSCP Section 3.5, Appendix D
Section 8.5	10632(a)(5)(B), 10632(a)(5)(C)	Suppliers must describe that they will inform customers, the public and others regarding any shortage response actions triggered or anticipated to be triggered and	Water shortage contingency planning	WSCP Section 3.5, Appendix D

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
		other relevant communications.		
Section 8.6	10632(a)(6)	Retail Supplier must describe how it will ensure compliance with and enforce provisions of the WSCP.	Water shortage contingency planning	WSCP Section 3.6
Section 8.7	10632(a)(7)(A)	Describe the legal authority that empowers the Supplier to enforce shortage response actions.	Water shortage contingency planning	WSCP Section 3.7
Section 8.7	10632(a)(7)(B)	Provide a statement that the Supplier will declare a water shortage emergency per Water Code Chapter 3. *Water Shortage Emergencies*.	Water shortage contingency planning	WSCP Section 3.4
Section 8.7	10632(a)(7)(C)	Provide a statement that the Supplier will coordinate with any city or county within which it provides water for the possible proclamation of a local emergency.	Water shortage contingency planning	WSCP Section 3.4
Section 8.8	10632(a)(8)(A)	Describe the potential revenue reductions and expense increases associated with activated shortage response actions.	Water shortage contingency planning	WSCP Section 3.8
Section 8.8	10632(a)(8)(B)	Provide a description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions.	Water shortage contingency planning	WSCP Section 3.4
Section 8.8	10632(a)(8)(C)	Retail Suppliers must describe the cost of compliance with Water Code Chapter 3.3, *Excessive Residential Water Use During Drought*.	Water shortage contingency planning	WSCP Section 3.6
Section 8.9	10632(a)(9)	Retail Suppliers must describe the monitoring and reporting requirements and procedures that ensure appropriate data are collected, tracked, and analyzed for purposes of monitoring customer compliance.	Water shortage contingency planning	WSCP Section 3.9

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 8.10	10632(a)(10)	Describe reevaluation and improvement procedures for monitoring and evaluation the WSCP to ensure risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented.	Water shortage contingency planning	WSCP Section 3.10
Section 8.11	10632(b)	Analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas.	Water shortage contingency planning	WSCP Section 3.11
Section 8.12	10632(c)	Make available the WSCP to customers and any city or county where it provides water within 30 days after adoption of the plan.	Water shortage contingency planning	WSCP Section 3.12
Sections 9.1	10631(e)(1)	Retail Suppliers shall provide a description of the nature and extent of each demand management measure implemented over the past five years. The description will address specific measures listed in code.	Demand management measures	Section 9.1
Chapter 10	10608.26(a)	Retail Suppliers shall conduct a public hearing to discuss adoption, implementation, and economic impact of water use targets (recommended to discuss compliance).	Plan adoption, submittal, and implementation	Section 10.3
Section 10.2.1	10621(b)	Notify, at least 60 days prior to the public hearing, any city or county within which the Supplier provides water that the Supplier will be reviewing the UWMP and considering amendments or changes to the plan.	Plan adoption, submittal, and implementation	Section 10.2, 10-1
Section 10.4	10621(f)	Each urban water Supplier shall update and submit its 2025 plan to DWR by July 1, 202 6.	Plan adoption, submittal, and implementation	Section 10.4.1

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Sections 10.2.2, 10.3, and 10.5	10642	Provide supporting documentation that the Supplier made the UWMP and WSCP available for public inspection, published notice of the public hearing, and held a public hearing about the UWMP and WSCP.	Plan adoption, submittal, and implementation	Section 10.4.2
Section 10.2.2	10642	The Supplier is to provide the time and place of the hearing to any city or county within which the Supplier provides water.	Plan adoption, submittal, and implementation	Table 10-1
Section 10.3.2	10642	Provide supporting documentation that the UWMP and WSCP has been adopted as prepared or modified.	Plan adoption, submittal, and implementation	Section 10.8
Section 10.4	10644(a)	Provide supporting documentation that the Supplier has submitted their UWMP to the California State Library.	Plan adoption, submittal, and implementation	Section 10.4.3
Section 10.4	10644(a)(1)	Provide supporting documentation that the Supplier has submitted their UWMP to any city or county within which the Supplier provides water no later than 30 days after adoption.	Plan adoption, submittal, and implementation	Section 10.4.1
Sections 10.4.1 and 10.4.2	10644(a)(2)	The UWMP, or amendments to the UWMP, submitted to DWR shall be submitted electronically.	Plan adoption, submittal, and implementation	Section 10.8
Section 10.7.2	10644(b)	If revised, submit a copy of the WSCP to DWR within 30 days of adoption.	Plan adoption, submittal, and implementation	Section 10.8
Section 10.5	10645(a)	Provide supporting documentation that, not later than 30 days after filing a copy of its UWMP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan adoption, submittal, and implementation	Section 10.5

2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	2025 UWMP Location
Section 10.5	10645(b)	Provide supporting documentation that, not later than 30 days after filing a copy of its WSCP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan adoption, submittal, and implementation	Section 10.5
Section 10.6	10621(c)	If Supplier is regulated by the Public Utilities Commission, include its plan and contingency plan as part of its general rate case filings.	Plan adoption, submittal, and implementation	Section 10.6

APPENDIX B – NOTICE OF INTENT TO UPDATE UWMP

City of Milpitas – Notice of Preparation of Urban Water Management Plan and Water Shortage Contingency Plan – 2025 Update

Reply | Reply All | Forward

MW Milpitas Works

To Jonathan.Wunderlich@acwd.com; laura.hidas@acwd.com; mbozorginia@brisbaneca.org; jflanagan@ci.brisbane.ca.us; kokada@burlingame.org; tmcauliffe@burlingame.org; **+56 others**

Cc Christian Di Renzo; Elaine Marshall; Michael Silveira; Ariel Morales; Samantha Vergara; Roger Lee; Howard Salamanca

Wed 2/11/2026 9:09 AM

You forwarded this message on 2/11/2026 11:13 AM.

Dear Water Suppliers,

The Urban Water Management Planning Act (California Water Code $10608-10656) requires the City of Milpitas to update its Urban Water Management Plan (UWMP) and associated Water Shortage Contingency Plan (WSCP) every five years. The City is considering revisions to its existing UWMP and WSCP which were last updated in 2021. The updated UWMP and WSCP are due to the California Department of Water Resources by July 1, 2026. We invite your agency's participation in this revision process.

A draft of the 2025 UWMP and WSCP will be made available for public review, and a public hearing is tentatively scheduled for May 19th. If you would like more information regarding the City's 2020 UWMP and WSCP, the schedule for updating these documents, or if you would like to participate in the preparation of the 2025 UWMP and WSCP, please e-mail Howard Salamanca, Associate Civil Engineer at hsalamanca@milpitas.gov.

Sincerely,

Christian Di Renzo
Director of Public Works

Christian Di Renzo
Public Works Director
1265 N. Milpitas Blvd., Milpitas CA 95035
(408) 586-2600
www.milpitas.gov

APPENDIX C – NOTICE OF PUBLIC HEARING

CITY OF MILPITAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Milpitas City Council will hold a public hearing at a special meeting in City Hall Council Chambers, 455 E. Calaveras Blvd., 2nd floor, Milpitas, CA and via teleconference / webinar on Tuesday, June 9, 2026, at 7:00 p.m., or soon thereafter, to receive public comment regarding adoption of the **2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP)**.

The 2025 UWMP is a water supply planning tool describing the service area, the existing and planned sources, existing and planned customer demands, and a comparison of actual water usage against State-mandated per capita water use targets.

The 2025 WSCP is part of the 2025 UWMP and analyzes the supply and demand assessment at each source as required by Assembly Bill 1668 and Senate Bill 606, looking at the next 20 years in 5-year increments, and includes a drought risk assessment for a 5-year period. The WSCP anticipates a water supply shortage and provides pre-planned guidance for managing and mitigating a supplier's shortage.

The 2025 UWMP and WSCP are available for public review and comment through the end of the public hearing described above. A copy of the 2025 UWMP and WSCP are accessible on the City's website: https://www.milpitas.gov/752/Urban-Water-Management-Plan

NOTICE IS FURTHER GIVEN, pursuant to CA Government Code Section 65009, that any legal challenge of this matter in court may be limited to only those issues raised at the public hearing described in this notice or in written or e-mailed correspondence delivered to the City Council at, or prior to, the public hearing. Challenges shall also be in compliance with Water Code Sections 10650-10656.

ANY PERSONS who wish to comment are encouraged to attend the public hearing where oral comments may be given or to submit written comments via e-mail to the City Council prior to the hearing. Written comments may be sent by e-mail to cityclerk@milpitas.gov. Please be advised that written comments will not be read during the meeting. Written comments received prior to the meeting will be digitally distributed to the City Council and will be part of this meeting's public record.

Suzanne Guzzetta
City Clerk
Publication Dates: May 22 and 29, 2026

APPENDIX D – WATER SHORTAGE CONTINGENCY PLAN

Due to the length of the Water Shortage Contingency Plan, it is included as a separate document.

APPENDIX E – MARCH 11, 2026, ATTACHMENT B: 2025 UWMP WHOLESALE CUSTOMER DRY YEAR ALLOCATIONS

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

Basis for SFPUC's Water Supply Reliability Modeling

Actual (2025) and Projected (2030-2050) RWS Purchases

Agency	ISG	2025[1]	2030	2035	2040	2045	2050
Alameda CWD	13.76	10.08	11.25	11.56	12.00	12.45	13.76
Brisbane / GVMID	0.98	0.68	0.94	0.95	0.97	0.97	0.97
Burlingame	5.23	3.23	3.92	3.99	4.15	4.30	4.44
Coastside CWD	2.18	1.01	1.17	1.16	1.16	1.16	1.16
CWS Total	35.68	29.50	27.04	26.89	26.93	26.80	26.89
Daly City	4.29	3.55	4.29	4.29	4.29	4.29	4.29
East Palo Alto	3.46	1.72	1.19	1.19	1.19	1.18	1.19
Estero MID	5.90	3.78	3.90	3.92	3.93	3.91	3.90
Hayward	22.09	13.66	14.74	15.66	16.82	18.14	19.71
Hillsborough	4.09	2.32	2.09	2.08	2.09	2.11	2.12
Menlo Park	4.46	2.72	2.58	2.64	2.71	2.76	2.83
Mid-Peninsula WD	3.89	2.34	2.82	2.97	3.18	3.39	3.43
Millbrae	3.15	1.81	1.91	1.99	2.09	2.18	2.29
Milpitas	9.23	4.68	5.30	5.35	5.41	5.46	5.52
Mountain View	12.46	7.69	7.87	8.12	8.59	9.04	9.55
North Coast CWD	3.84	2.58	2.23	2.29	2.37	2.36	2.36
Palo Alto	16.58	9.31	8.30	8.20	8.15	8.15	8.18
Purissima Hills WD	1.63	1.51	1.36	1.35	1.36	1.36	1.37
Redwood City	10.93	7.43	6.84	6.54	6.73	6.91	7.09
San Bruno	3.25	1.03	1.85	2.27	2.68	2.68	2.68
San Jose		3.99	4.50	4.50	4.50	4.50	4.50
Santa Clara		2.91	4.50	4.50	4.50	4.50	4.50
Stanford	3.03	1.59	1.77	1.96	2.02	2.07	2.13
Sunnyvale	12.58	10.28	10.72	11.15	11.92	12.58	12.58
Westborough WD	1.32	0.70	0.82	0.80	0.84	0.88	0.91
Total	**184.00**	**130.1**	**133.9**	**136.3**	**140.6**	**144.1**	**148.3**

[1] Source: FY 2024-25 J-Table

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

Basis for SFPUC's Water Supply Reliability Modeling

Actual (2025) and Projected (2026-2030) RWS Purchases

Agency	2025	2026	2027	2028	2029	2030
Alameda CWD	10.08	10.32	10.55	10.78	11.02	11.25
Brisbane / GVMID	0.68	0.73	0.78	0.83	0.89	0.94
Burlingame	3.23	3.36	3.50	3.64	3.78	3.92
Coastside CWD	1.01	1.05	1.08	1.11	1.14	1.17
CWS Total	29.50	29.00	28.51	28.02	27.53	27.04
Daly City	3.55	3.70	3.85	4.00	4.14	4.29
East Palo Alto	1.72	1.62	1.51	1.40	1.30	1.19
Estero MID	3.78	3.80	3.83	3.85	3.88	3.90
Hayward	13.66	13.87	14.09	14.31	14.53	14.74
Hillsborough	2.32	2.27	2.23	2.18	2.14	2.09
Menlo Park	2.72	2.69	2.67	2.64	2.61	2.58
Mid-Peninsula WD	2.34	2.44	2.53	2.63	2.73	2.82
Millbrae	1.81	1.83	1.85	1.87	1.89	1.91
Milpitas	4.68	4.80	4.93	5.05	5.18	5.30
Mountain View	7.69	7.73	7.76	7.80	7.83	7.87
North Coast CWD	2.58	2.51	2.44	2.37	2.30	2.23
Palo Alto	9.31	9.11	8.91	8.71	8.50	8.30
Purissima Hills WD	1.51	1.48	1.45	1.42	1.39	1.36
Redwood City	7.43	7.32	7.20	7.08	6.96	6.84
San Bruno	1.03	1.20	1.36	1.52	1.69	1.85
San Jose	3.99	4.09	4.20	4.30	4.40	4.50
Santa Clara	2.91	3.23	3.54	3.86	4.18	4.50
Stanford	1.59	1.62	1.66	1.70	1.73	1.77
Sunnyvale	10.28	10.37	10.46	10.55	10.63	10.72
Westborough WD	0.70	0.72	0.75	0.77	0.80	0.82
Total	**130.1**	**130.9**	**131.6**	**132.4**	**133.2**	**133.9**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2025
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	**2026**	**2027**	**2028**	**2029**	**2030**
Wholesale RWS Demand	130.12	130.88	131.64	132.40	133.16
Wholesale RWS Supply	130.12	130.88	131.64	132.40	133.16
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	**2025 RWS Purchases**	**2026**	**2027**	**2028**	**2029**	**2030**
Alameda CWD	10.08	10.08	11.25	11.56	12.00	12.45
Brisbane / GVMID	0.68	0.68	0.68	0.68	0.68	0.68
Burlingame	3.23	3.23	3.23	3.23	3.23	3.23
Coastside CWD	1.01	1.01	1.01	1.01	1.01	1.01
CWS Total	29.50	29.50	29.50	29.50	29.50	29.50
Daly City	3.55	3.55	3.55	3.55	3.55	3.55
East Palo Alto	1.72	1.72	1.72	1.72	1.72	1.72
Estero MID	3.78	3.78	3.78	3.78	3.78	3.78
Hayward	13.66	13.66	13.66	13.66	13.66	13.66
Hillsborough	2.32	2.32	2.32	2.32	2.32	2.32
Menlo Park	2.72	2.72	2.72	2.72	2.72	2.72
Mid-Peninsula WD	2.34	2.34	2.34	2.34	2.34	2.34
Millbrae	1.81	1.81	1.81	1.81	1.81	1.81
Milpitas	4.68	4.68	4.68	4.68	4.68	4.68
Mountain View	7.69	7.69	7.69	7.69	7.69	7.69
North Coast CWD	2.58	2.58	2.58	2.58	2.58	2.58
Palo Alto	9.31	9.31	9.31	9.31	9.31	9.31
Purissima Hills WD	1.51	1.51	1.51	1.51	1.51	1.51
Redwood City	7.43	7.43	7.43	7.43	7.43	7.43
San Bruno	1.03	1.03	1.03	1.03	1.03	1.03
San Jose	3.99	3.99	3.99	3.99	3.99	3.99
Santa Clara	2.91	2.91	2.91	2.91	2.91	2.91
Stanford	1.59	1.59	1.59	1.59	1.59	1.59
Sunnyvale	10.28	10.28	10.28	10.28	10.28	10.28
Westborough WD	0.70	0.70	0.70	0.70	0.70	0.70
Total	**130.12**	**130.12**	**131.28**	**131.59**	**132.03**	**132.48**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2030
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	133.9	133.9	133.9	133.9	133.9
Wholesale RWS Supply	92.2	77.4	77.4	77.4	77.4
Percent Cutback	31%	42%	42%	42%	42%

		Projected Supply by Year Type				
Agency	2030 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	11.25	7.75	6.50	6.50	6.50	6.50
Brisbane / GVMID	0.94	0.65	0.54	0.54	0.54	0.54
Burlingame	3.92	2.70	2.27	2.27	2.27	2.27
Coastside CWD	1.17	0.81	0.68	0.68	0.68	0.68
CWS Total	27.04	18.61	15.63	15.63	15.63	15.63
Daly City	4.29	2.95	2.48	2.48	2.48	2.48
East Palo Alto	1.19	0.82	0.69	0.69	0.69	0.69
Estero MID	3.90	2.69	2.25	2.25	2.25	2.25
Hayward	14.74	10.15	8.52	8.52	8.52	8.52
Hillsborough	2.09	1.44	1.21	1.21	1.21	1.21
Menlo Park	2.58	1.78	1.49	1.49	1.49	1.49
Mid-Peninsula WD	2.82	1.94	1.63	1.63	1.63	1.63
Millbrae	1.91	1.31	1.10	1.10	1.10	1.10
Milpitas	5.30	3.65	3.06	3.06	3.06	3.06
Mountain View	7.87	5.42	4.55	4.55	4.55	4.55
North Coast CWD	2.23	1.54	1.29	1.29	1.29	1.29
Palo Alto	8.30	5.72	4.80	4.80	4.80	4.80
Purissima Hills WD	1.36	0.94	0.79	0.79	0.79	0.79
Redwood City	6.84	4.71	3.95	3.95	3.95	3.95
San Bruno	1.85	1.27	1.07	1.07	1.07	1.07
San Jose	4.50	3.10	2.60	2.60	2.60	2.60
Santa Clara	4.50	3.10	2.60	2.60	2.60	2.60
Stanford	1.77	1.22	1.02	1.02	1.02	1.02
Sunnyvale	10.72	7.38	6.20	6.20	6.20	6.20
Westborough WD	0.82	0.57	0.48	0.48	0.48	0.48
Total	**133.92**	**92.2**	**77.4**	**77.4**	**77.4**	**77.4**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2035
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	**1st/Single**	**2nd**	**3rd**	**4th**	**5th**
Wholesale RWS Demand	136.32	136.32	136.32	136.32	136.32
Wholesale RWS Supply	91.3	77.8	77.8	77.8	77.8
Percent Cutback	33%	43%	43%	43%	43%

		Projected Supply by Year Type				
Agency	**2035 Proj. RWS**	**1st/Single Dry Year**	**2nd Dry Year**	**3rd Dry Year**	**4th Dry Year**	**5th Dry Year**
Alameda CWD	11.56	7.74	6.60	6.60	6.60	6.60
Brisbane / GVMID	0.95	0.64	0.54	0.54	0.54	0.54
Burlingame	3.99	2.67	2.28	2.28	2.28	2.28
Coastside CWD	1.16	0.78	0.66	0.66	0.66	0.66
CWS Total	26.89	18.01	15.35	15.35	15.35	15.35
Daly City	4.29	2.87	2.45	2.45	2.45	2.45
East Palo Alto	1.19	0.80	0.68	0.68	0.68	0.68
Estero MID	3.92	2.63	2.24	2.24	2.24	2.24
Hayward	15.66	10.49	8.93	8.93	8.93	8.93
Hillsborough	2.08	1.39	1.19	1.19	1.19	1.19
Menlo Park	2.64	1.77	1.51	1.51	1.51	1.51
Mid-Peninsula WD	2.97	1.99	1.69	1.69	1.69	1.69
Millbrae	1.99	1.33	1.14	1.14	1.14	1.14
Milpitas	5.35	3.58	3.05	3.05	3.05	3.05
Mountain View	8.12	5.44	4.63	4.63	4.63	4.63
North Coast CWD	2.29	1.53	1.31	1.31	1.31	1.31
Palo Alto	8.20	5.49	4.68	4.68	4.68	4.68
Purissima Hills WD	1.35	0.90	0.77	0.77	0.77	0.77
Redwood City	6.54	4.38	3.73	3.73	3.73	3.73
San Bruno	2.27	1.52	1.30	1.30	1.30	1.30
San Jose	4.50	3.01	2.57	2.57	2.57	2.57
Santa Clara	4.50	3.01	2.57	2.57	2.57	2.57
Stanford	1.96	1.31	1.12	1.12	1.12	1.12
Sunnyvale	11.15	7.47	6.36	6.36	6.36	6.36
Westborough WD	0.80	0.54	0.46	0.46	0.46	0.46
Total	**136.32**	**91.3**	**77.8**	**77.8**	**77.8**	**77.8**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2040
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	140.57	140.57	140.57	140.57	140.57
Wholesale RWS Supply	91.1	77.2	77.2	77.2	77.2
Percent Cutback	35%	45%	45%	45%	45%

		Projected Supply by Year Type				
Agency	2040 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	12.00	7.78	6.59	6.59	6.59	6.59
Brisbane / GVMID	0.97	0.63	0.53	0.53	0.53	0.53
Burlingame	4.15	2.69	2.28	2.28	2.28	2.28
Coastside CWD	1.16	0.75	0.64	0.64	0.64	0.64
CWS Total	26.93	17.45	14.79	14.79	14.79	14.79
Daly City	4.29	2.78	2.36	2.36	2.36	2.36
East Palo Alto	1.19	0.77	0.65	0.65	0.65	0.65
Estero MID	3.93	2.54	2.16	2.16	2.16	2.16
Hayward	16.82	10.90	9.24	9.24	9.24	9.24
Hillsborough	2.09	1.35	1.15	1.15	1.15	1.15
Menlo Park	2.71	1.75	1.49	1.49	1.49	1.49
Mid-Peninsula WD	3.18	2.06	1.75	1.75	1.75	1.75
Millbrae	2.09	1.35	1.15	1.15	1.15	1.15
Milpitas	5.41	3.51	2.97	2.97	2.97	2.97
Mountain View	8.59	5.57	4.72	4.72	4.72	4.72
North Coast CWD	2.37	1.53	1.30	1.30	1.30	1.30
Palo Alto	8.15	5.28	4.48	4.48	4.48	4.48
Purissima Hills WD	1.36	0.88	0.75	0.75	0.75	0.75
Redwood City	6.73	4.36	3.69	3.69	3.69	3.69
San Bruno	2.68	1.74	1.47	1.47	1.47	1.47
San Jose	4.50	2.92	2.47	2.47	2.47	2.47
Santa Clara	4.50	2.92	2.47	2.47	2.47	2.47
Stanford	2.02	1.31	1.11	1.11	1.11	1.11
Sunnyvale	11.92	7.73	6.55	6.55	6.55	6.55
Westborough WD	0.84	0.55	0.46	0.46	0.46	0.46
Total	**140.57**	**91.1**	**77.2**	**77.2**	**77.2**	**77.2**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2045
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	**1st/Single**	**2nd**	**3rd**	**4th**	**5th**
Wholesale RWS Demand	144.11	144.11	144.11	144.11	144.11
Wholesale RWS Supply	91	76.7	76.7	76.7	76.7
Percent Cutback	37%	47%	47%	47%	47%

		Projected Supply by Year Type				
Agency	**2045 Proj. RWS**	**1st/Single Dry Year**	**2nd Dry Year**	**3rd Dry Year**	**4th Dry Year**	**5th Dry Year**
Alameda CWD	12.45	7.86	6.63	6.63	6.63	6.63
Brisbane / GVMID	0.97	0.61	0.52	0.52	0.52	0.52
Burlingame	4.30	2.72	2.29	2.29	2.29	2.29
Coastside CWD	1.16	0.73	0.62	0.62	0.62	0.62
CWS Total	26.80	16.92	14.26	14.26	14.26	14.26
Daly City	4.29	2.71	2.28	2.28	2.28	2.28
East Palo Alto	1.18	0.75	0.63	0.63	0.63	0.63
Estero MID	3.91	2.47	2.08	2.08	2.08	2.08
Hayward	18.14	11.45	9.65	9.65	9.65	9.65
Hillsborough	2.11	1.33	1.12	1.12	1.12	1.12
Menlo Park	2.76	1.75	1.47	1.47	1.47	1.47
Mid-Peninsula WD	3.39	2.14	1.80	1.80	1.80	1.80
Millbrae	2.18	1.38	1.16	1.16	1.16	1.16
Milpitas	5.46	3.45	2.91	2.91	2.91	2.91
Mountain View	9.04	5.71	4.81	4.81	4.81	4.81
North Coast CWD	2.36	1.49	1.26	1.26	1.26	1.26
Palo Alto	8.15	5.14	4.34	4.34	4.34	4.34
Purissima Hills WD	1.36	0.86	0.72	0.72	0.72	0.72
Redwood City	6.91	4.36	3.68	3.68	3.68	3.68
San Bruno	2.68	1.69	1.43	1.43	1.43	1.43
San Jose	4.50	2.84	2.40	2.40	2.40	2.40
Santa Clara	4.50	2.84	2.40	2.40	2.40	2.40
Stanford	2.07	1.31	1.10	1.10	1.10	1.10
Sunnyvale	12.58	7.94	6.70	6.70	6.70	6.70
Westborough WD	0.88	0.55	0.47	0.47	0.47	0.47
Total	**144.11**	**91.0**	**76.7**	**76.7**	**76.7**	**76.7**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2050
Scenario	With BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	148.35	148.35	148.35	148.35	148.35
Wholesale RWS Supply	91.4	76.6	76.6	76.6	76.6
Percent Cutback	38%	48%	48%	48%	48%

		Projected Supply by Year Type				
Agency	2050 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	11.25	7.67	6.43	6.43	6.43	6.43
Brisbane / GVMID	0.94	0.60	0.50	0.50	0.50	0.50
Burlingame	3.92	2.65	2.22	2.22	2.22	2.22
Coastside CWD	1.17	0.71	0.60	0.60	0.60	0.60
CWS Total	27.04	16.51	13.84	13.84	13.84	13.84
Daly City	4.29	2.64	2.22	2.22	2.22	2.22
East Palo Alto	1.19	0.73	0.61	0.61	0.61	0.61
Estero MID	3.90	2.41	2.02	2.02	2.02	2.02
Hayward	14.74	11.18	9.37	9.37	9.37	9.37
Hillsborough	2.09	1.30	1.09	1.09	1.09	1.09
Menlo Park	2.58	1.70	1.43	1.43	1.43	1.43
Mid-Peninsula WD	2.82	2.09	1.75	1.75	1.75	1.75
Millbrae	1.91	1.34	1.13	1.13	1.13	1.13
Milpitas	5.30	3.36	2.82	2.82	2.82	2.82
Mountain View	7.87	5.57	4.67	4.67	4.67	4.67
North Coast CWD	2.23	1.45	1.22	1.22	1.22	1.22
Palo Alto	8.30	5.02	4.21	4.21	4.21	4.21
Purissima Hills WD	1.36	0.84	0.70	0.70	0.70	0.70
Redwood City	6.84	4.26	3.57	3.57	3.57	3.57
San Bruno	1.85	1.65	1.38	1.38	1.38	1.38
San Jose	4.50	2.77	2.32	2.32	2.32	2.32
Santa Clara	4.50	2.77	2.32	2.32	2.32	2.32
Stanford	1.77	1.28	1.07	1.07	1.07	1.07
Sunnyvale	10.72	7.75	6.50	6.50	6.50	6.50
Westborough WD	0.82	0.54	0.45	0.45	0.45	0.45
Total	**133.92**	**88.8**	**74.4**	**74.4**	**74.4**	**74.4**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2030
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	133.9	133.9	133.9	133.9	133.9
Wholesale RWS Supply	133.9	133.9	133.9	133.9	133.9
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	2030 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	11.25	11.25	11.25	11.25	11.25	11.25
Brisbane / GVMID	0.94	0.94	0.94	0.94	0.94	0.94
Burlingame	3.92	3.92	3.92	3.92	3.92	3.92
Coastside CWD	1.17	1.17	1.17	1.17	1.17	1.17
CWS Total	27.04	27.04	27.04	27.04	27.04	27.04
Daly City	4.29	4.29	4.29	4.29	4.29	4.29
East Palo Alto	1.19	1.19	1.19	1.19	1.19	1.19
Estero MID	3.90	3.90	3.90	3.90	3.90	3.90
Hayward	14.74	14.74	14.74	14.74	14.74	14.74
Hillsborough	2.09	2.09	2.09	2.09	2.09	2.09
Menlo Park	2.58	2.58	2.58	2.58	2.58	2.58
Mid-Peninsula WD	2.82	2.82	2.82	2.82	2.82	2.82
Millbrae	1.91	1.91	1.91	1.91	1.91	1.91
Milpitas	5.30	5.30	5.30	5.30	5.30	5.30
Mountain View	7.87	7.87	7.87	7.87	7.87	7.87
North Coast CWD	2.23	2.23	2.23	2.23	2.23	2.23
Palo Alto	8.30	8.30	8.30	8.30	8.30	8.30
Purissima Hills WD	1.36	1.36	1.36	1.36	1.36	1.36
Redwood City	6.84	6.84	6.84	6.84	6.84	6.84
San Bruno	1.85	1.85	1.85	1.85	1.85	1.85
San Jose	4.50	4.50	4.50	4.50	4.50	4.50
Santa Clara	4.50	4.50	4.50	4.50	4.50	4.50
Stanford	1.77	1.77	1.77	1.77	1.77	1.77
Sunnyvale	10.72	10.72	10.72	10.72	10.72	10.72
Westborough WD	0.82	0.82	0.82	0.82	0.82	0.82
Total	**133.92**	**133.92**	**133.92**	**133.92**	**133.92**	**133.92**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2026
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	**2026**	**2027**	**2028**	**2029**	**2030**
Wholesale RWS Demand	130.1	130.9	131.6	132.4	133.2
Wholesale RWS Supply	130.1	130.9	131.6	132.4	133.2
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	**2025 RWS Purchases**	**2026**	**2027**	**2028**	**2029**	**2030**
Alameda CWD	10.08	10.08	11.25	11.56	12.00	12.45
Brisbane / GVMID	0.68	0.68	0.68	0.68	0.68	0.68
Burlingame	3.23	3.23	3.23	3.23	3.23	3.23
Coastside CWD	1.01	1.01	1.01	1.01	1.01	1.01
CWS Total	29.50	29.50	29.50	29.50	29.50	29.50
Daly City	3.55	3.55	3.55	3.55	3.55	3.55
East Palo Alto	1.72	1.72	1.72	1.72	1.72	1.72
Estero MID	3.78	3.78	3.78	3.78	3.78	3.78
Hayward	13.66	13.66	13.66	13.66	13.66	13.66
Hillsborough	2.32	2.32	2.32	2.32	2.32	2.32
Menlo Park	2.72	2.72	2.72	2.72	2.72	2.72
Mid-Peninsula WD	2.34	2.34	2.34	2.34	2.34	2.34
Millbrae	1.81	1.81	1.81	1.81	1.81	1.81
Milpitas	4.68	4.68	4.68	4.68	4.68	4.68
Mountain View	7.69	7.69	7.69	7.69	7.69	7.69
North Coast CWD	2.58	2.58	2.58	2.58	2.58	2.58
Palo Alto	9.31	9.31	9.31	9.31	9.31	9.31
Purissima Hills WD	1.51	1.51	1.51	1.51	1.51	1.51
Redwood City	7.43	7.43	7.43	7.43	7.43	7.43
San Bruno	1.03	1.03	1.03	1.03	1.03	1.03
San Jose	3.99	3.99	3.99	3.99	3.99	3.99
Santa Clara	2.91	2.91	2.91	2.91	2.91	2.91
Stanford	1.59	1.59	1.59	1.59	1.59	1.59
Sunnyvale	10.28	10.28	10.28	10.28	10.28	10.28
Westborough WD	0.70	0.70	0.70	0.70	0.70	0.70
Total	**130.12**	**130.12**	**131.28**	**131.59**	**132.03**	**132.48**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2035
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	136.3	136.3	136.3	136.3	136.3
Wholesale RWS Supply	136.3	136.3	136.3	136.3	136.3
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	2035 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	11.56	11.56	11.56	11.56	11.56	11.56
Brisbane / GVMID	0.95	0.95	0.95	0.95	0.95	0.95
Burlingame	3.99	3.99	3.99	3.99	3.99	3.99
Coastside CWD	1.16	1.16	1.16	1.16	1.16	1.16
CWS Total	26.89	26.89	26.89	26.89	26.89	26.89
Daly City	4.29	4.29	4.29	4.29	4.29	4.29
East Palo Alto	1.19	1.19	1.19	1.19	1.19	1.19
Estero MID	3.92	3.92	3.92	3.92	3.92	3.92
Hayward	15.66	15.66	15.66	15.66	15.66	15.66
Hillsborough	2.08	2.08	2.08	2.08	2.08	2.08
Menlo Park	2.64	2.64	2.64	2.64	2.64	2.64
Mid-Peninsula WD	2.97	2.97	2.97	2.97	2.97	2.97
Millbrae	1.99	1.99	1.99	1.99	1.99	1.99
Milpitas	5.35	5.35	5.35	5.35	5.35	5.35
Mountain View	8.12	8.12	8.12	8.12	8.12	8.12
North Coast CWD	2.29	2.29	2.29	2.29	2.29	2.29
Palo Alto	8.20	8.20	8.20	8.20	8.20	8.20
Purissima Hills WD	1.35	1.35	1.35	1.35	1.35	1.35
Redwood City	6.54	6.54	6.54	6.54	6.54	6.54
San Bruno	2.27	2.27	2.27	2.27	2.27	2.27
San Jose	4.50	4.50	4.50	4.50	4.50	4.50
Santa Clara	4.50	4.50	4.50	4.50	4.50	4.50
Stanford	1.96	1.96	1.96	1.96	1.96	1.96
Sunnyvale	11.15	11.15	11.15	11.15	11.15	11.15
Westborough WD	0.80	0.80	0.80	0.80	0.80	0.80
Total	**136.32**	**136.32**	**136.32**	**136.32**	**136.32**	**136.32**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2040
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	140.6	140.6	140.6	140.6	140.6
Wholesale RWS Supply	140.6	140.6	140.6	140.6	140.6
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	2040 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	12.00	12.00	12.00	12.00	12.00	12.00
Brisbane / GVMID	0.97	0.97	0.97	0.97	0.97	0.97
Burlingame	4.15	4.15	4.15	4.15	4.15	4.15
Coastside CWD	1.16	1.16	1.16	1.16	1.16	1.16
CWS Total	26.93	26.93	26.93	26.93	26.93	26.93
Daly City	4.29	4.29	4.29	4.29	4.29	4.29
East Palo Alto	1.19	1.19	1.19	1.19	1.19	1.19
Estero MID	3.93	3.93	3.93	3.93	3.93	3.93
Hayward	16.82	16.82	16.82	16.82	16.82	16.82
Hillsborough	2.09	2.09	2.09	2.09	2.09	2.09
Menlo Park	2.71	2.71	2.71	2.71	2.71	2.71
Mid-Peninsula WD	3.18	3.18	3.18	3.18	3.18	3.18
Millbrae	2.09	2.09	2.09	2.09	2.09	2.09
Milpitas	5.41	5.41	5.41	5.41	5.41	5.41
Mountain View	8.59	8.59	8.59	8.59	8.59	8.59
North Coast CWD	2.37	2.37	2.37	2.37	2.37	2.37
Palo Alto	8.15	8.15	8.15	8.15	8.15	8.15
Purissima Hills WD	1.36	1.36	1.36	1.36	1.36	1.36
Redwood City	6.73	6.73	6.73	6.73	6.73	6.73
San Bruno	2.68	2.68	2.68	2.68	2.68	2.68
San Jose	4.50	4.50	4.50	4.50	4.50	4.50
Santa Clara	4.50	4.50	4.50	4.50	4.50	4.50
Stanford	2.02	2.02	2.02	2.02	2.02	2.02
Sunnyvale	11.92	11.92	11.92	11.92	11.92	11.92
Westborough WD	0.84	0.84	0.84	0.84	0.84	0.84
Total	**140.57**	**140.57**	**140.57**	**140.57**	**140.57**	**140.57**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-1 through Table 7-4

Base Year	2045
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	1st/Single	2nd	3rd	4th	5th
Wholesale RWS Demand	144.1	144.1	144.1	144.1	144.1
Wholesale RWS Supply	144.1	144.1	144.1	144.1	144.1
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	2045 Proj. RWS	1st/Single Dry Year	2nd Dry Year	3rd Dry Year	4th Dry Year	5th Dry Year
Alameda CWD	12.45	12.45	12.45	12.45	12.45	12.45
Brisbane / GVMID	0.97	0.97	0.97	0.97	0.97	0.97
Burlingame	4.30	4.30	4.30	4.30	4.30	4.30
Coastside CWD	1.16	1.16	1.16	1.16	1.16	1.16
CWS Total	26.80	26.80	26.80	26.80	26.80	26.80
Daly City	4.29	4.29	4.29	4.29	4.29	4.29
East Palo Alto	1.18	1.18	1.18	1.18	1.18	1.18
Estero MID	3.91	3.91	3.91	3.91	3.91	3.91
Hayward	18.14	18.14	18.14	18.14	18.14	18.14
Hillsborough	2.11	2.11	2.11	2.11	2.11	2.11
Menlo Park	2.76	2.76	2.76	2.76	2.76	2.76
Mid-Peninsula WD	3.39	3.39	3.39	3.39	3.39	3.39
Millbrae	2.18	2.18	2.18	2.18	2.18	2.18
Milpitas	5.46	5.46	5.46	5.46	5.46	5.46
Mountain View	9.04	9.04	9.04	9.04	9.04	9.04
North Coast CWD	2.36	2.36	2.36	2.36	2.36	2.36
Palo Alto	8.15	8.15	8.15	8.15	8.15	8.15
Purissima Hills WD	1.36	1.36	1.36	1.36	1.36	1.36
Redwood City	6.91	6.91	6.91	6.91	6.91	6.91
San Bruno	2.68	2.68	2.68	2.68	2.68	2.68
San Jose	4.50	4.50	4.50	4.50	4.50	4.50
Santa Clara	4.50	4.50	4.50	4.50	4.50	4.50
Stanford	2.07	2.07	2.07	2.07	2.07	2.07
Sunnyvale	12.58	12.58	12.58	12.58	12.58	12.58
Westborough WD	0.88	0.88	0.88	0.88	0.88	0.88
Total	**144.11**	**144.11**	**144.11**	**144.11**	**144.11**	**144.11**

Attachment B: 2025 UWMP Wholesale Customer Dry Year Allocations

For UWMP Tables 7-2 through Table 7-4

Base Year	2050
Scenario	Without BDP

Basis of Water Supply Data

Consecutive Dry Year	**1st/Single**	**2nd**	**3rd**	**4th**	**5th**
Wholesale RWS Demand	148.3	148.3	148.3	148.3	148.3
Wholesale RWS Supply	148.3	148.3	148.3	148.3	148.3
Percent Cutback	0%	0%	0%	0%	0%

		Projected Supply by Year Type				
Agency	**2050 Proj. RWS**	**1st/Single Dry Year**	**2nd Dry Year**	**3rd Dry Year**	**4th Dry Year**	**5th Dry Year**
Alameda CWD	11.25	12.45	12.45	12.45	12.45	12.45
Brisbane / GVMID	0.94	0.97	0.97	0.97	0.97	0.97
Burlingame	3.92	4.30	4.30	4.30	4.30	4.30
Coastside CWD	1.17	1.16	1.16	1.16	1.16	1.16
CWS Total	27.04	26.80	26.80	26.80	26.80	26.80
Daly City	4.29	4.29	4.29	4.29	4.29	4.29
East Palo Alto	1.19	1.18	1.18	1.18	1.18	1.18
Estero MID	3.90	3.91	3.91	3.91	3.91	3.91
Hayward	14.74	18.14	18.14	18.14	18.14	18.14
Hillsborough	2.09	2.11	2.11	2.11	2.11	2.11
Menlo Park	2.58	2.76	2.76	2.76	2.76	2.76
Mid-Peninsula WD	2.82	3.39	3.39	3.39	3.39	3.39
Millbrae	1.91	2.18	2.18	2.18	2.18	2.18
Milpitas	5.30	5.46	5.46	5.46	5.46	5.46
Mountain View	7.87	9.04	9.04	9.04	9.04	9.04
North Coast CWD	2.23	2.36	2.36	2.36	2.36	2.36
Palo Alto	8.30	8.15	8.15	8.15	8.15	8.15
Purissima Hills WD	1.36	1.36	1.36	1.36	1.36	1.36
Redwood City	6.84	6.91	6.91	6.91	6.91	6.91
San Bruno	1.85	2.68	2.68	2.68	2.68	2.68
San Jose	4.50	4.50	4.50	4.50	4.50	4.50
Santa Clara	4.50	4.50	4.50	4.50	4.50	4.50
Stanford	1.77	2.07	2.07	2.07	2.07	2.07
Sunnyvale	10.72	12.58	12.58	12.58	12.58	12.58
Westborough WD	0.82	0.88	0.88	0.88	0.88	0.88
Total	**133.92**	**144.11**	**144.11**	**144.11**	**144.11**	**144.11**

APPENDIX F – SUPPLY RELIABILITY LETTER (DATED MARCH 11, 2026)

San Francisco Water Power Sewer
Operator of the Hetch Hetchy Regional Water System

525 Golden Gate Ave
San Francisco, CA 94102
(415) 554-3155
sfpuc.gov

March 11, 2026

Danielle McPherson
Senior Water Resources Specialist
Bay Area Water Supply and Conservation Agency
155 Bovet Road, Suite 650
San Mateo, CA 94402

Dear Ms. McPherson,

This letter contains the supply reliability of the San Francisco Public Utilities Commission (SFPUC) Regional Water System (RWS) that the SFPUC has prepared for the 2025 Urban Water Management Plan (UWMP), which the Wholesale Customers may also use in their respective 2025 UWMPs. The SFPUC has assessed the RWS's supply reliability under the following planning scenarios:

1. Projected supply reliability for years 2030 through 2050, assuming total demand is equivalent to the sum of the projected retail and wholesale demands on the RWS, which includes Wholesale Customer purchase projections provided to the SFPUC by BAWSCA on March 4, 2026 (refer to Table 1 below).
2. Projected supply reliability for 2050, assuming total demand is equivalent to the sum of the projected retail demands on the RWS and the Wholesale Customers' Supply Assurance of 184 MGD.
3. Under each of the above demand conditions, projected supply reliability for the following scenarios: (a) with implementation of the 2018 amendments to the Bay-Delta Water Quality Control Plan (Bay-Delta Plan Amendment) and (b) without implementation of the Bay-Delta Plan Amendment.

Daniel Lurie
Mayor

Joshua Arce
President

Stephen E. Leveroni
Vice President

Avni Jamdar
Commissioner

Kate H. Stacy
Commissioner

Meghan Thurlow
Commissioner

Dennis J. Herrera
General Manager

Services of the San Francisco Public Utilities Commission

OUR MISSION: To provide our customers with high-quality, efficient, and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

Table 1. Retail and Wholesale RWS Demand Assumptions Used for Supply Reliability Modeling (MGD)

	2025[1]	2030	2035	2040	2045	2050
Retail	61.1	62.7	61.2	61.9	64.0	66.7
Wholesale[2]	130.1	133.9	136.3	140.6	144.1	148.4
Total	**191.2**	**196.6**	**197.5**	**202.5**	**208.1**	**215.1**

[1] 2025 demands are from the FY 2024-25 Table J-1 water use calculations, prepared pursuant to the Water Supply Agreement between the SFPUC and the Wholesale Customers.

[2] 2030 through 2050 Wholesale Customer purchase projections were provided to the SFPUC by BAWSCA on March 4, 2026, and include demands for the cities of San Jose and Santa Clara.

The total amount of water the SFPUC can deliver to the Retail and Wholesale Customers from the RWS depends on several factors, including (1) the amount of water that is available to the SFPUC from natural runoff, (2) the amount of water in reservoir storage, and (3) the amount of water that the SFPUC releases from the RWS for purposes other than customer deliveries (e.g., instream flow releases below RWS reservoirs). For planning purposes, the SFPUC "average year" or "normal year" is based on historical hydrology under conditions that allow the RWS reservoirs to be filled over the course of the snowmelt season, allowing full deliveries to customers. For "dry-year" supply scenarios, the SFPUC plans its water deliveries using a water-supply planning methodology with reference to a simulated 8.5-year design drought.

In each demand scenario for 2030 through 2050, the SFPUC estimated RWS deliveries using the standard SFPUC procedure, which includes adding increased levels of rationing as needed in dry years to balance the demands on the RWS with available water supply. The five consecutive dry-year sequence shown in the tables below represent years 2 through 6 of the design drought. The SFPUC chose this sequence because year 2 is the first year in which system-wide water use reductions could take effect, as the design drought sequence generally begins year 1 with full reservoirs. All simulations that the SFPUC has prepared for its 2025 UWMP have increased levels of rationing in the final years of the design drought sequence. The SFPUC has presented the results in the standardized format prescribed by DWR.

Assumptions about the status of the dry-year water supply projects included in the SFPUC's Water System Improvement Program (WSIP) are provided below in Table 2 titled "WSIP Project Assumptions for RWS Supply Modeling." The table reflects instream flow requirements at San Mateo and Alameda Creeks,

as described in the UWMP "common language" that the SFPUC provided to BAWSCA and the Wholesale Customers separately from this letter.

The SFPUC utilized the Water Shortage Allocation Plan (WSAP) that is incorporated in the Water Supply Agreement between the SFPUC and the Wholesale Customers to allocate the RWS supply available during dry years between the Retail Customers and the Wholesale Customers in the 2025 UWMP supply reliability analysis. The WSAP, also known as the Tier 1 Plan, defines the method for allocating between the Retail Customers collectively and Wholesale Customers collectively the available RWS supplies during system-wide shortages. The SFPUC and the Wholesale Customers most recently amended the WSAP in 2025. Also in 2025, the Wholesale Customers adopted an updated Tier 2 Plan, which allocates the collective Wholesale Customers' share of available RWS supplies from the Tier 1 Plan among each of the 26 Wholesale Customers. The WSAP addresses shortages that require a system-wide reduction in water use of 20% or less, consistent with the SFPUC's Level of Service Goal. For any shortage scenario requiring a system-wide reduction in water use above 20% in the supply reliability analysis, the SFPUC applied the Tier 1 Plan's allocation of supplies between the Retail Customers and Wholesale Customers for a shortage requiring a system-wide reduction in water use of 16-20%.

Because of the uncertainty surrounding implementation of the Bay-Delta Plan Amendment, the RWS supply reliability assessment evaluates two future supply scenarios: (1) with implementation of the Bay-Delta Plan Amendment, and (2) without implementation of the Bay-Delta Plan Amendment. It is unknown when implementation may begin on the Bay-Delta Plan Amendment; for the purposes of the 2025 UWMP analysis, the SFPUC included it beginning in the 2030 modeling scenarios (see Tables 4a-4g and 6).

The SFPUC incorporated additional modeling assumptions in the 2025 UWMP analysis regarding the State Water Resources Control Board curtailments and assumptions regarding agreements with Turlock and Modesto Irrigation Districts pertaining to instream flow obligations.

1. During the last two drought periods, 2013-2016 and 2021-2023, the State Water Resources Control Board implemented curtailments through emergency regulations and curtailment orders that attempted to limit diversions from Central Valley watersheds including the Tuolumne River at certain times. Due to the uncertain legality of the State Water Resources Control Board's curtailment actions as well as the

uncertainties regarding any potential future curtailment actions against San Francisco, the SFPUC's RWS supply reliability analyses do not assume curtailments are in effect.

2. Through a 1966 agreement with the Modesto and Turlock Irrigation Districts (Districts), who are more senior downstream appropriative water rights holders on the Tuolumne River, San Francisco may become responsible for up to approximately 51.7% of any flow releases the Federal Energy Regulatory Commission (FERC) may require through issuance of a new license for the Districts' Don Pedro Hydropower Project. The exact flow contribution for which San Francisco may become responsible is highly uncertain and may depend on multiple currently unknown factors, including an anticipated Endangered Species Act biological opinion from the National Marine Fisheries Service and a Clean Water Act section 401 water quality certification from the State Water Resources Control Board. San Francisco's potential responsibility for FERC-ordered flows may further depend on San Francisco's ability to enter into a new or extended agreement with the Districts to offset a portion of San Francisco's flow contributions in exchange for payment. Due to the high levels of uncertainty surrounding the Districts' FERC-relicensing process, as well as the unknown timing for license issuance, the SFPUC's RWS water supply reliability analyses do not assume additional water supply losses from any potential new FERC-ordered flow releases.
3. The simulation of the Bay-Delta Plan Amendment scenario assumes that a 1996 agreement between San Francisco and the Districts (the Side Agreement), which allows San Francisco to pay the Districts in lieu of contributing a portion of current FERC-ordered flow releases, remains in effect, and that the San Francisco share of flows in excess of and not covered by the Side Agreement is approximately 51.7%. These assumptions were made for the purpose of completing the modeling for the UWMP update, and they do not represent a commitment by San Francisco or the Districts to any future agreement or of San Francisco accepting responsibility for any future FERC-ordered flow releases.

Based on current projected demands, supply modeling for the two future supply scenarios shows significantly different supply reliability projections for the RWS:

- With implementation of the Bay-Delta Plan Amendment: Under this scenario, using the demand assumptions shown in Table 1, RWS supplies are expected to range from full availability in an average year

(100%) to as low as 57% in multiple dry years when compared to water supplies in an average year. In other words, RWS supplies could be reduced by up to 43% in a multi-year drought. See Tables 4a-4g and 6.

- Without implementation of the Bay-Delta Plan Amendment: Under this scenario, using demand assumptions shown in Table 1, there are no anticipated shortages of RWS supplies. See Tables 5a-5g and 7.

Table 8 below provides the Wholesale Customer purchase projections and Wholesale Customer allocation of RWS supply for the five-year drought risk assessment from 2026 to 2030. The supply projections for 2026 to 2030 are based on a linear growth from 2025 to 2030 levels of demand as calculated by BAWSCA. This table does not assume implementation of the Bay-Delta Plan Amendment because the start of implementation remains uncertain.

In the forthcoming 2025 UWMP, the SFPUC acknowledges that it has a Level of Service objective to meet an average annual water demand of 265 MGD from the SFPUC watersheds for Retail and Wholesale Customers during non-drought years, as well as a contractual obligation to supply 184 MGD to the Wholesale Customers, subject to reduction under certain conditions. The SFPUC will, accordingly, include the results of modeling based on a Wholesale Customer demand of 184 MGD to facilitate planning that supports meeting this Level of Service objective and its contractual obligations. The results of this modeling will be in an appendix to the 2025 UWMP prepared by the SFPUC. The RWS supply projections shown in the tables below are more accurately characterized as supplies that will be used to meet projected Retail and Wholesale Customer demands.

It is our understanding that you will pass this information on to the Wholesale Customers. If you have any questions or need additional information, please do not hesitate to contact Jennifer Lee at jenlee@sfwater.org or (415) 551-4563.

Sincerely,

Steven R. Ritchie

Steven R. Ritchie
Assistant General Manager, Water Enterprise

Table 2: WSIP Project Assumptions for RWS Supply Modeling

Projects	Base Year 2025	Base Year 2030 and Beyond	Base Year 2040 and Beyond
Lower Crystal Springs Dam Improvements	Crystal Springs storage not fully restored	Crystal Springs storage not fully restored	Crystal Springs storage not fully restored
Regional Groundwater Storage and Recovery (GSR) Project	GSR account partially filled at spring 2020 level of 43,000 AF; GSR recovery rate of 5.2 MGD[a]	GSR account fully filled; GSR recovery rate of 5.2 MGD[a]	GSR account fully filled; GSR recovery rate of 6.2 MGD[a]
Alameda Creek Recapture Project	Project not built	Project built and operating	Project built and operating
Dry-Year Transfers	Not in effect	Not in effect	Not in effect

a. The GSR Project was intended to provide 7.2 MGD over 7.5 years, however current limitations on the number of wells available will result in deliveries less than 7.2 MGD over 7.5 years.

Table 3: Projected Total Regional Water System Supply Utilized and Portion of Regional Water System Supply Utilized by Wholesale Customers in Normal Years [For Table 6-9]:

RWS Supply	2030	2035	2040	2045	2050
RWS Supply Utilized (MGD)	196.6	197.5	202.5	208.1	215.1
RWS Supply Utilized by Wholesale Customers[a] (MGD)	133.9	136.3	140.6	144.1	148.4

a. RWS supply utilized by Wholesale Customers from 2030 through 2050 is equivalent to Wholesale Customer purchase projections provided to the SFPUC by BAWSCA on March 4, 2026, and includes demands for the cities of San Jose and Santa Clara.

Basis of Water Supply Data: With Implementation of the Bay-Delta Plan Amendment

Table 4a: Basis of Water Supply Data [For Table 7-1], Base Year 2030, With Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2030	196.6	100%	133.9	
Single dry year	2030	147.5	75%	92.2	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2030	147.5	75%	92.2	Same as above.
Consecutive 2nd dry year	2030	123.9	63%	77.4	Same as above.
Consecutive 3rd dry year	2030	123.9	63%	77.4	Same as above.
Consecutive 4th dry year	2030	123.9	63%	77.4	Same as above.
Consecutive 5th dry year	2030	123.9	63%	77.4	Same as above.

Table 4b: Basis of Water Supply Data [For Table 7-1], Base Year 2035, With Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2035	197.5	100%	136.3	
Single dry year	2035	146.2	74%	91.3	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2035	146.2	74%	91.3	Same as above.
Consecutive 2nd dry year	2035	124.4	63%	77.8	Same as above.
Consecutive 3rd dry year	2035	124.4	63%	77.8	Same as above.
Consecutive 4th dry year	2035	124.4	63%	77.8	Same as above.
Consecutive 5th dry year	2035	124.4	63%	77.8	Same as above.

Table 4c: Basis of Water Supply Data [For Table 7-1], Base Year 2040, With Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2040	202.5	100%	140.6	
Single dry year	2040	145.8	72%	91.1	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2040	145.8	72%	91.1	Same as above.
Consecutive 2nd dry year	2040	123.5	61%	77.2	Same as above.
Consecutive 3rd dry year	2040	123.5	61%	77.2	Same as above.
Consecutive 4th dry year	2040	123.5	61%	77.2	Same as above.
Consecutive 5th dry year	2040	123.5	61%	77.2	Same as above.

Table 4d: Basis of Water Supply Data [For Table 7-1], Base Year 2045, With Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2045	208.1	100%	144.1	
Single dry year	2045	145.7	70%	91.0	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2045	145.7	70%	91.0	Same as above.
Consecutive 2nd dry year	2045	122.8	59%	76.7	Same as above.
Consecutive 3rd dry year	2045	122.8	59%	76.7	Same as above.
Consecutive 4th dry year	2045	122.8	59%	76.7	Same as above.
Consecutive 5th dry year	2045	122.8	59%	76.7	Same as above.

Table 4e: Basis of Water Supply Data [For Table 7-1], Base Year 2050, With Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2050	215.1	100%	148.4	
Single dry year	2050	146.2	68%	91.4	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2050	146.2	68%	91.4	Same as above.
Consecutive 2nd dry year	2050	122.6	57%	76.6	Same as above.
Consecutive 3rd dry year	2050	122.6	57%	76.6	Same as above.
Consecutive 4th dry year	2050	122.6	57%	76.6	Same as above.
Consecutive 5th dry year	2050	122.6	57%	76.6	Same as above.

Table 4f: Basis of Water Supply Data [For Table 7-1], Base Year 2050, With Bay-Delta Plan Amendment and Wholesale Demands at 184 MGD Supply Assurance

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2050	250.7	100%	184.0	
Single dry year	2050	145.4	58%	90.9	At shortages 20% or greater, wholesale allocation is assumed to be 62.5% and retail allocation is 37.5%.
Consecutive 1st dry year	2050	145.4	58%	90.9	Same as above.
Consecutive 2nd dry year	2050	120.3	48%	75.2	Same as above.
Consecutive 3rd dry year	2050	120.3	48%	75.2	Same as above.
Consecutive 4th dry year	2050	120.3	48%	75.2	Same as above.
Consecutive 5th dry year	2050	120.3	48%	75.2	Same as above.

Table 4g: Projected RWS Supply Availability [Alternative to Table 7-1], Years 2030-2050, With Bay-Delta Plan Amendment

Year Type	2030	2035	2040	2045	2050	2050 (with 184 MGD Supply Assurance)
Average year	100%	100%	100%	100%	100%	100%
Single dry year	75%	74%	72%	70%	68%	58%
Consecutive 1st dry year	75%	74%	72%	70%	68%	58%
Consecutive 2nd dry year	63%	63%	61%	59%	57%	48%
Consecutive 3rd dry year	63%	63%	61%	59%	57%	48%
Consecutive 4th dry year	63%	63%	61%	59%	57%	48%
Consecutive 5th dry year	63%	63%	61%	59%	57%	48%

Basis of Water Supply Data: Without Implementation of the Bay-Delta Plan Amendment

Table 5a: Basis of Water Supply Data [For Table 7-1], Base Year 2030, Without Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2030	196.6	100%	133.9	
Single dry year	2030	196.6	100%	133.9	
Consecutive 1st dry year	2030	196.6	100%	133.9	
Consecutive 2nd dry year	2030	196.6	100%	133.9	
Consecutive 3rd dry year	2030	196.6	100%	133.9	
Consecutive 4th dry year	2030	196.6	100%	133.9	
Consecutive 5th dry year	2030	196.6	100%	133.9	

Table 5b: Basis of Water Supply Data [For Table 7-1], Base Year 2035, Without Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2035	197.5	100%	136.3	
Single dry year	2035	197.5	100%	136.3	
Consecutive 1st dry year	2035	197.5	100%	136.3	
Consecutive 2nd dry year	2035	197.5	100%	136.3	
Consecutive 3rd dry year	2035	197.5	100%	136.3	
Consecutive 4th dry year	2035	197.5	100%	136.3	
Consecutive 5th dry year	2035	197.5	100%	136.3	

Table 5c: Basis of Water Supply Data [For Table 7-1], Base Year 2040, Without Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2040	202.5	100%	140.6	
Single dry year	2040	202.5	100%	140.6	
Consecutive 1st dry year	2040	202.5	100%	140.6	
Consecutive 2nd dry year	2040	202.5	100%	140.6	
Consecutive 3rd dry year	2040	202.5	100%	140.6	
Consecutive 4th dry year	2040	202.5	100%	140.6	
Consecutive 5th dry year	2040	202.5	100%	140.6	

Table 5d: Basis of Water Supply Data [For Table 7-1], Base Year 2045, Without Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2045	208.1	100%	144.1	
Single dry year	2045	208.1	100%	144.1	
Consecutive 1st dry year	2045	208.1	100%	144.1	
Consecutive 2nd dry year	2045	208.1	100%	144.1	
Consecutive 3rd dry year	2045	208.1	100%	144.1	
Consecutive 4th dry year	2045	208.1	100%	144.1	
Consecutive 5th dry year	2045	208.1	100%	144.1	

Table 5e: Basis of Water Supply Data [For Table 7-1], Base Year 2050, Without Bay-Delta Plan Amendment

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2050	215.1	100%	148.4	
Single dry year	2050	215.1	100%	148.4	
Consecutive 1st dry year	2050	215.1	100%	148.4	
Consecutive 2nd dry year	2050	215.1	100%	148.4	
Consecutive 3rd dry year	2050	215.1	100%	148.4	
Consecutive 4th dry year	2050	215.1	100%	148.4	
Consecutive 5th dry year	2050	215.1	100%	148.4	

Table 5f: Basis of Water Supply Data [For Table 7-1], Base Year 2050, Without Bay-Delta Plan Amendment and Wholesale Demands at 184 MGD Supply Assurance

Year Type	Base Year	RWS Volume Available (MGD)	% of Average Supply	Wholesale Volume Available (MGD)	Notes on Calculation of Wholesale Allocation of RWS
Average year	2050	250.7	100%	184.0	
Single dry year	2050	225.6	90%	158.9	At 10% shortage, wholesale allocation is 64% (144.4 MGD) and retail allocation is 36% (81.2 MGD). Retail allocations above 66.7 MGD are re-allocated to Wholesale Customers, per the Water Supply Agreement. Therefore, 14.5 MGD is added to wholesale allocation, bringing it to 158.9 MGD.
Consecutive 1st dry year	2050	225.6	90%	158.9	Same as above.
Consecutive 2nd dry year	2050	225.6	90%	158.9	Same as above.
Consecutive 3rd dry year	2050	225.6	90%	158.9	Same as above.
Consecutive 4th dry year	2050	225.6	90%	158.9	Same as above.
Consecutive 5th dry year	2050	225.6	90%	158.9	Same as above.

Table 5g: Projected RWS Supply [Alternative to Table 7-1], Years 2030-2050, Without Bay-Delta Plan Amendment

Year Type	2030	2035	2040	2045	2050	2050 (with 184 MGD Supply Assurance)
Average year	100%	100%	100%	100%	100%	100%
Single dry year	100%	100%	100%	100%	100%	90%
Consecutive 1st dry year	100%	100%	100%	100%	100%	90%
Consecutive 2nd dry year	100%	100%	100%	100%	100%	90%
Consecutive 3rd dry year	100%	100%	100%	100%	100%	90%
Consecutive 4th dry year	100%	100%	100%	100%	100%	90%
Consecutive 5th dry year	100%	100%	100%	100%	100%	90%

Supply Projections for Consecutive Five Dry Year Sequences

Table 6: Projected Multiple Dry Years RWS Wholesale Allocation [For Table 7-4], With Bay-Delta Plan Amendment

	2030	2035	2040	2045	2050	2050 (with 184 MGD Supply Assurance)
First year	92.2	91.3	91.1	91.0	91.4	90.9
Second year	77.4	77.8	77.2	76.7	76.6	75.2
Third year	77.4	77.8	77.2	76.7	76.6	75.2
Fourth year	77.4	77.8	77.2	76.7	76.6	75.2
Fifth year	77.4	77.8	77.2	76.7	76.6	75.2

Table 7: Projected Multiple Dry Years RWS Wholesale Allocation [For Table 7-4], Without Bay-Delta Plan Amendment

	2030	2035	2040	2045	2050	2050 (with 184 MGD Supply Assurance)
First year	133.9	136.3	140.6	144.1	148.4	158.9
Second year	133.9	136.3	140.6	144.1	148.4	158.9
Third year	133.9	136.3	140.6	144.1	148.4	158.9
Fourth year	133.9	136.3	140.6	144.1	148.4	158.9
Fifth year	133.9	136.3	140.6	144.1	148.4	158.9

Table 8: Projected RWS Supply for 5-Year Drought Risk Assessment [For Table 7-5]

Year	2026	2027	2028	2029	2030
Wholesale Purchase Projections[a] (MGD)	130.9	131.6	132.4	133.2	133.9
RWS Supply Utilized by Wholesale Customers[b] (MGD)	130.9	131.6	132.4	133.2	133.9

a. Wholesale Purchase Projections for 2026-2030 assume a linear growth between 2025 actual demands and 2030 projections, as calculated by BAWSCA.
b. This table does not assume implementation of the Bay-Delta Plan Amendment because the start of implementation remains uncertain.

APPENDIX G – ADOPTION RESOLUTION

Documentation pending. It will be included in the Final Draft of this 2025 UWMP.

APPENDIX H – DOCUMENTATION OF 2025 UWMP AND WSCP SUBMITTALS

Documentation pending. It will be included in the Final Draft of this 2025 UWMP.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE 2025 URBAN WATER MANAGEMENT PLAN

WHEREAS, on September 21, 1983, the State of California enacted Assembly Bill 797 (Wat. Code §10610, et seq.), known as the "Urban Water Management Plan Act," which, as amended, required that urban retail suppliers of potable water for municipal purposes serving more than 3,000 customers or retailing more than 3,000 acre feet of water annually, adopt Urban Water Management Plans by December 31, 1985, and every five years on or before July 1, in years ending in six and one thereafter adopt updated plans for the conservation and efficient use of water; and

WHEREAS, in 1985 the City of Milpitas ("City") provided municipal water to a population of over 40,000 (now over 81,000) and supplied over 6,000 acre-feet of water annually (now over 10,400 acre-feet), it adopted Urban Water Management Plans on December 17, 1985; June 4, 1991 as amended April 1994; March 19, 1996; January 16, 2001; December 6, 2005; June 7, 2011; June 7, 2016; and June 15, 2021; and

WHEREAS, pursuant to recent amendments to the Urban Water Management Planning Act, urban water suppliers are required to update and electronically submit their 2025 Urban Water Management Plans to the California Department of Water Resources (DWR) by July 1, 2026; and

WHEREAS, on November 10, 2009, the State of California enacted Senate Bill 7 (SB X7-7) (Wat. Code § 10608 et seq.), known as the "Water Conservation Act of 2009," which defines an "urban retail water supplier" as a water supplier that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre feet of potable water annually at retail for municipal purposes, and an "urban wholesale water supplier" is defined as a water supplier that provides more than 3,000 acre feet of water annually at wholesale for potable municipal purposes; and

WHEREAS, the City meets the definition of an urban retail water supplier for the purposes of the Urban Water Management Planning Act and SB X7-7; and

WHEREAS, SB X7-7 required 20 percent reduction of urban per capita water use by December 31, 2020, required water suppliers to include in their 2010 Urban Water Management Plans per capita daily water use target values to achieve 20 percent water use reduction, and allowed water suppliers to update the 2020 urban water use targets in their 2015 Urban Water Management Plan; and

WHEREAS, the 2010 Urban Water Management Plan established the 2020 per capita daily water use target via Method 1 – "Gross Water Use Method," as developed by the California Department of Water Resources, which required the City's 2020 per capita water consumption rate to be 80 percent of its baseline per capita water use, determined that the City's baseline, as averaged over the ten-year period from July 1, 1995 to June 30, 2004, was 176 gallons per day, and therefore found that the target per capita water use for the year 2020 was 141 gallons per day; and

WHEREAS, the 2015 Urban Water Management Plan uses a calendar year basis of January 1, 1995 to December 31, 2004 to calculate the 2015 and 2020 per capita water use targets to be consistent with calendar year convention throughout the Urban Water Management Plan, resulting in a baseline usage of 183 gallons per day per capita (gpdpc) and 2015 and 2020 targets of 159 and 146 gpdpc; and

WHEREAS, as the City's per capita use is currently 108 gallon per day, a consumption rate lower than the 2020 target water use; and

WHEREAS, the City has prepared a 2025 Urban Water Management Plan in accordance with the Urban Water Management Planning Act and SB X7-7, and in accordance with applicable legal requirements, has undertaken certain coordination, notice, public involvement, public comment, and other procedures in relation to

its 2025 Urban Water Management Plan; and

WHEREAS, the 2025 Urban Water Management Plan describes the City's service area, existing and planned sources of water, reliability of the supply, water demand and use projections, water conservation and demand management measures, water shortage contingency analysis and recycled water use; and

WHEREAS, in accordance with the Urban Water Management Planning Act and SB X7-7, City has prepared its 2025 Urban Water Management Plan with its own staff, with the assistance of consulting professionals, and in cooperation with other governmental agencies, and has utilized and relied upon industry standards and the expertise of industry professionals in preparing its 2025 Urban Water Management Plan, and has also utilized DWR's Urban Water Management Plan Guidebook 2025, including its related appendices, in preparing its 2025 Urban Water Management Plan; and

WHEREAS, the said Urban Water Management Plan incorporates the City's current water conservation program consisting of policies, practices, and regulations that may be expected to continue yielding increased per capita water savings as higher-density housing is developed in accordance with water conservation requirements; and

WHEREAS, pursuant to said public hearing on City's 2025 Urban Water Management Plan, the City, among other things, encouraged the active involvement of diverse social, cultural, and economic sectors of the population within the City's retail water service area with regard to the 2025 Urban Water Management Plan and encouraged community input regarding City's 2025 Urban Water Management Plan; and

WHEREAS, the City prepared the 2025 Urban Water Management Plan in coordination with other appropriate agencies, including other suppliers sharing common sources, regional water management agencies, and relevant public agencies, to the extent practicable; and

WHEREAS, in accordance with applicable law, including Water Code sections 10608.26 and 10642, and Government Code section 6066, a Notice of a Public Hearing regarding City of Milpitas' 2025 Urban Water Management Plan was published within the jurisdiction of the City on May 22, 2026 and May 29, 2026; and

WHEREAS, the City has provided notice to the public of its intent to adopt the 2025 Urban Water Management Plan, has made the draft plan available for public review, and has encouraged the public to provide comment; and

WHEREAS, in accordance with applicable law, including but not limited to Water Code sections 10608.26 and10642, the City properly noticed and held a public hearing on June 9, 2026, in order to provide members of the public and other interested entities with the opportunity to be heard in connection with proposed adoption of the 2025 Urban Water Management Plan and issues related thereto; and

WHEREAS, the City has reviewed and considered the purposes and requirements of the Urban Water Management Planning Act and SB X7-7, the contents of the 2025 Urban Water Management Plan, and the documentation contained in the administrative record in support of the 2025 Urban Water Management Plan, and has determined that the factual analyses and conclusions set forth in the 2025 Urban Water Management Plan are legally sufficient; and

WHEREAS, the City Council desires to adopt the 2025 Urban Water Management Plan prior to July 1, 2026 in order to comply with the Act and SB X7-7; and

WHEREAS, Section 10652 of the California Water Code provides that the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) (CEQA) does not apply to the preparation and adoption of the 2025 Urban Water Management Plan.

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. The custodian for these records is the City Clerk. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The Council finds and determines that, under California Water Code Section 10652, the adoption of the Urban Water Management Plan and this resolution does not constitute a project under the California Environmental Quality Act, and no environmental assessment is required. Pursuant to CEQA, the Council directs staff to file a Notice of Exemption with the County Clerk within five (5) working days of adoption of this resolution.

3. The 2025 Urban Water Management Plan, which replaces the 2020 Urban Water Management Plan, is hereby adopted and ordered filed with the City Clerk.

4. The City of Milpitas' 2025 Urban Water Management Plan, attached hereto as Exhibit A, is hereby adopted as amended by changes incorporated by the Council as a result of input received (if any) at the public hearing and ordered filed with the City Clerk.

5. The City Manager is hereby authorized and directed to include a copy of this Resolution in City of Milpitas' 2025 Urban Water Management Plan.

6. The City Manager, or designee, is hereby authorized and directed to file the Plan, in accordance with Water Code sections 10621(d) and 10644(a)(1)-(2), to electronically submit a copy of the 2025 Urban Water Management Plan to the California Department of Water Resources no later than July 1, 2026.

7. The City Manager, or designee, is hereby authorized and directed, in accordance with Water Code section 10644(a), to submit a copy of the 2025 Urban Water Management Plan to the California State Library, and any city or county within which the City of Milpitas provides water supplies no later than thirty (30) days after this adoption date.

8. The City Manager, or designee, is hereby authorized and directed, in accordance with Water Code Section 10645, to make the 2025 Urban Water Management Plan available for public review at the City of Milpitas' offices during normal business hours or on the City of Milpitas' website no later than thirty (30) days after filing a copy of the 2025 Urban Water Management Plan with California Department of Water Resources.

9. The City Manager, or designee, is hereby authorized and directed, in accordance with Water Code Section 10635(c), to provide that portion of the 2025 Urban Water Management Plan prepared pursuant to Water Code Section 10635(a)-(b) to any city or county within which City of Milpitas provides water supplies no later than sixty (60) days after submitting a copy of the 2025 Urban Water Management Plan with California Department of Water Resources.

10. The City Manager, or designee, is hereby authorized and directed to implement the Water Conservation Program set forth in the 2025 Urban Water Management Plan in accordance with the Urban Water Management Planning Act and SB X7-7 , which includes procedures, rules, and regulations to carry out effective and equitable water conservation and water recycling programs and to provide recommendations to the City Council regarding the necessary budgets, procedures, rules, regulations, or further actions to carry out the effective and equitable implementation of the 2025 Urban Water Management Plan.

PASSED AND ADOPTED this 9th day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED:

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christian M. Curtis, City Attorney

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Adopt a Resolution Adopting the 2025 Water Shortage Contingency Plan, and Introduce Ordinance No. 240.8 Amending Sections of Chapter 6 of Title VIII of the Milpitas Municipal Code Relating to the Water Shortage Contingency Plan and Permanent Water Waste Restrictions including a Ban on Watering of Nonfunctional Turf (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**
Category:	Public Hearings-Community Services and Sustainable Infrastructure
Meeting Date:	6/9/2026
Recommendation:	(1) Conduct a public hearing on the 2025 Water Shortage Contingency Plan and introduce Ordinance No. 240.8 amending Chapter 6 (Water Conservation) of Title VIII (Public Works) of the Milpitas Municipal Code relating to Water Shortage Contingency Plan and permanent water waste restrictions pursuant to California Water Code §0608.14 including a ban on watering of nonfunctional turf; and (2) Adopt a resolution adopting the 2025 Water Shortage Contingency Plan.

BACKGROUND:

Water conservation has long been a critical priority in California, driven by the State's frequent droughts, increasing population demand, and climate change impacts. Over the past three decades, California has enacted several policies and laws to reduce water consumption and ensure sustainable water management.

California Water Code §10632 requires urban water suppliers to prepare and adopt a Water Shortage Contingency Plan (WSCP) as part of the Urban Water Management Plan (UWMP), which must be updated every 5 years. The WSCP outlines the procedures to determine future water shortages, defines water shortage levels, establishes conservation measures for managing water shortages, and evaluates the financial consequences of droughts. Urban water suppliers must prepare and submit their adopted WSCP to the Department of Water Resources (DWR) by July 1 to comply with regulations and ensure continued eligibility of DWR-administered grants, loans, and drought assistance.

On June 15, 2021, the 2020 WSCP was adopted by City Council, as part of the 2020 UWMP update. The City Council subsequently adopted Ordinance 240.7 on August 5, 2021 to amend Chapter 6 (Water Conservation) of Title VIII (Public Works) of the Milpitas Municipal Code to include the updated water shortage levels and demand management actions defined in the 2020 WSCP and to allow for enforcement of water waste restrictions during declared water shortages. In accordance with the five-year cycle, City staff have been working with a technical consultant to update the 2025 WSCP to incorporate updated information on the City's water supply reliability.

The State requires the City to complete a Water Supply Assessment annually to determine if there will be a water shortage. If a water shortage is identified through the annual assessment or there is a statewide drought declaration, the City would implement and enforce the Water Shortage Contingency Plan as outlined in the Municipal Code.

ANALYSIS:

2025 Water Shortage Contingency Plan (WSCP)

The City must adopt its 2025 WSCP by July 1, 2026, to comply with California Water Code §0632. The major components and recommendations of the 2025 WSCP include (1) Levels of Declared Water Shortage and (2) Financial Consequences of Drought. Each section is further described below.

1. Levels of Declared Water Shortage

The City's six water shortage levels are aligned with the State's six standard water shortage levels and range from no water shortage (0%) to greater than 50% water shortage. The City Council is authorized to require or impose restrictions on or reductions in the use of water if such reductions are necessary to comply with Water Supply Shortage conditions.

At the August 5, 2021 meeting, the City Council adopted permanent water conservation measures, known as the permanent Water Conservation As a Milpitas Way of Life prohibitions, under Ordinance 240.7 to ensure that water is always used in an efficient manner. These prohibitions are included as Water Shortage Level 0 measures and are effective at all times, in addition to any state-mandated prohibitions. These include but are not limited to the following prohibitions:

- Use of potable water that results in flooding or runoff in gutters, waterways, patios, sidewalks, driveways, or streets.
- Use of potable water to irrigate plants, landscaping or turf areas during and within 48 hours after measurable rainfall.
- Irrigation of any landscaping or turf areas except between the hours of 6:00 p.m. to 9:00 a.m., and for no more than four (4) days during any seven (7)-day period.

Further shortage response actions that align with each subsequent level of water supply shortage include:

- Demand reduction (conservation) actions to adequately respond to shortages;
- City operational changes; and
- Supply augmentation actions.

Recommended actions were identified based on the Drought Risk Analysis performed as part of the 2025 UWMP. Demand reduction actions identified build off conservation actions that were successful during previous droughts, such as limiting irrigation by imposing outdoor watering schedules and other measures that reduce water waste.

Table 1: Summary of Proposed Water Shortage Level Actions & Procedures

	Water Shortage Level 0	**Water Shortage Level 1**	**Water Shortage Level 2**	**Water Shortage Level 3**	**Water Shortage Level 4**	**Water Shortage Level 5**	**Water Shortage Level 6**
Target Water Savings	0% (Normal)	10%	11-20%	21-30%	31-40%	41-50%	>50%
Public Outreach	Permanent Water Waste Prohibitions Awareness	For Levels 1 through 4: Increase advertising, social media campaigns, and direct communication to high water users.				Escalate outreach efforts	Highest outreach effort level with focus on health and safety
Demand Reduction Actions	Permanent water use restrictions	Water use restrictions and enforcement increase with each level. Examples of increased water use restrictions include but are not limited to: decrease in permitted irrigation days, require faster response time to complete water waste corrective actions, and increase water waste patrols.					
Supply Augmentation Actions	No additional actions	City may consider activating or installing additional City owned groundwater wells.					

2. WSCP - Financial Consequences of Droughts

The intent of this section of the WSCP is to raise awareness that demand reduction actions designed to address a range of water shortage conditions have the potential to impact the City's water utility revenues and expenditures. If needed, the following proposed measures can be implemented by the City to offset reductions in water sales revenue:

- The City can defer non-mission critical capital improvement projects and reallocate the funds to cover the cost of operations and critical maintenance, and/or;
- Depending on the severity of the shortage and impact on revenue, the City Council may choose to increase water rates and/or implement a drought response surcharge. Such a drought related rate increase/surcharge would remain in effect until such time the City Council declares a water shortage no longer exists; and/or
- The City Manager can recommend alternative measures, as needed, to the City Council for consideration.

The 2025 Water Shortage Contingency Plan is included as Attachment (a) of this report.

Water Conservation Ordinance 240.8 and Ban on Watering of Non-Functional Turf

The purpose of the City's Water Conservation Ordinance is to promote efficient and sustainable potable water use, prevent potable water waste, and establish provisions for water management practices to enable effective water supply planning for increasing demand and expansion. Ordinance 240.8 codifies and makes the 2025 WSCP enforceable.

Signed in October 2023, Assembly Bill 1572 (AB 1572) prohibits the use of potable water for irrigating "nonfunctional turf" (i.e., decorative grass areas that do not serve a recreational or community purpose, such as turf in street medians, business parks, or office landscapes) at commercial, industrial, and institutional properties, except to ensure the health of trees and perennial non-turf plantings. The City must adopt an ordinance to prohibit the irrigation of nonfunctional turf with potable water by January 1, 2027, to be compliant with AB 1572. Staff propose to meet this requirement by updating the City's existing Water Conservation Ordinance to add the prohibition of potable water use for the irrigation of nonfunctional turf as a Shortage Level 0 demand reduction action (a permanent water waste prohibition).

AB 1572 specifically addresses the use of potable water for irrigating nonfunctional turf (NFT) on commercial, industrial, and institutional (CII) properties, as well as common areas of homeowners' associations (HOAs) and community service organizations; landscapes at single-family residences are not affected by AB 1572 requirements. This statewide prohibition will be phased in from 2027 to 2031 per the schedule below:

- January 1, 2027: Applies to all properties owned by local governments, local or regional public agencies, and public water systems.
- January 1, 2028: Extends to all other institutional, commercial, and industrial properties, including those in disadvantaged communities.
- January 1, 2029: Applies to common areas of homeowners' associations, common interest developments (CIDs), and community service organizations.
- January 1, 2031: Extends to public properties in disadvantaged communities, contingent on the availability of state funding for turf conversion programs.

Larger property owners, those with more than 5,000 square feet of irrigated area, will be required to certify their compliance with the State Water Resources Control Board beginning in 2030 and 2031, depending on their property type.

Incorporating the NFT watering prohibition will allow the City to achieve additional conservation savings by eliminating non-essential uses of potable water and is a proactive step in protecting our water supply and supports the City's efforts to reach goals set by state-mandated water conservation regulations.

To ensure compliance with the potable water prohibition for nonfunctional turf irrigation, City staff will notify customers through a variety of communication channels, including messaging through the City's WaterSmart Customer Portal, social media, articles in the City's newsletters, direct communication with affected customers

and related interest groups, and updates to the City's website. Communications will provide information on the compliance timeline, information on available tools to manage landscape irrigation, and information on rebates for landscape conversion and outdoor water use efficiency upgrades. Communication efforts will also be supported by Valley Water's countywide outreach campaign, which may include digital messaging and physical mailers.

Amending Chapter 6 of Title VIII of the Milpitas Municipal Code is necessary to ensure compliance with state law, avoid potential enforcement penalties, and align with broader state and regional conservation goals. Updated language in the ordinance attached to this report is based on the Model Ordinance provided by the California Water Efficiency Partnership.

Adopting the ordinance will allow the City to align its regulations with other public agencies and that have adopted similar ordinances, such as:

- City of Morgan Hill
- City of Santa Clara
- Valley Water

Pending completion of this first reading and public hearing, staff will return to City Council for the second reading and adoption of Ordinance No. 240.8 (Attachment (c) and Attachment (d)).

Ongoing Water Conservation Efforts
The City offers ongoing Water Conservation Programs to ensure that water is always used efficiently and to ensure that our community is drought ready. Available programs include the WaterSmart Customer Portal, which allows customers to review their near real-time water use data, conserve water through early leak detection alerting, and find conservation tips and resources. Landscape rebates are available through a cost-share agreement with Valley Water to allow residents and businesses to cost-effectively convert to drought-tolerant landscapes and install water efficient irrigation equipment. The City provides educational opportunities by hosting efficient landscape classes, covering topics such as native and water-wise landscaping, rainwater harvesting, efficient irrigation practices, and composting. Further, the City has a Water Waste Reporting and Enforcement Program to address observed cases of water waste around the City and provide educational materials to residents and businesses. More information on these programs can be found at: https://www.milpitas.gov/935/Water-Conservation and the City's Incentive Corner.

POLICY ALTERNATIVE(S):

Alternative 1: City Council does not adopt the 2025 WSCP and does not consider the adoption of Ordinance 240.8 to amend Chapter 6 of Title VIII of the Milpitas Municipal Code to include the prohibition of nonfunctional turf as a permanent water waste restriction.

Pros: None.

Cons: California Water Code §0632 mandates that all WSCPs be adopted and submitted to DWR by July 1, 2026. Assembly Bill 1572 requires public water purveyors to update their local ordinances, regulations, or policies to include the nonfunctional watering restrictions by January 1, 2027. Failure to adopt Ordinance 240.8 would cause the City to be noncompliant with AB 1572 requirements and not align with state and regional water conservation goals.

Reason for Not Recommending: Failure to adopt the 2025 WSCP renders the City ineligible for any water management grant or loan administered by DWR and may render the City ineligible for other State funding, depending on the conditions that are specified in funding guidelines.

Ordinance 240.8 aligns with the 2025 WSCP and allows the City to enforce the statewide prohibition of irrigating nonfunctional turf with potable water. Failure to include the prohibition of irrigating nonfunctional with potable water in the City's water conservation ordinance by 2027 will result in the City being in violation of AB 1572.

FISCAL IMPACT:

There are no fiscal impacts associated with adopting the 2025 WSCP or introducing Ordinance 240.8. Any financial consequences of implementing the plan during a future water shortage are described in Section 3.9 of the WSCP. The ordinance itself fulfills the state-mandated requirement to prohibit potable water use for irrigating nonfunctional turf (NFT) and aligns with Assembly Bill 1572 (AB 1572) and Water Code §0608.14.

Funding for the required education and outreach efforts is already budgeted within CIP No. 7126 – Water Conservation Program.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is exempt from CEQA pursuant to California Water Code Section 10652. The action is also categorically exempt from CEQA under State CEQA Guidelines, §15308 as this action is an action by a regulatory agency for the protection of the environment as authorized by state and local law.

ATTACHMENT(S):

(a) Draft 2025 Water Shortage Contingency Plan
(b) Resolution
(c) Proposed Ordinance No. 240.8
(d) Proposed Ordinance No. 240.8 - redlined



City of Milpitas

Draft 2025 Water Shortage Contingency Plan

Prepared by: MADDAUS WATER MANAGEMENT INC. *Making a Difference in the World of Water*

May 21, 2026

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LIST OF ABBREVIATIONS AND ACRONYMS

BAWSCA	Bay Area Water Supply and Conservation Agency
CCR	Consumer Confidence Report
CII	Commercial, Industrial and Institutional
City	City of Milpitas
CRS	Community Rating System
CWC	California Water Code
DRA	Drought Risk Assessment
DWR	California Department of Water Resources
ERP	Emergency Response Plan
FEMA	Federal Emergency Management Ag
ISG	Individual Supply Guarantee
MG	million gallons
mgd	million gallons per day
MJHMP	Multi-Jurisdictional Hazard Mitigation PlanSC
RWS	Regional Water System
SBWR	City of San Jose South Bay Water Recycling
SCVWD	Santa Clara Valley Water District (now referred to as Valley Water)
SFPUC	San Francisco Public Utilities Commission
UWMP	Urban Water Management Plan
WSCP	Water Shortage Contingency Plan

1 INTRODUCTION AND WSCP OVERVIEW

The Water Shortage Contingency Plan (WSCP) is a planning document designed to prepare for and respond to water shortages. This WSCP complies with California Water Code Section 10632, which requires that every urban water supplier shall prepare and adopt a WSCP as part of its Urban Water Management Plan (UWMP). This level of detailed planning and preparation is intended to help maintain reliable supplies and reduce the impacts of supply interruptions.

The WSCP is the operating manual that the City of Milpitas (City) uses to prevent catastrophic service disruptions through proactive water management. A water shortage occurs when water supply availability is insufficient to meet the normal, expected customer water use for a given period. This may occur for several reasons, such as population and land use growth, climate change, drought, or catastrophic events. This WSCP is not intended to replace water distribution system operating rules or procedures, but rather to complement the City's Local Hazard Mitigation[1] and Emergency Response Plans.[2]

This WSCP provides a structured guide for the City to address water shortages, incorporating prescriptive information and standardized action levels along with implementation strategies in the event of a supply interruption. Therefore, when shortage conditions arise, the City's governing body, its staff, and the public can easily identify and efficiently implement pre-determined steps to manage the shortage. A well-structured WSCP allows for efficient management of any shortage with predictability and accountability. This is accomplished through a real-time water supply availability assessment and well-defined actions aligned with different water shortage levels which, if necessary, may be modified to respond to actual conditions.

The WSCP also describes the City's procedures for conducting an Annual Water Supply and Demand Assessment (Annual Assessment). An Annual Assessment, as required by Water Code Section 10632.1, is to be submitted to the California Department of Water Resources (DWR) on or before July 1st of each year.

The City's 2025 WSCP is included as an appendix to its 2025 UWMP, which will be submitted to DWR upon adoption. However, this WSCP is created separately from the UWMP and can be amended as needed without amending the UWMP. The Water Code does not prohibit an urban water supplier from taking actions not specified in its WSCP, if needed, without having to formally amend its UWMP or WSCP.

The primary objective of the WSCP is to ensure that the City has in place the necessary resources and management responses needed to protect health and human safety, minimize economic disruption, and preserve environmental and community assets during water supply shortages and interruptions. The WSCP also includes procedures to conduct an annual assessment of water supply and demand to determine whether water shortage conditions are likely to exist in the forthcoming year, and to proactively begin the process of implementing WSCP stages of action, as appropriate. This WSCP has been prepared in accordance with California Water Code (CWC) § 10640 and CWC § 10632 of the UWMP Act. The information presented in the respective WSCP sections and the associated text and tables are collectively intended to fulfill the requirements of that sub-section of the UWMP Act.

1.1 Water Shortage Contingency Plan Requirements and Organization

The WSCP provides the steps and water shortage response actions to be taken in times of water shortage conditions. The WSCP has prescriptive elements, such as the following:

[1] Santa Clara County, Multi-Jurisdictional Hazard Mitigation Plan (Volumes 1 & 2) (2021), https://www.milpitas.gov/DocumentCenter/View/7348/Volume-1-Santa-Clara-County-, https://www.milpitas.gov/DocumentCenter/View/7349/Volume-2-City-of-Milpitas-Annex

[2] City of Milpitas, Emergency Operations Plan (2012), https://www.milpitas.gov/DocumentCenter/View/1406/City-of-Milpitas-Emergency-Operations-Plan-PDF

- An analysis of water supply reliability
- The water shortage response actions for each of the six standard water shortage levels that correspond to water shortage percentages ranging from 10% to greater than 50%
- An estimate of the potential to close any supply gap for each water shortage response action
- Protocols and procedures to communicate identified actions for any current or predicted water shortage conditions
- Procedures for an Annual Water Supply and Demand Assessment
- Monitoring and reporting requirements to determine customer compliance
- Procedures for reevaluating and improving the WSCP

This WSCP is organized into three main chapters as listed below, with Chapter 3 closely aligned with the California Water Code Section 16032 requirements.

Chapter 1 – Introduction and WSCP Overview. This Section gives an overview of the WSCP fundamentals.

Chapter 2 – Background. This section provides information on the City's water service area.

Chapter 3 – Water Shortage Contingency Response and Preparedness Planning. This chapter describes the procedures, policies, and response actions used to monitor water supply conditions and implement staged responses to water shortages.

Section 3.1 – Water Supply Reliability Analysis. This section provides a summary of the water supply analysis and water reliability findings from the 2025 UWMP.

Section 3.2 – Annual Water Supply and Demand Assessment Procedures. This section provides a description of procedures to conduct and approve the Annual Assessment.

Section 3.3 – Six Standard Water Shortage Levels. This section explains the WSCP's six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, 50, and more than 50 percent shortages.

Section 3.4 – Shortage Response Actions. This section describes the WSCP's shortage response actions that align with the defined shortage levels.

Section 3.5 – **Seismic Risk Assessment and Mitigation Plan.** This section addresses the vulnerability of the systems to earthquakes and the Federal Emergency Management Agency-approved Santa Clara County Multijurisdictional Hazard Mitigation Plan.

Section 3.6 – **Communication Protocols.** This section addresses communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding any current or predicted shortages and any resulting shortage response actions.

Section 3.7 – **Compliance and Enforcement.** This section describes customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions.

Section 3.8 – **Legal Authorities.** This section describes the legal authorities that enable the City to implement and enforce its shortage response actions.

Section 3.9 – **Financial Consequences of the WSCP.** This section provides a description of the financial consequences of and responses to drought conditions.

Section 3.10 – **Monitoring and Reporting.** This section describes monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and meeting state reporting requirements.

Section 3.11 – **WSCP Refinement Procedures.** This section addresses reevaluation and improvement procedures for monitoring and evaluating the functionality of the WSCP.

Section 3.12 – **Special Water Feature Distinction.** This section defines water features that are artificially supplied with water.

Section 3.13 – **Plan Adoption, Submittal, and Implementation.** This section provides a record of the process the City followed to adopt and implement its WSCP.

1.2 Integration with Other Planning Efforts

As a retail water supplier in Santa Clara County, the City of Milpitas considered other key entities in the development of this WSCP, including Valley Water and the San Francisco Public Utilities Commission (SFPUC, regional wholesale supplier). The City also developed this WSCP with input from several coordination efforts led by Bay Area Water Supply and Conservation Agency (BAWSCA)[3] and City and County planning documents.

Some of the key planning and reporting documents that were used to develop this WSCP are included in the references section and are as follows:

General Plan – The Milpitas 2040 General Plan was adopted on March 9, 2021 (De Novo, 2021).

Water Master Plan – The City's Water Master Plan was adopted August 9, 2022 (West Yost, 2022).

Climate Action Plan – The City's Climate Action Plan was adopted May 7, 2013 (PMC, 2013). An update was adopted on August 9, 2022 (Ascent, Kearns & West, 2022).

Metro Specific Plan – The City's Metro Specific Plan was adopted on February 7, 2023 (Urban Field, 2023).

Draft Gateway-Main Street Specific Plan – The City's draft Gateway-Main Street Specific Plan was completed in April 2025 (Ascent, 2025).

Regional Water Demand and Conservation Projections Study – Bay Area Water Supply & Conservation Agency BAWSCA's regional water demand projection study was completed on December 8, 2025.

Annual Water Loss Audit – The City completed, validated, and submitted its annual water loss audit in December 2025.

[3] More information on the Bay Area Water Supply and Conservation Agency is available online: www.bawsca.org.

2 BACKGROUND INFORMATION

The City of Milpitas is in Santa Clara County near the southern tip of the San Francisco Bay, 45 miles south of San Francisco. The City of Fremont borders Milpitas to the north and the City of San Jose borders Milpitas to the south and west. Most of its 14 square miles of land is situated between two major freeways (Interstates 880 and 680). The City has approximately 10 square miles of valley floor to the west and 4 square miles of hillside areas to the east. Industrial and commercial areas are located on the valley floor with residential areas on the valley floor and hillside. Parks and recreational open spaces are distributed throughout residential areas.

Since its inception in 1954, the City has experienced steady growth and development. At the time of incorporation, the City covered an area of 2.9 square miles with a population of 825. Rapid growth began with the Ford Motor Company assembly plant in 1955 and continued with the technology industry in the 1970s. Most of the valley floor is fairly new. Growth slowed as result of the recession of 2008. However, in more recent years, the transformation of industrial areas of the City into high-density housing has resumed. The City contains a strong complement of employment and retail uses as well as housing. Large sources of employment include manufacturing, the school district, and the Great Mall shopping center.

2.1 City of Milpitas Service Area

The City owns, operates and maintains a potable water distribution system which consists of five turnouts, one emergency groundwater well, three emergency interties, five storage reservoirs, five pump stations, 17 pressure reducing valves, and approximately 194 miles of pipeline. The City also operates and maintains a recycled water system owned by the City of San Jose's South Bay Water Recycling (SBWR) program.

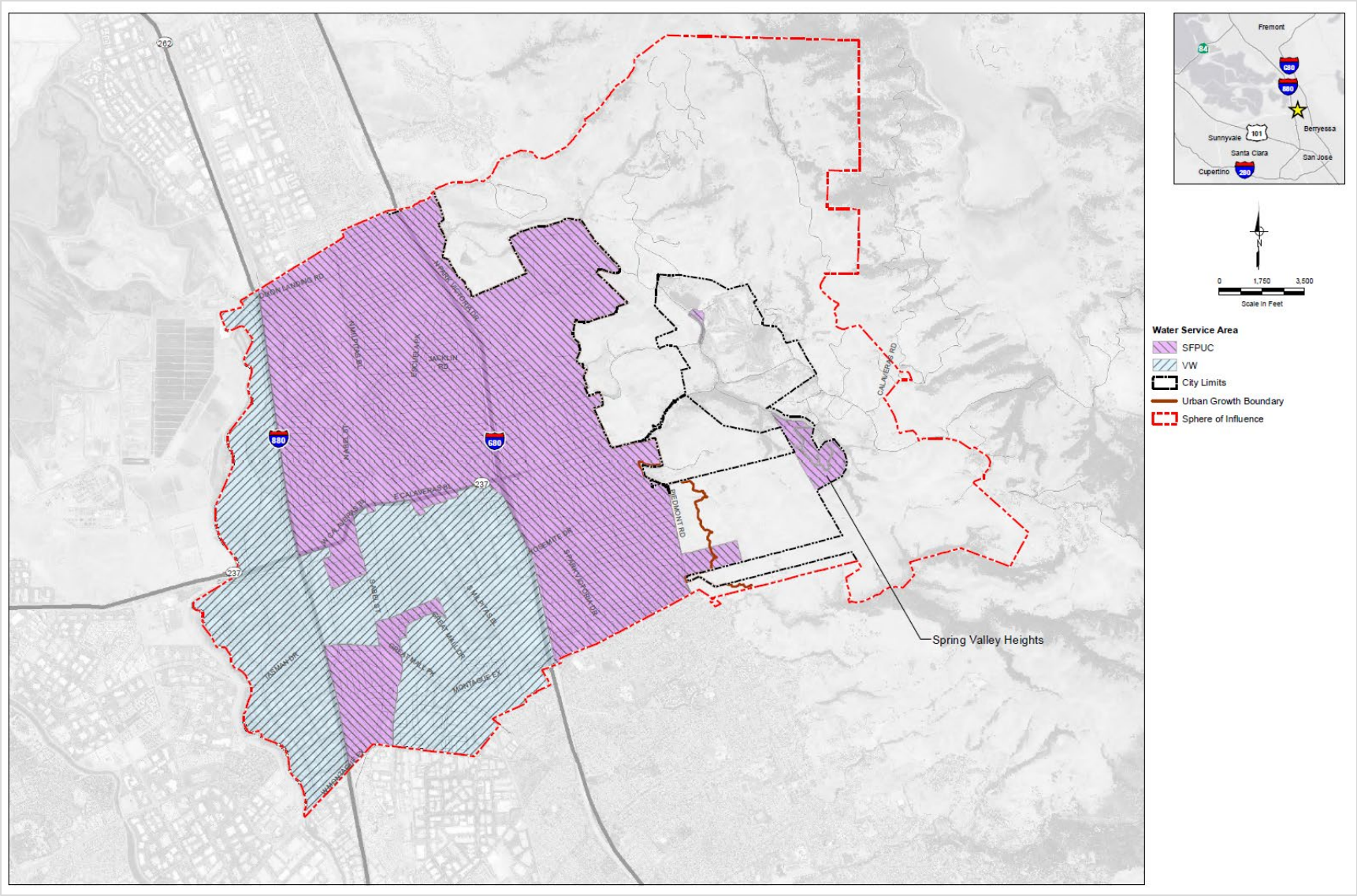
As shown in Figure 2-1, the City's potable water supply system is divided into two distinct service areas, corresponding to the areas served by the City's two wholesalers, from which they purchase treated potable water: SFPUC and Valley Water. Under normal operating conditions, the City does not blend water from SFPUC and Valley Water. However, the two sources of water are physically interconnected with isolation valves to provide an emergency water supply if needed.

2.2 Relationship to Wholesalers

In its incorporation year of 1954, the City began distributing SFPUC water to all residents and businesses, expanding to the hillside area in 1982. In August 1993, the City began serving water from Santa Clara Valley Water District (SCVWD, now Valley Water), primarily to the commercial and industrial areas of the City (west of Highway 880, and also south of Calaveras Blvd. and west of Highway 680). Figure 2-1 shows the SFPUC and Valley Water service areas. Figures 2-2 and 2-3 provide further details regarding the City's water system and infrastructure.

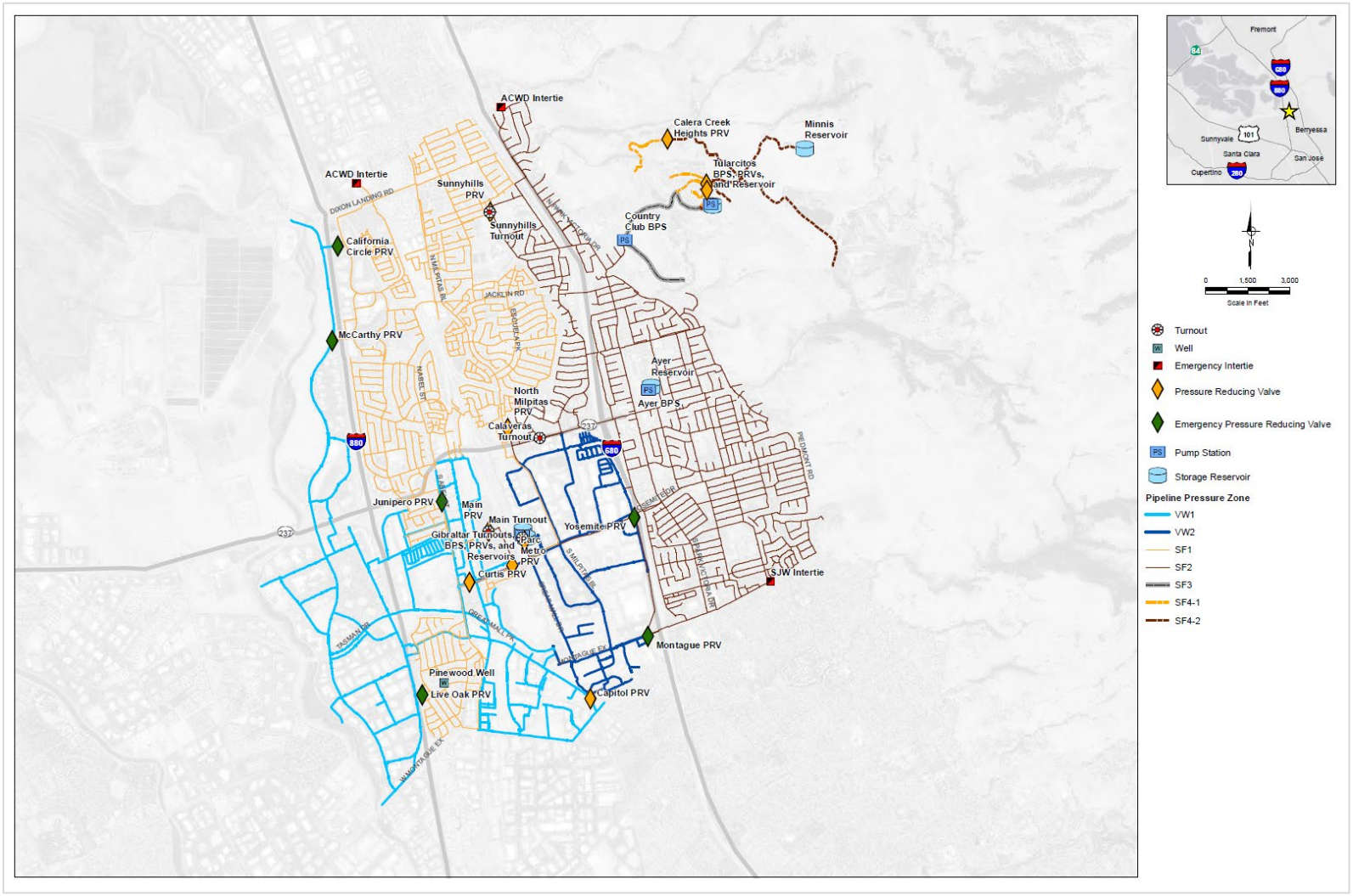
Most of the City's growth is occurring within areas served by Valley Water and as these areas grow so does the percentage of the City's potable supply that comes from Valley Water. In 2025, approximately 35% of the City's potable water came from Valley Water, which is a decrease from 40% in 2020.

Figure 2-1. Potable Water Service Area Map



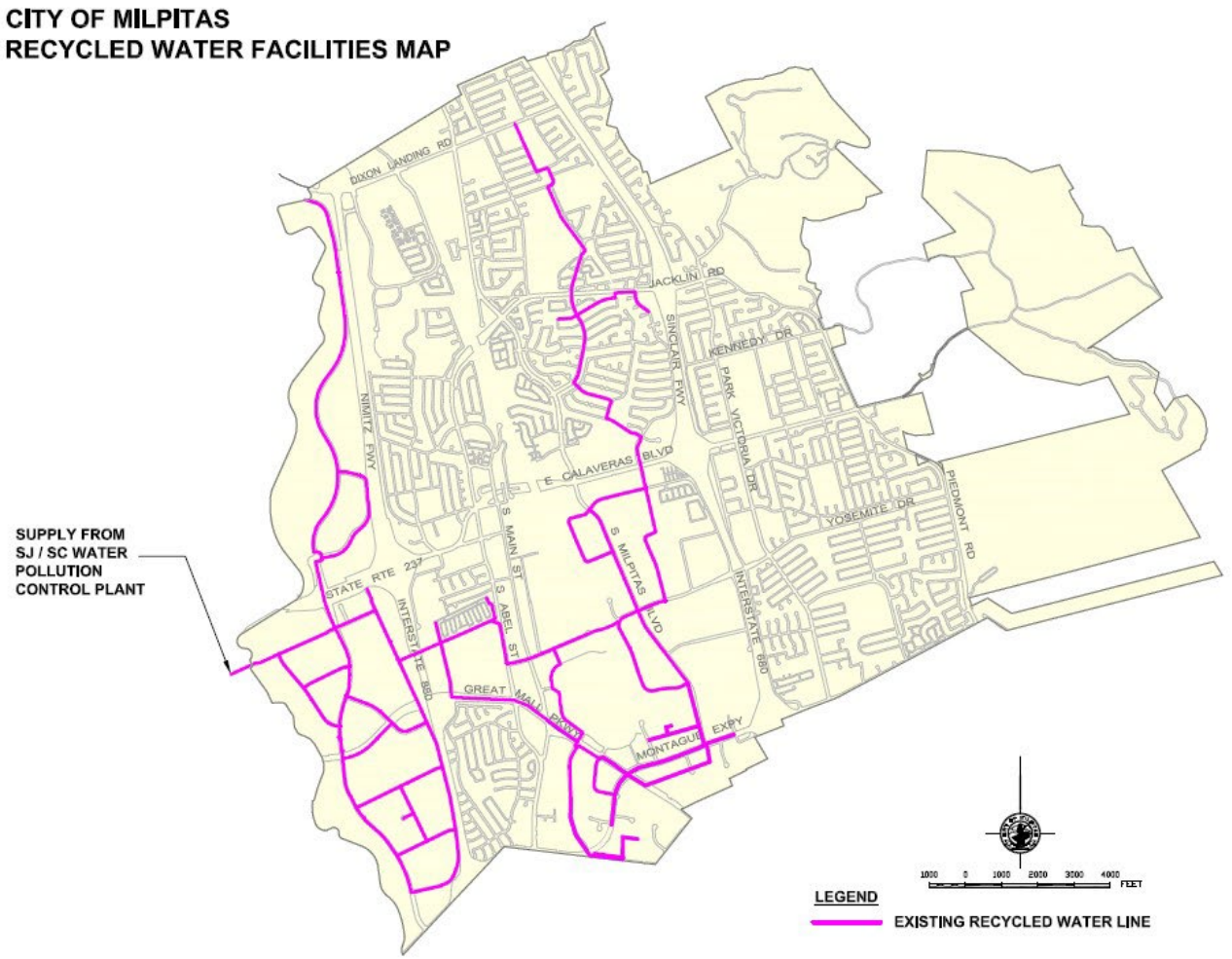
Source: West Yost. (2020). City of Milpitas Water Master Plan.

Figure 2-2. Public Water System(s)



Source: West Yost. (2020). City of Milpitas Water Master Plan.

Figure 2-3. City of Milpitas Recycled Water Distribution System



Source: City of Milpitas, 2025.

2.3 San Francisco Public Utilities Commission (SFPUC)

The City purchases wholesale water from the City and County of San Francisco's Regional Water Systems (RWS). This supply is predominantly snowmelt from the Sierra Nevada, delivered through the Hetch Hetchy aqueducts, but also includes treated water produced by SFPUC from its local watersheds and facilities in Alameda and San Mateo Counties. Water from the RWS is treated before delivery and supplied to the City from Bay Division Pipelines 3 and 4.

Detailed in Milpitas's Water Master Plan, on June 2, 2009, the City entered into a 25-year Water Supply Agreement (WSA) with SFPUC. This agreement affirms the City's perpetual right to purchase up to 9.23 million gallons per day (MGD) of treated potable water unless SFPUC has a water shortage. The WSA was amended and restated in 2025.

The amount of imported water available to SFPUC's customers is constrained by climate, hydrology, physical facilities, and the institutional parameters that allocate the water supply of the Tuolumne River, the key source for SFPUC. Due to these constraints, SFPUC is very dependent on reservoir and snow-pack storage to manage its water supplies.

2.4 Valley Water (Formerly Santa Clara Valley Water District)

The City began receiving treated surface water from Valley Water in August 1993 under a September 1984 contract between the City and Valley Water. The supply delivery is adjusted annually based on a binding 3-year annual delivery schedule. The City's annual purchase must be at least 90% of the delivery schedule and the City's monthly "supply guarantee" is at least 15% of the annual delivery schedule. Valley Water provides treated water from its Penitencia and Santa Teresa treatment plants via its Milpitas Pipeline which terminates in the City.

Although the City purchases are currently limited to surface water largely purchased by Valley Water from the State Water Project and Central Valley Project, Valley Water's overall water supply comes from a variety of sources. Nearly half is from local groundwater aquifers, and more than half is imported from the Sierra Nevada through pumping stations in the Sacramento-San Joaquin River Delta. Both groundwater and imported water are sold to retailers. Valley Water also manages the groundwater basin to the benefit of agricultural users and other independent users who pump groundwater. Local runoff is captured in Valley Water reservoirs for recharge into the groundwater basin or treatment at one of Valley Water's water treatment plants. The total storage capacity of these reservoirs is about 170,000 acre-feet (AF).

2.5 Relationship with Wholesaler Water Shortage Planning

The WSCP is designed to be consistent with the water shortage contingency planning strategies of its wholesale water providers. The City will consider the following documents when planning for water shortage:

- **SFPUC Water Shortage Contingency Plan** outlines SFPUC's plan for responding to a water shortage condition. This includes demand reduction actions that may affect the City supply during shortage. In addition, the SFPUC WSCP includes the procedures that will be used by SFPUC to conduct an annual water supply and demand assessment (annual assessment). The annual assessment will provide a description and quantification of each source of SFPUC's water supply compared to water demands for the current year and one subsequent dry year.
- **Valley Water Water Shortage Contingency Plan** outlines Valley Water's plan for responding to a water shortage condition. This includes demand reduction actions that may affect the City supply during shortage. In addition, the Valley Water WSCP includes the procedures that will be used by Valley Water to conduct an annual water supply and demand assessment (annual assessment). The annual assessment will provide a description and quantification of each source of Valley Water's water supply compared to water demands for the current year and one subsequent dry year.

- **City of Milpitas 2025 Urban Water Management Plan** presents the analysis of long-term water supply reliability and forecasted demand under normal conditions, single and multiple dry year scenarios.

3 WATER SHORTAGE CONTINGENCY RESPONSE AND PREPAREDNESS PLANNING

The City of Milpitas WSCP is a detailed guide of how the City intends to act in the case of an actual water shortage condition. The WSCP anticipates a water supply shortage and provides pre-planned guidance for managing and mitigating the shortage. Regardless of the reason for the shortage, the WSCP, based on adequate details of demand reduction and supply augmentation measures that are structured to match varying degrees of shortage, will ensure the relevant stakeholders understand what to expect during a water shortage situation.

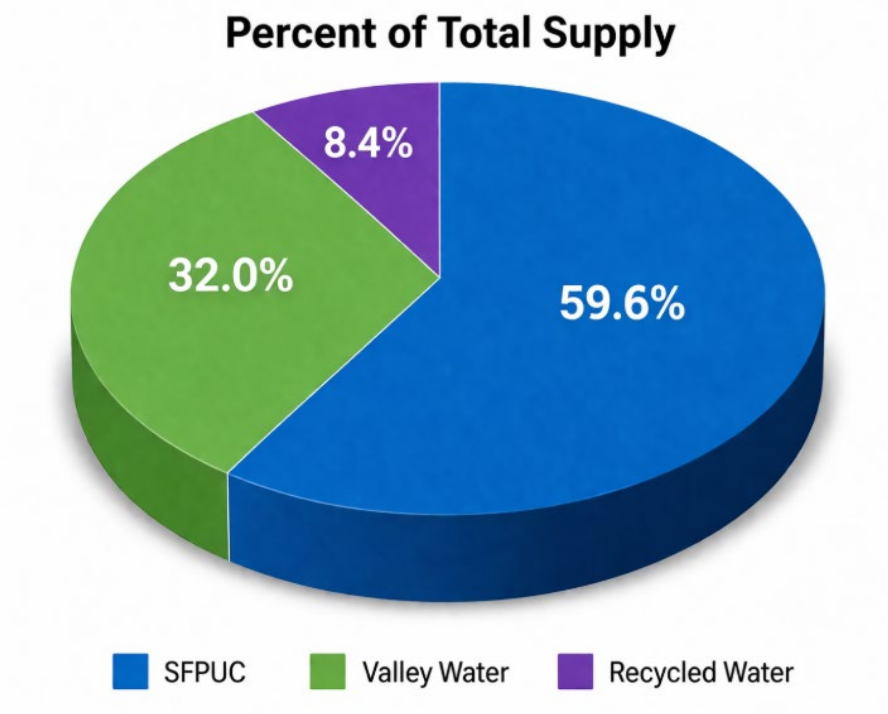
3.1 Water Supply Reliability Analysis

Per Water Code Section 10632 (a)(1), the WSCP shall provide an analysis of water supply reliability conducted pursuant to Water Code Section 10635, and the key issues that may create a shortage condition when evaluating the City's water asset portfolio.

Understanding water supply reliability, factors that could contribute to water supply constraints, availability of alternative supplies, and what effect these have on meeting customer demands provides the City with a solid basis on which to develop appropriate and feasible response actions in the event of a water shortage. In the 2025 UWMP, the City conducted a Water Reliability Assessment to compare the total water supply sources available to the water supplier with long-term projected water use over the next 25 years, in five-year increments (for a normal water year, a single dry water year, and a drought lasting five consecutive water years). The City also conducted a Drought Risk Assessment to evaluate supply risks under a drought period that lasts five consecutive water years beginning in 2025.

In 2025, SFPUC supplies represented about 59.6 percent of the City's total water supplies, while water supplies from Valley Water represented about 32 percent of the City's total water supplies. Therefore, supply reliability from both providers will have significant impact to the City supplies and are described below.

Figure 3-1. City of Milpitas Water Supply



SFPUC Supply Reliability

In December 2018, the SWRCB adopted amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan Amendment) to establish water quality objectives for the San Francisco Bay-Delta watershed. The SWRCB is required by law to regularly review this plan. The adopted Bay-Delta Plan Amendment was developed with the stated goal of increasing salmonid populations in three San Joaquin River tributaries (the Stanislaus, Merced, and Tuolumne Rivers) and the San Francisco Bay-Delta. The Bay-Delta Plan Amendment requires the release of 30-50% of the "unimpaired flow"[4] on the three tributaries from February through June in every year type. In SFPUC modeling of the new flow standard, it is assumed that the required release is 40% of unimpaired flow.

As described in Chapter 7 of the UWMP, the SFPUC RWS's dominant supply is from the Tuolumne River watershed at high elevations in the Sierra Nevada Mountains. This main source of water for the SFPUC RWS is augmented by treated water produced by SFPUC from its local watersheds and facilities in Alameda and San Mateo counties.

In 2019, the SFPUC established the Alternative Water Supply (AWS) Program to identify and plan water supply and storage projects and actions that increase the dry-year reliability of the RWS. Based on the 2045 planning horizon that the SFPUC applied in its February 2024 AWS Plan, the SFPUC anticipates a water supply gap will occur in future dry years. The AWS Program aims to help fill the gap through local and regional capital projects.

Since the City's water supply relies partially on the SFPUC RWS, impacts from the potential implementation of the Bay Delta Plan, as presented in SFPUC's Scenario 1, will impact the City's service reliability. The City will be able to meet the projected water demands presented in the 2025 UWMP in normal years but would experience supply shortages in single dry years and multiple dry years. Implementation of the Bay Delta Plan will require rationing in all single dry years and multiple dry years.

For the 2025 UWMPs, SFPUC provided two scenarios, using hydrologic models with and without the Bay-Delta Plan Amendment. BAWSCA, in turn, provided drought cutback allocations based on the information about projected water supply availability for the wholesale customers from SFPUC. All of BAWSCA's allocation tables assume that wholesale customers can purchase up to 184 MGD from SFPUC's RWS through 2050.

In normal years 100% of the City's Individual Supply Guarantee (ISG) is available to the City, that is 9.232 MGD. Assumptions from SFPUC about dry-year water supply projects are included in SFPUC's Water System Improvement Program (WSIP) and considered in SFPUC's Regional Water System supply reliability.[5] The SFPUC's Regional Water System supply reliability data reflect SFPUC's projected instream flow requirements under each scenario.

Valley Water Supply Reliability

Valley Water supplies appear to be sufficient to meet demands during a single dry year through 2045. This assumes that reserves are at healthy levels at the beginning of the year and that the projects and programs identified in the Valley Water's Water Supply Master Plan 2050 (WSMP) are implemented. Supplies available for this single year drought represent water needed not only for that single drought year, but also water that may be needed for a prolonged drought. Valley Water would manage their WSMP reported supplies assuming the drought may continue beyond a single year, and thus not all supplies are expected to be used by retailers during the single year drought.

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[4] "Unimpaired flow represents the natural water production of a river basin, unaltered by upstream diversions, storage, or by export or import of water to or from other watersheds." Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Dec. 12, 2018) p.17, fn. 14, available at https://www.waterboards.ca.gov/plans_policies/docs/2018wqcp.pdf.

[5] SFPUC Regional Water System supply reliability letter from SFPUC, March 11, 2026.

The greatest challenge to Valley Water's water supply reliability is multiple dry years, such as those that occurred in 1988 through 1992 and in 2012 through 2016. The five dry-year period used in this analysis is 1988 to 1992, which was an extended drought within historic record and WEAP modeling period. The analysis indicates that with existing and planned projects' supplies, Valley Water's diverse water supplies are sufficient to meet demands throughout the full-five year drought in demand years 2035 and 2040 without having to call for short-term water use reductions, but in demand years 2030 as well as 2045 through 2050, there will be shortages in the last two years of the drought. The shortages are less than 10% of projected demands, thus within Valley Water's level of service goal of meeting 100% of annual water demand during non-drought years and at least 80% of annual water demand in drought years. Those shortages will be addressed through a combination of supply augmentation from transfer and exchange and water use reductions.

Additional Reliability Constraints

In addition to regulatory changes, the amount of water available from SFPUC's RWS and Valley Water's Agreement No. A0657 for a Supply of Treated Water for the City is constrained by climate, hydrology, facilities, and the institutional parameters that allocate the water supply from the Tuolumne River. Climate change may affect the snowpack storage and water availability in future.

Constraints on the SFPUC and Valley Water supplies were discussed in more detail in the 2025 UWMP. The main long-term constraints on supply reliability are due to climate change and regulatory changes. Key factors impacting water supply for both wholesalers include:

- Changes in precipitation patterns, such as time of snowfall or rain, intensity, and duration.
- Changes in water quality because of changes in precipitation patterns and storage.

The constraints noted below potentially will affect SFPUC's Hetch-Hetchy watershed and management of the RWS water supply and its distribution.

- Fewer months of continuous below freezing (-32°F) temperatures in the Sierra Nevada, resulting in less precipitation as snow, shorter duration for snowpack storage.
- Warmer temperatures leading to melt of the snowpack storage.
- Inadequate storage capacity to store the snowmelt water source.
- Regulatory changes affecting the SFPUC water supplies, such as implementation of the Bay Delta Plan Amendment that could reduce supply water for the SFPUC RWS by 48% in drought years.

Valley Water's treated surface water supply could be impacted by regulatory changes limiting availability of supplies from the State Water Project. In addition, Valley Water's groundwater supply is largely constrained by hydrologic variability. The inflows to the groundwater subbasins are constrained by Valley Water's managed aquifer recharge program and natural recharge, including about 98 miles of in-stream recharge and 102 off-stream recharge ponds. Maintaining Valley Water's managed recharge program requires ongoing operational planning for the distribution of local and imported water to recharge facilities; maintenance and operation of reservoirs, diversion facilities, distribution systems, and recharge ponds; and the maintenance of water supply contracts, water rights, and relevant environmental clearance. Valley Water's managed recharge program is critical to maintaining groundwater supply because natural recharge is insufficient to meet groundwater demands. However, protecting natural recharge capacity is also important. Valley Water's District Act and Board policy help preserve open space that supports agriculture and natural recharge capacity.

Groundwater quality can also be a constraint on groundwater supply. In general, the Santa Clara and Llagas Subbasins have high-quality groundwater, except for nitrate, which is elevated in some wells in the Coyote Valley and Llagas Subbasin from historic and ongoing sources including fertilizers, septic systems, and animal waste. However, nitrate concentrations are generally stable or declining and Valley Water has many programs to protect groundwater quality, including several targeted to improve nitrate in groundwater. Additional details

about constraints on groundwater supply and quality and Valley Water's comprehensive groundwater management strategies are described in the 2021 Groundwater Management Plan.[6]

Drought Risk Assessment

In the Drought Risk Assessment (DRA), the City includes its supply reliability using SFPUC's Scenario 1 with the implementation of the Bay Delta Plan Amendment. The SFPUC projects that in a multiple dry year scenario starting in 2026, with the implementation of the Bay Delta Plan, the wholesale volume available to BAWSCA agencies will range from 71 percent of normal in the first year and second year to 72 percent of normal in the third year to fifth year scenarios (Data Source: SFPUC 2025 UWMP Supply Reliability Letter, Table 8).

The City will experience significant water supply shortfalls with the Bay Delta Plan, for multiple (five) dry years. These shortfalls will invoke the City's WSCP in a multi-year drought scenario as outlined in the City's 2025 UWMP. To reduce the need for continued extreme use reductions, the City will need to accelerate seeking additional water supplies by developing new groundwater wells.

3.2 Annual Water Supply and Demand Assessment Procedures

Per Water Code Section 10632.1, the City will conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and by July 1st of each year, beginning in 2022, submit an annual water shortage assessment with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan.

This section documents the decision-making process required for formal approval of the City's Annual Assessment determination of water supply reliability each year and the key data inputs and the methodologies used to evaluate the water system reliability for the coming year, while considering that the year to follow would be considered dry.

3.2.1 Decision-Making Process

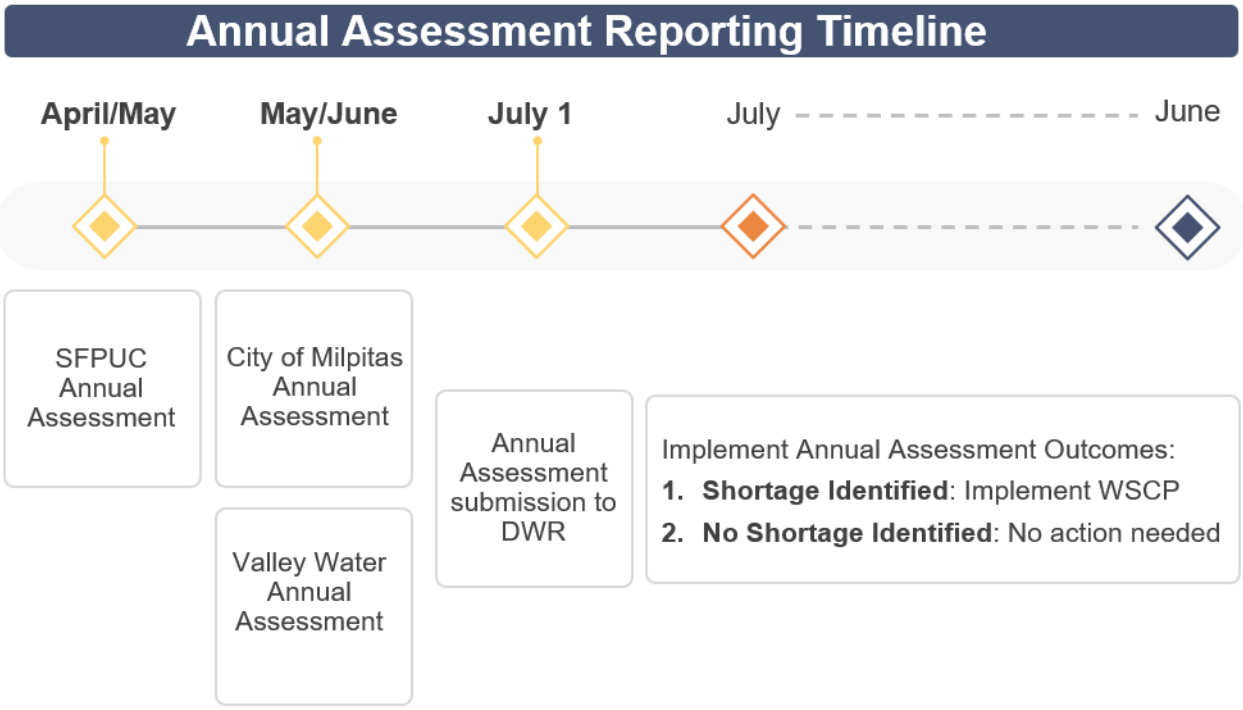
The Annual Assessment will be predicated on outcome of the SFPUC Annual Assessment and the Valley Water Annual Assessment.

SFPUC Annual Assessment

Throughout the year, the City attends working meetings with BAWSCA and reviews water supply availability updates from SFPUC. SFPUC updates BAWSCA on January 1, February 1, and provides the final annual supply availability by April 15. A sample timeline for the City's Annual Assessment report is presented in Figure 3-2.

[6] https://www.valleywater.org/your-water/where-your-water-comes/groundwater/sustainable

Figure 3-2. Annual Assessment Reporting Timeline



Valley Water Annual Assessment

Water shortage determinations are made at Valley Water Board meetings that would be held as necessary during a water shortage. The City will review its supply and demand to determine if a local supply shortage will occur due to reduced supplies from Valley Water and determine if the WSCP needs to be implemented.

City of Milpitas Annual Assessment

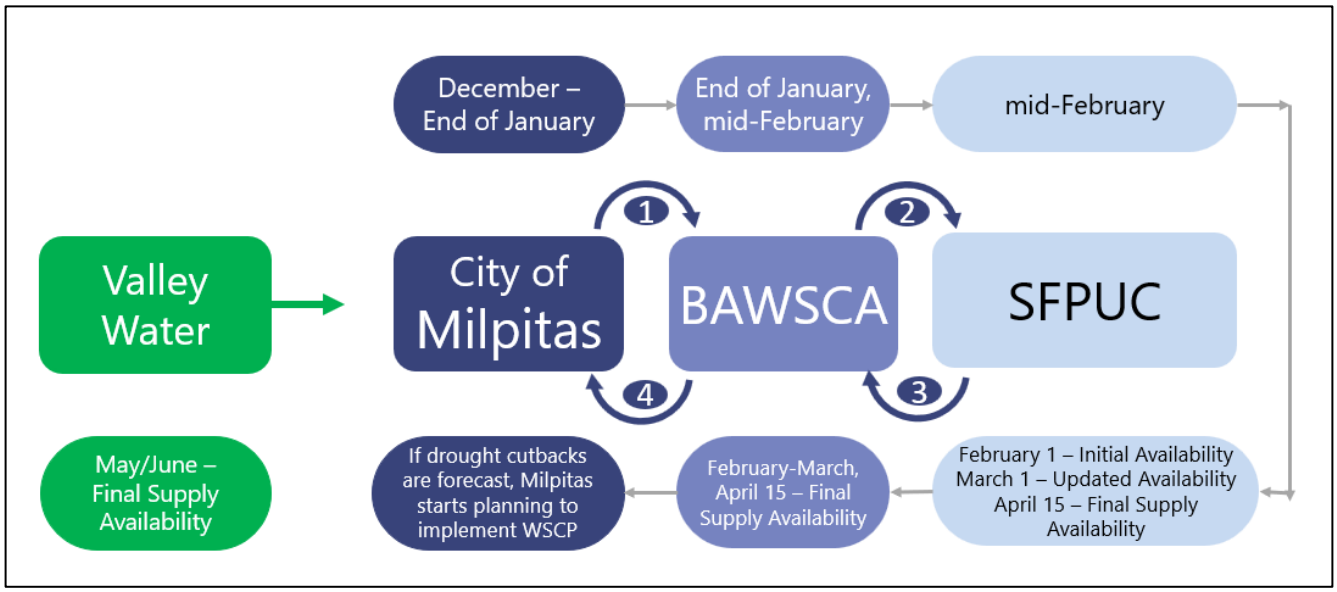
As required by Water Code Section 10632(a)(2), the procedures the City will follow to conduct its Annual Assessment for water demand and supply and formally approve it include staff and City Council actions, such as:

- Review an analysis of monthly and annual (prior year) service area water consumption by sector.
- Comparison and analysis of monthly and annual City consumption to SFPUC production data.
- Review and analysis of actual consumption compared to forecast (i.e., the City's update and BAWSCA Demand Study model forecast), and, if changes are apparent, review of potential impacts on water use patterns (e.g., drought, state or local reduction targets, COVID-19 pandemic, etc.).
- Review and analysis of SFPUC updated (final SFPUC supply availability provided on April 15, annually) annual supply projections (SFPUC's hydrological and water availability forecast), and available related information.
- Review and analysis of Valley Water updated (final Valley Water supply availability provided in May/June) supply status, and available related information.
- New regulatory requirements that could potentially impact water supply.
- Other related data and information including an analysis of water system reliability for the coming year with the presumption that the year would be dry.

The outcome of the Annual Assessment will determine the Annual Assessment approval process. If the City water supply availability is normal, without expected shortages, the Public Works Director, or designee, will approve the Annual Assessment. If shortage conditions are expected, the City presents the Annual Assessment to the City Council and implements the WSCP. Following discussion, deliberations, and, if any, follow-up actions from staff (e.g., if the WSCP is implemented, specific actions, such as communication with customers, implementation of shortage Levels, and other necessary steps are identified).

The City's routine annual demand and supply assessment and approval process includes interactions with BAWSCA, SFPUC, and Valley Water. Figure 3-3 illustrates the annual demand and supply steps in the communication and decision-making process between the City, BAWSCA, SFPUC and Valley Water.

Figure 3-3. Annual Assessment Communication Steps



3.2.2 Data and Methodologies

The following paragraphs document the key data inputs and methodologies that are used to evaluate the water system reliability for the coming year, while considering that the year to follow would be considered dry, as defined below:

Evaluation Criteria

In the 2025 UWMP, the City conducted an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment compares the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. This assessment was based on the City's service area, water sources, water supply reliability, and water use as described in Water Code Section 10631, including available data from state, regional, or local agency population, land use development, and climate change projections within the service area of the City.

The City will continue to monitor emerging supply and demand conditions and regulatory developments related to imported water from SFPUC and Valley Water and take appropriate actions consistent with the flexibility and adaptiveness inherent to the WSCP.

Water Supply

The City's existing water supplies include imported water, groundwater, recycled water, and interties with neighboring agencies. Under normal conditions, imported water comprises the City's entire water supply. The City purchases treated surface water from two agencies: SFPUC and Valley Water, which was previously known as the Santa Clara Valley Water District. In 2025, water supplies from SFPUC totaled 1,929 million gallons (MG) and represented about 60 percent of the City's total water supplies, while water supplies from Valley Water totaled 1,036 MG and represented about 32 percent of the City's total water supplies. Recycled water is produced at the San José-Santa Clara Regional Wastewater Facility and delivered to the City by SBWR. In 2025, the City used approximately 273 MG of recycled water, mainly for landscape irrigation. This represented about eight percent of the City's total 2025 water use. In emergencies, the City can activate interties with San Jose Water (SJW) and Alameda County Water District (ACWD) and/or pump groundwater. The City overlies the Santa Clara Valley Groundwater Sub-basin and currently has one existing fully developed groundwater well (Pinewood Well), and two planned in development: Curtis Well and McCandless Well.

Unconstrained Customer Demand

The WSCP and Annual Assessment define unconstrained demand as expected water use prior to any projected shortage response actions that may be taken under the WSCP. Unconstrained demand is distinguished from observed demand, which may be constrained by preceding, ongoing, or future actions, such as emergency supply allocations during a multi-year drought. WSCP shortage response actions to constrain demand are inherently extraordinary; routine activities such as ongoing conservation programs and regular operational adjustments are not considered as constraints on demands.

BAWSCA's 2025 Regional Water Demand and Conservation Projections Study, or the Demand Study, was used to project long-term demand, through 2050, based on expected service area growth for both population and employment. Demand forecasts were developed for each agency to account for conservation from passive (i.e., from codes/standards) and active conservation programs. Based on this analysis, water demands were projected after accounting for the effects of the existing plumbing code and future active conservation savings.

In the DRA, the City estimated unconstrained demand, or expected gross water use for the next five years without drought conditions. The City will experience water supply shortfalls with the implementation of the Bay Delta Plan, for multiple (five) dry years. These shortfalls will invoke the City's WSCP in a multi-year drought scenario as outlined in Section 7 of the City's 2025 UWMP.

Planned Water Use for Current Year Considering Dry Subsequent Year

Water Code Section 10632(a)(2)(B)(ii) requires the Annual Assessment to determine "current year available supply, considering hydrological and regulatory conditions in the current year and one dry year." The Annual Assessment will include two separate estimates of City's annual water supply and unconstrained demand using: 1) current year conditions, and 2) assumed dry year conditions. The City will determine the hydrologic conditions of a normal and dry year conditions according to the following methodology:

- **Normal Year.** Normal Year. This condition represents the normal/average water supplies from SFPUC for BAWSCA agencies, and Valley Water for its water retailers. This condition represents the normal/average water supplies from SFPUC for BAWSCA agencies, 67,160 MG (184 mgd). In this section, consistent with its supplier, the SFPUC, the City presents the 'normal' year available supply from SFPUC as its contractual volume, its ISG, 9.322 mgd. This condition also assumes full allocation of Valley Water three year contract purchase projections.
- **Single Dry Year.** The single dry year represents the year with the lowest water supply available from SFPUC to the City. With Bay Delta Plan for base years 2030-2050 from SFPUC for the City, the available water supply in a single-dry year is 1,284 MG/year or 65% of normal supply (the City's normal or average

supply is 1,975 MG/year for these same years). This condition also assumes full allocation of Valley Water three-year contract purchase projections.

Infrastructure Considerations

The Annual Assessment will include consideration of any infrastructure issues that may pertain to near-term water supply reliability, including repairs, construction, and environmental mitigation measures that may temporarily constrain capabilities, as well as any new projects that may add to system capacity.

The City maintains one existing fully developed groundwater well for use in emergencies, but it is not used as a normal supply. Currently, the City does not use groundwater to meet customer demands under normal conditions. The City has one existing fully developed well, Pinewood Well, and two planned or in development: Curtis Well and McCandless Well. These wells are located in the southwestern part of the City. Curtis Well was drilled in 2003, but the well was not equipped with above-grade infrastructure required for a functioning well, and the facility was never completed. As a result, bringing Curtis Well online requires installing a submersible pump, piping and treatment components, as well as conducting testing and permitting. Design for Curtis Well improvements began in 2020. Construction of McCandless Well began in 2020 and is anticipated to be completed in 2026.

The use of Pinewood Well, Curtis Well and McCandless Well as emergency wells or fully functioning wells is yet to be studied; however, the significance of these wells cannot be understated. The State Water Resources Control Board Division of Drinking Water (DDW), in 2015, requested a formal evaluation of the City's Water Source Capacity, under Section 64558, Title 22, of the California Code of Regulations. The use of well(s) for storage credits is one strategy the City may use to supplement above grade storage requirements to satisfy Section 64558, Title 22. A Source Capacity Analysis, as part of a separate study independent of the UWMP, is being performed by the City at the time of the writing of this UWMP. The City adopted its Water Master Plan in August 2022 which identified the City's current and future water demands and the infrastructure required to address source capacity. The Master Plan Study will inform the Source Capacity Analysis; however, preliminary evaluations indicate a combination of groundwater supply in conjunction with above grade storage (tanks) may be the appropriate balance to ensure compliance with Section 64558 of Title 22. Additionally, expanding the City's water portfolio to include groundwater wells will supplement loss of supply as a result of wholesale cutbacks in the event of prolonged droughts as discussed in Chapter 7 of the 2025 Urban Water Management Plan. Pinewood Well is permitted for use as a standby emergency well. The City currently reserves groundwater supply for emergency use in the event that SFPUC and Valley Water cannot deliver contract treated water supplies.

Other Factors

For the Annual Assessment, any known issues related to water quality would be considered for potential effects on water supply reliability.

3.3 Six Standard Water Shortage Levels

Per Water Code Section 10632 (a)(3)(A), the City must include the six standard water shortage levels that represent shortages from the normal reliability as determined in the Annual Assessment. The shortage levels have been standardized to provide a consistent regional and statewide approach to conveying the relative severity of water supply shortage conditions. This is an outgrowth of the severe statewide drought of 2012-2016, and the widely recognized public communication and state policy uncertainty associated with the many different local definitions of water shortage Levels.

The six standard water shortage levels correspond to progressively increasing estimated shortage conditions (up to 10-, 20-, 30-, 40-, 50-percent, and greater than 50-percent shortage compared to the normal reliability

condition) and align with the response actions the City would implement to meet the severity of the impending shortages.

Table 3-1. Water Shortage Contingency Plan Levels (DWR Table 8-1)

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)		
☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.	
Standard Shortage Levels	**Percent Shortage Range**	**Shortage Response Actions**
0	0% (Normal)	A Level 0 Water Supply Shortage condition exists when the City notifies its water users that no supply reductions are anticipated in this year. The City proceeds with planned water efficiency best practices to support consumer demand reduction in line with state mandated requirements and local City goals for water supply reliability. Permanent water waste prohibitions are in place as stipulated in the City's Water Shortage Response Ordinance.
1	Up to 10%	A Level 1 Water Supply Shortage condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 10% is necessary to make more efficient use of water and respond to existing water conditions. The City shall implement the mandatory Level 1 conservation measures identified in this WSCP. The type of event that may prompt the City to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
2	Up to 20%	A Level 2 Water Supply Shortage condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 20% is necessary to make more efficient use of water and respond to existing water conditions. Upon declaration of a Level 2 Water Supply Shortage condition, the City shall implement the mandatory Level 2 conservation measures identified in this WSCP.
3	Up to 30%	A Level 3 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 30% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
4	Up to 40%	A Level 4 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 40% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)		
☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.	
Standard Shortage Levels	**Percent Shortage Range**	**Shortage Response Actions**
5	Up to 50%	A Level 5 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
6	>50%	A Level 6 Water Supply Shortage condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that greater than 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

3.4 Shortage Response Actions

Water Code Section 10632 (a)(4) requires the WSCP to specify shortage response actions that align with the defined shortage levels. The City has defined specific shortage response actions that align with the defined shortage levels in Tables 3-1, 3-2 and 3-3. These shortage response actions were developed with consideration to the system infrastructure and operations changes, supply augmentation responses, customer-class or water use-specific demand reduction initiatives, and increasingly stringent water use prohibitions.

3.4.1 Supply Augmentation

The supply augmentation actions are described in Table 3-2 (DWR Submittal Table 8-2). These augmentations represent short-term management objectives triggered by the WSCP and do not overlap with the long-term new water supply development or supply reliability enhancement projects. The City relies on SFPUC's and Valley Waters reliability portfolio of water supply programs including existing water transfers, storage and exchange agreements to supplement gaps in the City's supply/demand balance.

Table 3-2. Supply Augmentation and Other Actions (DWR Table 8-2)

Submittal Table 8-2 Retail: Supply Augmentation and Other Actions - Water Code Section 10632(a)(4)(A), (C), and (E)				
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier	How much is this going to reduce the shortage gap?		Additional Explanation or Reference
		Volume or Percentage	Shortage Gap Reduction (MG)	
1	Other Actions (describe)	Percentage	0-10%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
2	Other Actions (describe)	Percentage	10-20%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
3	Other Actions (describe)	Percentage	20-30%	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
4	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
5	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.
6	Other Actions (describe)	Volume	1752	Utilize 1-5 additional City-owned groundwater wells as needed. Each has a capacity of 1.2 MGD per West Yost April 2021 Shortage Evaluation.

NOTES:
1. The City currently has three groundwater wells that are used for emergency use only and permitted to be operated no more than 5 consecutive days, and for no more than 15 calendar days per year. They pump at 1.2 MGD and are not designed as production supply wells. By year 2030, these groundwater wells will become an active non-emergency supply source and be able to operate at full production rate in dry year conditions.
2. By 2035, one or more additional wells pumping at 1.2 MGD or 438 MGY will be online yielding a total well capacity of 1,752 MGY for all groundwater wells. More than one well may be built between 2030 and 2035 depending on anticipated shortfall and well pumping capacities.

The City may pursue a managed groundwater well extraction program similar to neighboring water agencies, Alameda County Water District to the north and City of Santa Clara and San Jose Water to the south. The south-western portion of the City of Milpitas overlays a groundwater aquifer which is adequately productive therefore, in-pipe blending with SFPUC and Valley Water is a viable option for augmenting supply shortages. Four wells at

an average withdrawal rate of 1.2 million gallons per day (450 million gallons per year) can produce up to 5 million gallons per day of new water supply for the City. The extraction rate and volume is based on preliminary production tests of McCandless Well and Curtis Well which have indicated the aquifer in this zone produces 500-1,200 gallons per minute or an average of 850 gallons per minute. Prior to use, a State Water Quality Report must be completed, as well as treatment (if necessary) and disinfection. Assuming new wells would be of similar quality to that of Pinewood Well (the primary municipal well for the City's emergency water supply), treatment for contaminants would be minimal. Issues to be resolved include both mineral and odor concerns which will require treatment or in-pipe blending with current water supplies. Planning for future wells, while an increase to the infrastructure costs, allows for better long-term supply reliability by expanding the City's water supply portfolio which will allow the City to supplement water supply cutbacks in some or all drought scenarios. Wells also provide the City storage credits to offset above grade water storage requirements which also include infrastructure and land acquisition costs.

Sustainability of wells and groundwater aquifers are based on aquifer recharge, as currently performed by Valley Water. The City in concert with Valley Water should study the feasibility of offsetting SFPUC supply reductions, as outlined in the Bay Delta Plan and this UWMP, to determine the approximate quantity of groundwater and the rate at which groundwater can be extracted from the aquifer during various drought scenarios. If it is determined the aquifer has the capacity to offset most if not all of the supply cutbacks from SFPUC, the City should develop a Water Supply Augmentation Feasibility Report to determine the recommended number and location of wells.

3.4.2 Demand Reduction

The demand reduction measures that would be implemented to address shortage levels are described in Table 3-4 here and in the UWMP. This table also estimates the extent to which each action will reduce the gap between supply and demand, demonstrating that the selected suite of shortage response actions can be expected to meet the requirements of a given shortage level. This table also identifies the enforcement action, if any, associated with each demand reduction measure.

Table 3-3. Demand Reduction Actions (DWR Table 8-3)

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
0	Other water feature or swimming pool restriction	Percentage	Statewide Prohibition is Required	Cleaning, filling, or operating water features, such as decorative fountains, except where the water is part of a recirculating system.	No
0	Other	Percentage	Statewide Prohibition is Required	Washing or hosing down vehicles is prohibited except by use of a handheld container, hose with an automatic shut off device, or at a commercial car wash.	No
0	Other - Prohibit use of potable water for washing hard surfaces	Percentage	Statewide Prohibition is Required	Washing hard or paved surfaces is prohibited except to alleviate safety or sanitary hazards using a handheld container, hose with an automatic shut off device, or a low-volume high pressure cleaning machine that recycles used water.	No
0	Landscape - Restrict or prohibit runoff from landscape irrigation	Percentage	Statewide Prohibition is Required	Watering vegetated areas in a manner that causes excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Statewide Prohibition is Required	Irrigating ornamental turf on public street medians is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	Statewide Prohibition is Required	No landscape watering shall occur within 48 hours after measurable precipitation.	No
0	Landscape - Other	Percentage	On-going Long Term-Conservation Savings	Prohibited use of broken or defective plumbing,	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
	landscape restriction or prohibition		Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	sprinkler, watering or irrigation systems	
0	Landscape - Other landscape restriction or prohibition	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	CII - Restaurants may only serve water upon request	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	CII - Restaurants may only serve water upon request	No
0	CII - Other CII restriction or prohibition	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	No
0	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	All new commercial car wash and laundry facilities must re-circulate the wash water.	No
0	Landscape - Limit landscape irrigation to specific times	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device,	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
			Plan quantifiable savings.	or for adjusting or repairing an irrigation system for short periods of time.	
0	Other - Require automatic shut of hoses	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Use a shutoff nozzle on hoses.	No
0	Pools and Spas - Require covers for pools and spas	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Pools and spas shall be covered when not in use to prevent evaporation.	No
0	Other - Prohibit use of potable water for construction and dust control	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	No
0	Landscape - Limit landscape irrigation to specific days	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings	Irrigation shall be limited to 4 days per week turf watering when using potable water.	No
0	Landscape - Other landscape restriction or prohibition	Percentage	On-going Long Term-Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	Landscape - Other landscape	Percentage	On-going Long Term-Conservation Savings Measure. Not	Prohibited use of potable water for the irrigation of nonfunctional turf located on	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
	restriction or prohibition		applicable to Water Shortage Contingency Plan quantifiable savings	commercial, industrial, and institutional properties, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities; other than cemeteries.	
1	Landscape - Limit landscape irrigation to specific times	Percentage	0-5%	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	Yes
1	Landscape - Limit landscape irrigation to specific days	Percentage	0-5%	Irrigation shall be limited to 4 days per week turf watering when using potable water.	Yes
1	Expand Public Information Campaign	Percentage	0-1%	Community Outreach and Messaging (Expand Public Information Campaign)	Yes
1	Reduce System Water Loss	Percentage	0-5%	Real Loss Reduction - Pressure Management and More Aggressive Leak Detection and Repair	Yes
1	Increase Water Waste Patrols	Percentage	0-1%	Increase Water Waste Patrols	Yes
1	Expand Public Information Campaign	Percentage	0-1%	Expand promotion and outreach about rebates available	No
2	Improve Customer Billing	Percentage	0-1%	Improve AMI Leak Reports to include more details on water use	No

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
2	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers promptly/within 5 days.	Yes
2	Landscape - Other landscape restriction or prohibition	Percentage	0-1%	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems.	Yes
2	Landscape - Limit landscape irrigation to specific days	Percentage	5-10%	Irrigation shall be limited to 3 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
2	Water Features - Restrict water use for decorative water features, such as fountains	Percentage	0-1%	Filling or refilling ornamental lakes and ponds is prohibited. Ornamental lakes and ponds that sustain aquatic life of significant value and were actively managed prior to the storage declaration are exempt.	Yes
2	Pools and Spas - Require covers for pools and spas	Percentage	0-1%	Pools and Spas - Require covers for pools and spas	Yes
2	Decrease Line Flushing	Percentage	0-1%	Decrease Line Flushing	Yes
2	CII - Restaurants may only	Percentage	0-1%	CII - Restaurants may only serve water upon request	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
	serve water upon request				
2	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Percentage	0-1%	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 4 days.	Yes
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	0-1%	Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.	Yes
3	Other - Prohibit use of potable water for construction and dust control	Percentage	0-1%	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	Yes
3	Landscape - Limit landscape irrigation to specific days	Percentage	10-25%	Irrigation shall be limited to 2 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
				drip irrigation or hand watering.	
3	Other water feature or swimming pool restriction	Percentage	0-1%	Decorative water features that use potable water must be drained and kept dry.	Yes
3	CII - Other CII restriction or prohibition	Percentage	0-1%	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	Yes
4	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 3 days.	Yes
4	Landscape - Limit landscape irrigation to specific days	Percentage	5-20%	Irrigation shall be limited to 1 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
4	Other water feature or swimming pool restriction	Percentage	0-1%	Existing pools shall not be emptied and refilled using potable water unless required for public health and safety purposes.	Yes
4	Other water feature or swimming pool restriction	Percentage	0-1%	No new permits for pools will be issued.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
4	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Irrigation of golf courses only allowed for greens and tees area.	Yes
5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 2 days.	Yes
5	Landscape - Prohibit all landscape irrigation	Percentage	5-20%	All irrigation is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Watering of all golf course areas is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	Percentage	0-1%	Watering of parks, school grounds, and recreation fields is prohibited, except for rare plant or animal species.	Yes
6	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	Percentage	0-1%	Fix leaks or faulty sprinklers within 1 day.	Yes
6	Other	Percentage	0-50%	Water use for public health and safety purposes only.	Yes
6	Landscape - Prohibit all landscape irrigation	Percentage	0-5%	The City may shut off all non-essential water services. All irrigation is prohibited.	Yes

Submittal Table 8-3 Retail: Demand Reduction Actions - Water Code Section 10632(a)(4)(B) and (E)					
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?		Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
		Volume or Percentage	Shortage Gap Reduction Value (MG)		
6	CII - Other CII restriction or prohibition	Percentage	0-15%	Water for commercial, manufacturing, or processing purposes shall be reduced in volume by up to 50% or exceeded if necessary for public health and safety purposes.	Yes
6	Other	Percentage	0-70%	Water use for public health and safety purposes only. Customer rationing may be implemented.	Yes

3.4.3 Operational Changes

During shortage conditions, operations may be affected by supply augmentation or demand reduction responses. The City considered its operational procedures to identify changes that can be implemented to address water shortage on a short-term basis, including but may not be limited to the following:

- Use reclaimed water for hydroflushing
- Temporarily suspend hydrant flushing
- Minimize any conventional flushing
- Utilize NO-DES truck whenever possible
- Converting emergency wells to supply wells
- Drilling additional wells for supply

3.4.4 Additional Mandatory Restrictions

California Water Code Section 10632(a)(4)(D) calls for "additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions" to be included among the WSCP's shortage response actions. The City has identified additional mandatory restrictions in Chapter VIII-6 of the City's Municipal Code. The City intends to update mandatory restrictions and enforcement procedures in a subsequently adopted ordinance which will supersede the existing ordinance. Additional restrictions to be included in the updated ordinance include prohibiting the use of potable water for irrigating nonfunctional turf at commercial, industrial, and institutional (CII) properties beginning in 2027.

3.4.5 Emergency Response Plan (Hazard Mitigation Plan)

A catastrophic water shortage would be addressed according to the appropriate water shortage level and response actions. It is likely that a catastrophic shortage would immediately trigger Shortage Level 6 and response actions have been put in place to mitigate a catastrophic shortage. In addition, there are several Plans

that address catastrophic failures and align with the WSCP including the Santa Clara Operational Area Hazard Mitigation Plan and the City of Milpitas Emergency Response Plan.

Santa Clara Operational Area Hazard Mitigation Plan

Santa Clara County, a partnership of local governments within the county, and the City, have developed a hazard mitigation plan to reduce risks from natural disasters in the Santa Clara County Operational Area. As a planning partner of the Santa Clara Operational Area Hazard Mitigation Plan, the City reviewed its recommended actions to classify each action based on the hazard it addresses and the type of mitigation it involves. This planning process used the Community Rating System (CRS) categories of mitigation activities. The CRS credits programs and activities that are considered to be above and beyond the minimum requirements established by FEMA. These CRS categories add significantly more detail to the four mitigation categories defined in the Federal Emergency Management Agency (FEMA) 2013 Local Mitigation Handbook. The CRS expanded categories provide a more comprehensive range of alternatives to consider, thus increasing integration opportunities. Additionally, the use of CRS program guidance will enhance the CRS credit potential for this plan, benefiting planning partners who participate in the CRS program. Mitigation types used for this categorization are as follows:

- Prevention—Government, administrative or regulatory actions that influence the way land and buildings are developed to reduce hazard losses. Includes planning and zoning, floodplain laws, capital improvement programs, open space preservation, and stormwater management regulations.
- Property Protection—Modification of buildings or structures to protect them from a hazard or removal of structures from a hazard area. Includes acquisition, elevation, relocation, structural retrofit, storm shutters, and shatter-resistant glass.
- Public Education and Awareness—Actions to inform citizens and elected officials about hazards and ways to mitigate them. Includes outreach projects, real estate disclosure, hazard information centers, and school-age and adult education.
- Natural Resource Protection—Actions that minimize hazard loss and preserve or restore the functions of natural systems. Includes sediment and erosion control, stream corridor restoration, watershed management, forest and vegetation management, and wetland restoration and preservation.
- Emergency Services—Actions that protect people and property during and immediately after a hazard event. Includes warning systems, emergency response services, and the protection of essential facilities.
- Structural Projects—Actions that involve the construction of structures to reduce the impact of a hazard. Includes dams, setback levees, floodwalls, retaining walls, and safe rooms.
- Climate Resilient—Actions that minimize the impacts of climate change via an aquifer storage and recovery system to increase water supply for drought mitigation and a flood diversion and storage project to reduce flood risk.

SFPUC Preparation for Catastrophic Supply Interruption

The SFPUC maintains various planning documents which collectively address its emergency preparedness and planned response in the event of a catastrophic interruption of water supplies due to power outages, earthquakes, or other disasters including Emergency Preparedness Plans, Emergency Drinking Water Planning, and Power Outage Preparedness and Response. Should a catastrophic interruption occur, the City will coordinate with SFPUC for the possible proclamation of a local emergency and emergency mitigation.

City of Milpitas Emergency Response Plan

The City will also refer to its current American Water Infrastructure Act Risk and Resilience Assessment and Emergency Response Plan (ERP) in the event of a catastrophic supply interruption. In compliance with Section 2013 of America's Water Infrastructure Act (AWIA) of 2018, the City re-certified its ERP on December 11, 2025,

by the required deadline of June 30, 2026. This ERP contains sensitive infrastructure information and is therefore not included as an appendix or available for public review.

3.5 Seismic Risk Assessment and Mitigation Plan

Per the Water Code Section 10632.5, Suppliers are required to assess seismic risk to water supplies as part of the WSCP. The plan also must include the mitigation plan for the seismic risk(s). Earthquakes are common in California and are recognized as high probability occurrences in many regions across the state.

In 2006, the City developed the City of Milpitas Water System Seismic Improvements Strategic Plan[7] to prepare, respond, and recover from the impact of a major earthquake on its water utility. Due to its location in the seismically active San Francisco Bay Area, Milpitas is vulnerable to seismic events on the nearby Calaveras, Hayward, and San Andreas Faults. There is a 14% chance of an M 6.7 or greater earthquake on the Hayward Fault in the next 30 years (starting from 2014), a 7% chance on the Calaveras fault, and a 6% chance on the San Andreas Fault[8]. In such an event, the City will experience strong ground shaking, liquefaction in the valley floor, and landslides in the hills. The City expects pipeline displacements of up to 8 inches and 150 water main breaks during a major earthquake.

The City depends on an intact water service to protect public health and safety after a major earthquake, as water is needed for fire protection as well as basic sanitation. Broken pressure mains may also damage transportation routes, hindering emergency response. Because it is infeasibly expensive to seismically upgrade all components of the water infrastructure within a reasonable timeframe, the City developed a multi-component plan to optimize expenditure of its scarce utility funds while building its ability to protect and restore its water services.

Planning included conducting an infrastructure risk assessment to define water system vulnerabilities and consequences of failure. The City's wholesale suppliers are also developing seismic response plans, so the assessment takes into account expected out- of-service times for supply. The City developed hazard maps for potential rupture zones, landslides, and liquefaction and mapped its water and transportation infrastructure into Geographic Information System (GIS) such that emergency transportation routes are defined and water pipeline networks and nodes are defined. The City assessed its emergency response ability through a resources and needs evaluation for personnel, equipment, and contract supplies and services.

Response preparation includes training to address gaps in personnel skills and preparation of emergency kits for staff and mutual aid personnel. GIS maps are loaded into laptop computers for field personnel and the City's Emergency Operations Center. The City is stockpiling an inventory of temporary and replacement equipment and expects to eventually acquire over 5,000 feet of flexible hose, deployed from trailer- mounted reels, to allow temporary bypass from fire hydrants around water main breaks.

Seismic improvements are integrated into the City's development standards such that new and replacement infrastructure is designed and constructed to withstand damage from ground displacement and hydraulic pressure surges caused by fault rupture, landslides and liquefaction. Standards apply to pipe material, joint design and geometry, fittings, connections, and appurtenances. The incremental cost for these improvements is minor compared the benefits accruing as new infrastructure is built and aging infrastructure is replaced.

Finally, the City has a targeted capital improvement plan to harden critical water infrastructure defined as the "backbone" distribution system. The backbone includes supply turnouts, major pipelines, pump stations, reservoirs, pressure relief valves, and emergency power. This plan includes 31 projects to anchor aboveground

[7] City of Milpitas Water System Seismic Improvements Strategic Plan

[8] Santa Clara County Local Hazard Mitigation Plan, Vol. 1, 2023.

reservoirs, install flexible joints at rigid connection and fault crossings, install isolation valves, and upgrade pipe materials.[9]

Since the City purchases a portion of its water from the SFPUC, it is highly dependent on the SFPUC RWS infrastructure reliability. The SFPUC conveyance system crosses five major faults and the majority (about 85 percent) travels 167 miles through pipelines and tunnels from the Hetch-Hetchy watershed in the Sierra Nevada Mountains. SFPUC also has four major storage facilities and distribution lines in the San Francisco Bay Area. Both the regional and San Francisco Bay Area parts of the SFPUC system are vulnerable to seismic events. However, the SFPUC's nearly completed Water System Improvement Program (WSIP) provides improvements in reliability for water delivery and supply through the SFPUC RWS. The SFPUC's 2025 10-Year Capital Improvement Program (CIP) includes various projects to enhance reliability of the SFPUC RWS.[10]

The City's seismic risk assessment for its system is part of the Santa Clara Multijurisdictional Hazard Mitigation Plan (Santa Clara Multijurisdictional Hazard Mitigation Plan, Volume 1, Section 7, 2023) that is required under the federal Disaster Mitigation Act of 2000 (Public Law 106-390). The Santa Clara Multijurisdictional Hazard Mitigation Plan[11] Volume 1 and Volume 2 are available online. As required, the City also has an American Water Infrastructure Act Risk and Resilience Assessment and Emergency Response Plan that describes strategies, resources, plans, and procedures utilities can use to prepare for and respond to an incident, natural or man-made, that threatens life, property, or the environment.

3.5.1 Shortage Response Action Effectiveness

For each specific Shortage Response Action identified in the plan, the WSCP also estimates the extent to which that action will reduce the gap between supplies and demands identified in Table 3-3. To the extent feasible, City has estimated percentage savings for the chosen suite of shortage response actions, which can be anticipated to deliver the expected outcomes necessary to meet the requirements of a given shortage level.

3.6 Communication Protocols

Timely and effective communication is a key element of the WSCP implementation. Per the Water Code Section 10632 (a)(5), the City has established communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments regarding any current or predicted shortages as determined by the Annual Assessment described pursuant to Section 10632.1; any shortage response actions triggered or anticipated to be triggered by the Annual Assessment described pursuant to Section 10632.1; and any other relevant communications. The City's Water Shortage Communication Plan is documented in Appendix B.

3.7 Compliance and Enforcement

Per the Water Code Section 10632 (a)(6), the City has defined customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions. Communication procedures to ensure customer compliance are described in Section 3.5 and customer enforcement, appeal, and exemption procedures are defined in the City's Municipal Code (Appendix A). The City intends to update as needed

[9] City of Milpitas Strategic Plan to Protect and Restore Water Utility Service in the Event of a Magnitude 7 Earthquake on the Hayward Fault.

[10] SFPUC 2025 10-Year Capital Improvement Program, adopted February 13, 2024.

[11] Santa Clara County Local Hazard Mitigation Plan, 2023: https://www.paloalto.gov/files/assets/public/v/1/oes/plans/final_vol-ii-santa-clara-mjhmp_city-of-palo-alto-annex-1.pdf

existing enforcement procedures in a subsequently adopted ordinance which will supersede the existing ordinance.

3.8 Legal Authorities

Per Water Code Section 10632 (a)(7)(A), the City of Milpitas has provided a description of the legal authorities that empower the City to implement and enforce its shortage response in Chapter VIII-6 of the City's Municipal Code (Appendix A). The City intends to update as needed existing enforcement procedures in a subsequently adopted ordinance which will supersede the existing ordinance.

Per Water Code Section 10632 (a)(7) (B), the City shall declare a water shortage emergency condition to prevail within the area served by such wholesaler whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

Per Water Code Section 10632 (a)(7)(C), the City shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency under California Government Code, California Emergency Services Act (Article 2, Section 8558).

Table 3-4 identifies the contacts for all cities or counties for which the City provides service in the WSCP, along with developed coordination protocols. These contacts are expected to facilitate compliance with this section of the Water Code in the event of a local emergency as defined in subpart (c) of Government Code Section 8558.

Table 3-4. Agency Contacts and Coordination Protocols

Contact	Agency	Coordination Protocols
City Manager	City of Milpitas	Email/call
City Council	City of Milpitas	Meeting/Memo
Santa Clara County Emergency Operations Coordinator	Santa Clara County Department of Public Health	Email/call
Director of Operations	San Jose Water	Email/call
Engineering Supervisor	Alameda County Water District	Email/call
Water Systems Operations Manager	San Jose Municipal Water	Email/call

3.9 Financial Consequences of WSCP

Per Water Code Section 10632(a)(8), Suppliers must include a description of the overall anticipated financial consequences to the Supplier of implementing the WSCP. This description must include potential reductions in revenue and increased expenses associated with implementation of the shortage response actions. This should be coupled with an identification of the anticipated mitigation actions needed to address these financial impacts.

Water shortage mitigation actions will impact revenues and require additional costs for drought response activities such as increased staff costs for tracking, reporting, and communications. The following measures can be implemented by the City to overcome each reduction in water sales scenario outlined above depending on anticipated short-term and long-term financial impacts.

- The City can defer non-mission critical capital improvement projects and reallocate the funds to cover the cost of operations and critical maintenance, and/or;
- The City Manager can recommend the City Council declare a water shortage and implement the City's Water Shortage Contingency Plan. Depending on the severity of the shortage and impact on revenue, the City Council may choose to increase water rates, and/or implement a drought response surcharge, by an amount necessary as determined by the City Council. The subsequent rate increases enacted will remain in effect until such time the City Council declares a water shortage no longer exists; and/or;
- The City Manager can recommend alternative measures to the City Council, to the extent of which will be determined by a rates analysis.

3.10 Monitoring and Reporting

Per Water Code Section 10632(a)(9), the City is required to provide a description of the monitoring and reporting requirements and procedures that have been implemented to ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

Monitoring and reporting key water use metrics is fundamental to water supply planning and management. Monitoring is also essential in times of water shortage to ensure that the response actions are achieving the

intended water use reduction purposes, or if improvements or new actions need to be considered (see Section 3.10). Monitoring for customer compliance tracking is also useful in enforcement actions.

Under normal water supply conditions, potable water production figures are provided monthly by SFPUC and Valley Water. The City records the production volumes and generates water use reports that are submitted to the state monthly. This data will be used to measure the effectiveness of any water shortage contingency level that may be implemented. In addition, the City was fully equipped with Automated Meter Infrastructure (AMI) by 2024 and has been able to further refine water use measurement resolution. As levels of water shortage are declared according to the WSCP, the City will follow implementation of those levels as appropriate and continue to monitor water demand levels. The City will participate in monthly member agency manager meetings with BAWSCA and Valley Water to monitor and discuss monthly water allocation charts. This will enable the City to be aware of water use on a timely basis as a result of specific actions taken responding to the City's Water Shortage Contingency Plan.

3.11 WSCP Refinement Procedures

Per Water Code Section 10632 (a)(10), the City must provide reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

The City's WSCP is prepared and implemented as an adaptive management plan. The City will use the monitoring and reporting process defined in Section 3.10 to refine the WSCP. In addition, if certain procedural refinements or new actions are identified by City staff, or suggested by customers or other interested parties, the City will evaluate the action effectiveness, incorporate changes into the WSCP, and implement them quickly at the appropriate water shortage level.

It is envisioned that the WSCP will be periodically re-evaluated to ensure that its shortage risk tolerance is adequate, and the shortage response actions are effective and up to date based on lessons learned from implementing the WSCP. The WSCP will be revised and updated during the UWMP update cycle to incorporate updated and new information. For example, new supply augmentation actions will be added, and actions that are no longer applicable for reasons such as program expiration will be removed. However, if revisions to the WSCP are warranted before the UWMP is updated, the WSCP will be updated outside of the UWMP update cycle. In the course of preparing the Annual Assessment each year, City staff will routinely consider the functionality the overall WSCP and will prepare recommendations for City Council if changes are found to be needed.

3.12 Special Water Feature Distinction

Per Water Code Section 10632 (b), the City has defined water features in that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code, in Prevention of Water Waste Ordinance 240.7 (Appendix A). The City intends to update as needed existing enforcement procedures in a subsequently adopted ordinance which will supersede the existing ordinance.

3.13 Plan Adoption, Submittal and Availability

Per Water Code Section 10632 (a)(c), City provided notice of the availability of the draft 2025 UWMP and draft 2025 WSCP and notice of the public hearing to consider adoption of the WSCP. The public review drafts of the 2025 UWMP and the 2025 WSCP were posted prominently on City website, https://www.milpitas.gov/752/Urban-Water-Management-Plan on May 22, 2026, more than 14 days in advance of the public hearing on June 9, 2026. Public hearing notifications were published in local newspapers. A copy of the published Notice of Public Hearing is included in Appendix C.

The City held the public hearing for the draft 2025 UWMP and draft WSCP at its June 9, 2026 City Council meeting. The City Council reviewed and approved the 2025 UWMP and the WSCP after the public hearing. See Appendix D for the resolution approving the WSCP.

By July 1, 2026, the City's adopted 2025 UWMP and WSCP were filed with DWR, California State Library, and Santa Clara County. The City will make the WSCP available for public review on its website no later than 30 days after filing with DWR.

Based on DWR's review of the WSCP, the City will make any amendments to its adopted WSCP, as required and directed by DWR.

If the City revises its WSCP after UWMP is approved by DWR, then an electronic copy of the revised WSCP will be submitted to DWR within 30 days of its adoption.

4 REFERENCES

All links below were accessed in May 2026 unless otherwise indicated.

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APPENDIX A – CITY OF MILPITAS MUNICIPAL CODE ORDINANCE NO. 240.7

Below is the weblink to the current ordinance:

https://library.municode.com/ca/milpitas/ordinances/code_of_ordinances?nodeId=1101518

APPENDIX B – COMMUNICATION PROCEDURES

Public communication is an ongoing activity where the purpose, audience, message, tools, and channels may change at any given moment. In the context of water shortage response, the purpose may be an immediate emergency water shortage situation, such as may result from an earthquake, or a longer-term emergency shortage condition, such as may result from a drought. In a catastrophic emergency under crisis conditions, the City will activate the communication protocol detailed in the City of Milpitas American Water Infrastructure Act Risk and Resilience Assessment and Emergency Response Plan (ERP). In a longer-term water shortage situation, the City will implement the procedures identified in this Communication Plan.

Timely and effective communication is a key element of the WSCP implementation. Per Water Code Section 10632 (a)(5), the City has established communication protocols and procedures to inform stakeholders regarding any current or predicted shortages as determined by the annual water supply and demand assessment described pursuant to Section 10632.1; any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1; and any other relevant communications.

B.1 Emergency Response Plan Communication

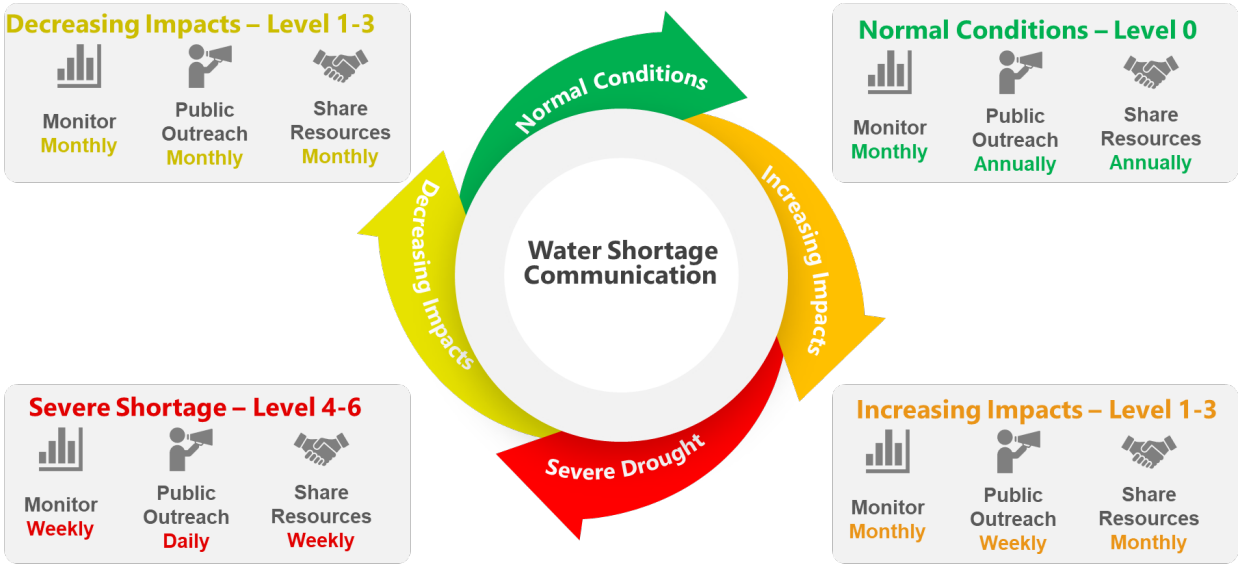
The ERP defines the actions to be taken by the City staff to reduce the loss of water and wastewater infrastructure; to respond effectively to a disaster; and to coordinate recovery operations in the aftermath of any emergency involving extensive damage to local and regional water and wastewater utilities. The ERP includes activation notification protocols that will be used to contact partner agencies to inform them of the situation, activation status of the ERP, known damage or impacts, or resource needs. The ERP is a standalone document that is reviewed annually and updated every 5 years. Refer to the ERP for full details.

B.2 Water Shortage Communication Plan

The Water Shortage Communication Plan serves as the baseline understanding for how the City will provide information and value to its various stakeholders, partners, and employees during normal conditions where water efficiency is an everyday goal for water supply reliability. In times of water shortage, this Communications Plan can be enhanced for the purposes of a Water Shortage Communication Plan. The Public Works Department works to elevate public awareness and participation in water efficiency so, in the event of a water shortage, the community is aware of the importance of response actions and can identify as an active participant in the City demand reduction target levels. The Communications Plan is designed to provide transparent, reliable, and accurate information to the public and collaborating agencies by identifying goals and objectives for each shortage level and outlining the appropriate communication interface tools and implementation schedule to for effective communication to assist customers with curtailing their water use.

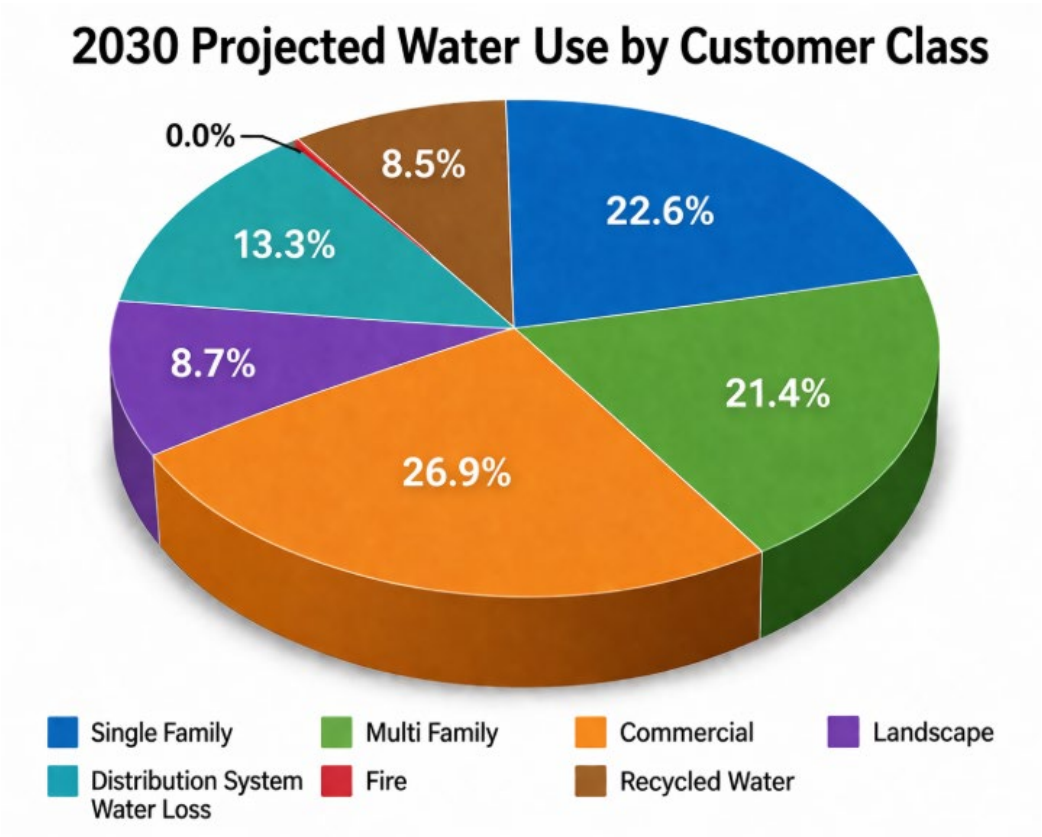
B.2.1 Goals & Objectives

The goal of the City's Water Shortage Communication Plan is to create a local awareness of water shortage conditions and to encourage water efficiency from all residents. The Water Shortage Communication Plan objectives further refine the focus of the program goal to achieve a desired outcome at shortage level. As a water shortage condition escalates, the objectives of the Communication Plan also escalate to ensure progress toward water supply reliability. The defined objectives for each Water Shortage level will determine the information that is communicated at each level.



B.2.2 Target Audiences

The City reviewed its water demand and customer class profile to develop a communication plan to be the most effective with its unique customer profile and water demands. Based on the 2030 projections, the City single family water use is expected to account for approximately 22.6% of the total water demand. Commercial, industrial, and institution water use is projected to account for about 26.9% of total demand. Multifamily and landscape use are projected to account for 21.4% and 8.7% of total demand, respectively based on recent trends. By understanding the local customer and water use profile, the City can implement a Water Shortage Communication Plan that leverages the appropriate communications tools to reach the target audience most effectively during a water shortage.



The City further refined its customer categories to identify the following target audiences for communication:

- City staff
- Homeowners and renters
- Business owners
- Local Industries
- Property owners and managers
- School district administrators and teachers
- Elected officials and staff
- Environmental/public interest groups
- General Public
- Local Media
- Homeowners Associations
- Golf Courses

B.2.3 Communications Interfaces and Tools

The City will work closely with its customers and wholesalers during a normal and water shortage condition; the City will utilize a comprehensive set of communication interface tools to engage water customers. The interface options and tools include:

- Water bill communications
- Website information on the City's water conservation page (https://www.milpitas.gov/935/Water-Conservation) and the City's homepage (https://www.milpitas.gov/)
- Social media outreach
- Media coverage (print and electronic)
- Publications and handouts
- Customer portal communication
- Presence at local events
- Mayor Public Service Announcements
- Direct mailings to homes and businesses
- School education programs
- Residential Water-Efficient Landscape classes

B.2.4 Communication Tactics and Implementation Schedule

The City understands its responsibility to be transparent, accountable, have a positive impact on the community, and provide actionable guidance in times of water shortage. Carefully developed and executed communication tactics and implementation schedule will establish trust and credibility for all stakeholders by clearly communicating expectations and responsibilities. Below is a description of the Water Shortage Communication Plan Tactics. These tactics will be implemented according to the schedule and objectives defined in Table B-1.

This Water Shortage Communication Plan is designed to have a standard set of tactics systematically align to the current Water Shortage Level. For example, information that may be educational during Shortage Level 0 will shift to specific status information and shortage level response action requirements, as defined in Section 3.4.1 of the WSCP and Table 3-3 (DWR Submittal Table 8-3), as water shortage levels increase from 1 to 6. In Shortage Level 0, shortage communication will include a general overview of water

efficiency and water shortage levels so, in the event of a water shortage, the understanding and response requirements are familiar. As the Water Shortage Levels increase, messaging will align with specific shortage level response requirements and objectives.

Website

- The City website: Provide water efficiency information and resources on the City website including water shortage level status.
- Water Shortage Indicator: develop a permanent image on the webpage that identifies water shortage level status. Image will be updated promptly when status level changes and will link to additional shortage level information.
- Promote Valley Water's watersavings.org website: Provide information and link directing viewers to Valley Water's Rebate programs that the City cost-shares on.

Social Media

- Facebook/NextDoor/Instagram: post water efficiency information and shortage level status on the City's pages. This may include unique City content or reposting of regional messages and images.
- X (formerly Twitter): Post water efficiency information and water shortage level status on the City's account. This may include unique City content or reposting of regional messages and images.

Digital and Print Media

- Flyers/Signage/Brochures: Create and provide informational materials on water efficiency actions, local/regional water resource awareness, and water shortage level status.
- Consumer Confidence Reports (CCRs): provide a conservation reminder in CCR along with conservation tips.

Media Relations

- News stories/News Releases Newsletters: Provide news releases with information regarding water shortage level and expected trends.
- Briefing papers/Talking points: Provide briefing papers to local media outlets such as newspapers, magazines, and other publications. This may also include social media posts and infographics.

Community Outreach

- Public Events: Promote water efficiency and water awareness at local events such as festivals, farmers market, community organizations, and other events.
- Promotional giveaways: Provide promotional water efficiency devices or messaging materials (i.e. hats, stickers, mugs, etc.) promoting water efficiency and response.

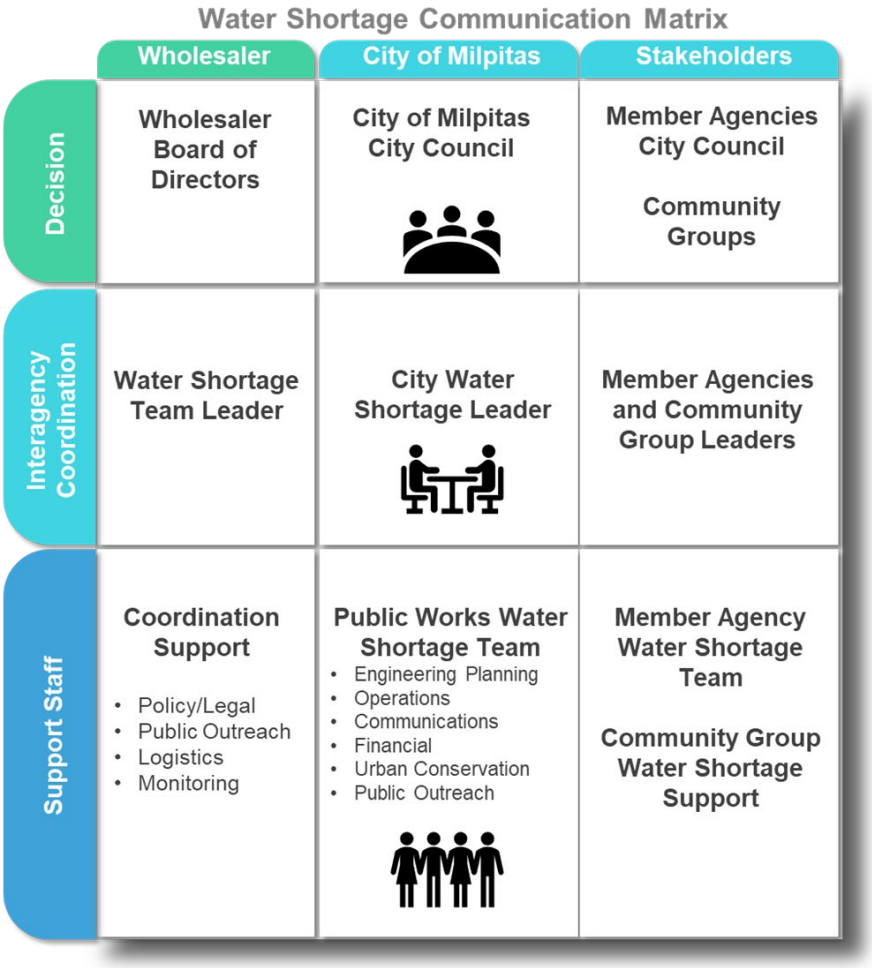
Educational Outreach

- School Programs: Provide water resource and efficiency presentations for local schools, including information and response to water shortage levels.

- Residential Water Efficiency Educational Classes: Provide educational classes to community on topics such as finding and fixing leaks, irrigation program scheduling, waterwise vegetation, etc.
- Non-residential water efficiency training classes/programs: Promote regional QWEL and Green Gardener trainings for local irrigation and plumbing professionals on water efficient practices and water shortage level requirements.

Water Efficiency Programs

- Rebate/Incentive Programs: Promote regional rebate and incentive programs for local water users. Messaging frequency increased as the shortage levels increase.
- Turf Removal: Promote regional rebate and incentive programs for local water users. Messaging frequency increased as the shortage levels increase.
- Water Surveys – Commercial: Promote regional rebate and incentive programs for local water users. Messaging frequency increased as the shortage levels increase.
- Water Surveys – Residential: Promote regional rebate and incentive programs for local water users. Messaging frequency increased as the shortage levels increase.



Direct Customer Communication

- Billing Inserts: Include billing inserts in water utility billings including water shortage level status and response actions.
- Water Use notifications: Include a comparison of actual water use and information regarding penalties.
- Neighborhood Canvasing: the City staff and/or representatives will canvas neighborhoods to educate residents of water shortage status and response action requirements.

Partnerships/Regional Initiatives

- SFPUC/BAWSCA/Valley Water: Utilize regional messaging programs, messages, and resources to communicate with local water users.

- Coordinate messaging with other member agencies and public partnerships.

B.3 Monitor, Evaluate, and Amend

The effectiveness of the City's Communication Plan depends on a large variety of factors including technological advancements or changes, the rise and fall of audience engagement, current news or media concentration, political changes in leadership and focus, and the weather. The Communication Plan will be evaluated for effectiveness and updated accordingly based on available metrics and stakeholder feedback.

Table B-0-1. Water Shortage Communication Plan Implementation Schedule

Water Shortage Level	0	1	2	3	4	5	6
Goal	Create an awareness of water shortage level status and encourage water efficiency from all citizens.						
Objective	Permanent Water Waste Prohibitions, Water Awareness	Compliance with response actions, 10% reduction in water use	Compliance with response actions, 20% reduction in water use	Compliance with response actions, 30% reduction in water use	Compliance with response actions, 40% reduction in water use	Compliance with response actions, 50% reduction in water use	Compliance with response actions, Essential Water Use only
Outreach Strategies	1) City Website 2) Written and Print Media 3) Social Media 4) Community Outreach 5) Educational Outreach 6) Direct communication with high water users 7) Communication with commercial/industrial water users 8) City Water Efficiency Programs 9) Water Use Communications 10) Partnerships/Regional Initiatives						
Tactics							
Website							
City Website	X	X	X	X	X	X	X
Water Shortage Indicator		X	X	X	X	X	X
Social Media							
Facebook	X	X	X	X	X	X	X
Instagram		X	X	X	X	X	X
X (formerly Twitter)	X	X	X	X	X	X	X
Digital and Print Media							
Flyers/Signage/Brochures	X	X	X	X	X	X	X
Consumer Confidence Reports (CCRs)		X	X	X	X	X	X
Media Relations							
News Stories/News Releases/Newsletters		X	X	X	X	X	X

Water Shortage Level	0	1	2	3	4	5	6
Community Outreach							
Public Events	X	X	X	X	X	X	X
Promotional Giveaways	X	X	X	X	X	X	X
Educational Outreach							
School Programs	X	X	X	X	X	X	X
Residential Water Efficiency Educational Classes	X	X	X	X	X	X	X
Water Efficiency Programs							
Rebate/Incentive Programs	X	X	X	X	X	X	X
Turf Removal	X	X	X	X	X	X	X
Water Surveys	X	X	X	X	X	X	X
California Friendly Landscaping Classes	X	X	X	X	X	X	X
Direct Customer Communication							
Billing Inserts		X	X	X	X	X	X
Water Use Notifications	X	X	X	X	X	X	X
Neighborhood Canvasing			X	X	X	X	X
Partnerships/Regional Initiatives	X	X	X	X	X	X	X
Message Frequency	Ongoing, regular messaging	Frequency escalates depending on water shortage level and/or financial budget.					

APPENDIX C – NOTICE OF PUBLIC HEARING

CITY OF MILPITAS
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Milpitas City Council will hold a public hearing at a special meeting in City Hall Council Chambers, 455 E. Calaveras Blvd., 2nd floor, Milpitas, CA and via teleconference / webinar on Tuesday, June 9, 2026, at 7:00 p.m., or soon thereafter, to receive public comment regarding adoption of the **2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP)**.

The 2025 UWMP is a water supply planning tool describing the service area, the existing and planned sources, existing and planned customer demands, and a comparison of actual water usage against State-mandated per capita water use targets.

The 2025 WSCP is part of the 2025 UWMP and analyzes the supply and demand assessment at each source as required by Assembly Bill 1668 and Senate Bill 606, looking at the next 20 years in 5-year increments, and includes a drought risk assessment for a 5-year period. The WSCP anticipates a water supply shortage and provides pre-planned guidance for managing and mitigating a supplier's shortage.

The 2025 UWMP and WSCP are available for public review and comment through the end of the public hearing described above. A copy of the 2025 UWMP and WSCP are accessible on the City's website: https://www.milpitas.gov/752/Urban-Water-Management-Plan

NOTICE IS FURTHER GIVEN, pursuant to CA Government Code Section 65009, that any legal challenge of this matter in court may be limited to only those issues raised at the public hearing described in this notice or in written or e-mailed correspondence delivered to the City Council at, or prior to, the public hearing. Challenges shall also be in compliance with Water Code Sections 10650-10656.

ANY PERSONS who wish to comment are encouraged to attend the public hearing where oral comments may be given or to submit written comments via e-mail to the City Council prior to the hearing. Written comments may be sent by e-mail to cityclerk@milpitas.gov. Please be advised that written comments will not be read during the meeting. Written comments received prior to the meeting will be digitally distributed to the City Council and will be part of this meeting's public record.

Suzanne Guzzetta
City Clerk
Publication Dates: May 22 and 29, 2026

APPENDIX D – ADOPTION RESOLUTION

Documentation pending. It will be included in the Final Draft of this 2025 UWMP.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE 2025 WATER SHORTAGE CONTINGENCY PLAN

WHEREAS, the Urban Water Management Planning Act, as codified in Section 10610 of the California Water Code passed by the California legislation in 1983, requires urban water suppliers providing water for municipal purposes to more than 3,000 customers or supplying more than 3000 acre-feet of water annually to prepare and adopt, in accordance with prescribed requirements, a water shortage contingency plan; and

WHEREAS, in 1991, the State of California added requirements to include a Water Shortage Contingency Plan as part of the Urban Water Management Plan to outline the urban water supplier's response and plan for changes or shortages in water supplies; and

WHEREAS, as part of the 2020 Urban Water Management Plan, the City expanded its Water Shortage Contingency Plan to be a standalone document to establish actions and procedures for managing water shortages; and

WHEREAS, the goal of developing the Water Shortage Contingency Plan is to prepare in advance a response for various water shortage conditions. The said Plan defines City actions to address six stages of drought causing up to a 50 percent water shortage and catastrophic supply interruptions from power outage, earthquakes, or other disasters; and;

WHEREAS, the Water Shortage Contingency Plan describes the procedures for conducting an Annual Water Supply and Demand Assessment that is required by California Water Code Section 10632.1 and is to be submitted to the California Department of Water Resources on or before July 1 of each year, or within 14 days of receiving final allocations from the State Water Project, whichever is later; and

WHEREAS, the City prepared the draft 2025 Water Shortage Contingency Plan in coordination with other appropriate agencies, including other suppliers sharing common sources, regional water management agencies, and relevant public agencies, to the extent practicable; and

WHEREAS, the City has provided notice to the public of its intent to adopt the 2025 Water Shortage Contingency Plan, has made the draft plan available for public review, and has encouraged the public to provide comment; and

WHEREAS, the City properly noticed and held a public hearing on June 9, 2026, prior to adoption of said Plan for the purpose of allowing community comment regarding the City's Water Shortage Contingency Plan.

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 Council finds and determines that, under California Water Code Section 10652, the adoption of the Plan and this resolution do not constitute a project under the California Environmental Quality Act, and no environmental assessment is required. The Council further finds and determins that this action is categorically exempt under CEQA Guidelines Section 15308 as this action, as authorized by state and local law, is to assure the maintenance, restoration, enhancement, or

protection of the environment and the regulatory process herein involves procedures for protection of the environment.

3. The 2025 Water Shortage Contingency Plan is hereby adopted and ordered filed with the City Clerk.

4. The City Manager, or his designee, is hereby authorized and directed to file the Plan with the California Department of Water Resources within 30 days after this date.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

REGULAR

NUMBER: 240.8

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTER 6 OF TITLE VIII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE WATER SHORTAGE CONTINGENCY PLAN AND PERMANENT WATER WASTE RESTRICTIONS INCLUDING A BAN ON WATERING OF NONFUNCTIONAL TURF

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by_____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, including as authorized by California Water Code section 375, the City of Milpitas has the authority to adopt and enforce a water conservation program to reduce the quantity of water used by persons within its jurisdiction for the purpose of conserving the water supplies of the City; and

WHEREAS, pursuant to California Water Code section 376, a water conservation program adopted pursuant to California Water Code section 375 may be adopted by a resolution or an ordinance, and such resolution or ordinance is effective upon its adoption; and

WHEREAS, on January 17, 2014, Governor Brown issued a Proclamation declaring a State of Emergency due to severe drought conditions in the State of California; and

WHEREAS, on August 19, 2014, the Milpitas City Council adopted Urgency Ordinance No. 240.2, declaring a water shortage, adding supplemental water use restrictions to the Water Shortage Contingency Plan ("WSCP") as required by State law, and requested the community to implement water conservation measures with a goal of reducing consumption by twenty percent (20%); and

WHEREAS, on June 16, 2015, the Milpitas City Council adopted Urgency Ordinance 240.3, declaring the continuation of a water shortage, implemented Stage 2 of the Milpitas WSCP, and added additional conservation measures as required by State law, and requiring the community to implement water conservation measures with a goal of reducing consumption by thirty percent (30%); and

WHEREAS, as a result of increasing water supplies in many parts of the State, on May 9, 2016, Governor Brown issued Executive Order B-37-16, directing the State Water Resources Control Board to adjust and extend the emergency regulations for urban water conservation through the end of January 2017; and

WHEREAS, in response to the Governor's directive, the State Water Resources Control Board adopted new emergency regulations, which continued a statewide conservation approach while replacing the prior percentage reduction-based water conservation standard with a localized approach that requires urban water suppliers to adopt a locally-developed conservation standard based on each supplier's specific circumstances; and

WHEREAS, on August 16, 2016, the Milpitas City Council adopted Ordinance No. 240.5, declaring the continuation of a water shortage for the year 2016, implemented Stage One of the WSCP, modified the supplemental water use restrictions, and requested the community to implement water conservation measures with a goal of reducing consumption by twenty percent (20%); and

WHEREAS, on April 7, 2017, Governor Brown issued Executive Order B-40-17, terminating the January 17, 2014 drought State of Emergency for most counties in California, including Santa Clara County and directed the State Water Resources Control Board to rescind the water supply stress test for urban water suppliers as well as any remaining mandatory conservation standards, but to maintain urban water use reporting requirements and prohibitions on wasteful practices such as watering during or after rainfall, hosing off sidewalks, and irrigating ornamental turf on public street medians; and

WHEREAS, on June 20, 2017, the Milpitas City Council adopted Ordinance No. 240.6, declaring the termination of Stage Two of the WSCP and implemented a ten percent (10%) voluntary call for conservation; and

WHEREAS, following the end of the drought, the California Legislature modified the Urban Water Management Planning Act in 2018 to include additional water shortage planning requirements. California Water Code has significant updates specifically to Code Section 10632 that now mandates new elements to Urban Water Management Plans and Water Shortage Contingency Plans, including an annual drought risk assessment, standard water shortage levels and statewide water use prohibitions; and

WHEREAS, on June 9, 2021, the Santa Clara Valley Water District (Valley Water) Board of Directors adopted a resolution calling for mandatory water use reductions; and

WHEREAS, on June 15, 2021, the Milpitas City Council adopted Resolution No. 9086, "A resolution adopting the 2020 Urban Water Management Plan ('UWMP')", which includes water conservation as a necessary and effective component of the City's programs to provide a reliable supply of water to meet the needs of its customers; and

WHEREAS, on June 15, 2021, the Milpitas City Council adopted Resolution No. 9087, "A resolution adopting the 2020 Water Shortage Contingency Plan ('WSCP')," establishes standards and procedures to enable implementation and enforcement of local water shortage contingency measures and water shortage levels. These measures align with California Water Code Sections 353 and 375, and.

WHEREAS, on July 8, 2021 the Governor issued Executive Order N-10-21 declaring a State of Emergency due to drought conditions; and

WHEREAS, the City conducts an Annual Water Supply and Demand Assessment pursuant to California Water Code 10632 and, on or before July 1 of each year, beginning in 2022, submits an annual water shortage assessment report to the California Department of Water Resources with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the City's WSCP; and

WHEREAS, on August 5, 2021, the Milpitas City Council adopted Ordinance No, 240.7 to amend Chapter 6 of Title VIII in the Milpitas Municipal Code relating to the Water Shortage Contingency plan, and to declare a Level 2 Water Shortage, in line with conservation calls from Valley Water, San Francisco Public Utilities Commission, and the State; and

WHEREAS, on October 19, 2021, Governor Newsom issued a proclamation for a statewide drought emergency and directed the State Water Resource Control Board to adopt emergency regulations to prohibit certain wasteful uses of water; and

WHEREAS, on November 23, 2021, the San Francisco Public Utilities Commission declared a water shortage emergency and called for a voluntary 10% water use reduction; and

WHEREAS, on January 4, 2022, in response to the Governor's directive, the State Water Resources Control Board adopted new emergency regulations, which prohibits certain wasteful water use practices, such as the use of decorative water fountains, using irrigation systems during and within 48 hours of rain, and using water to clean sidewalks and driveways, among others; and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22, directing the State Water Resources Control Board to adopt regulations requiring urban water retail suppliers that have submitted a water shortage contingency plan to implement, at a minimum, shortage response actions for Level 2 Water Shortage. The Executive Order also directs the State Water Board to adopt regulations that prohibit the irrigation of strictly ornamental turf areas for the commercial, industrial, and institutional sectors; and

WHEREAS, on May 24, 2022, the State Water Resources Control Board adopted an emergency regulation that requires urban water retailers to implement Level 2 Water Shortage Contingency Plan actions and to prohibit the watering of "nonfunctional turf" (that is, turf that is strictly ornamental and does not serve human recreational purposes) using potable water, except to ensure the health of trees and perennial non-turf plantings, effective on June 10, 2022; and

WHEREAS, on September 22, 2022, Valley Water adopted Ordinance No. 22-02 to establish mandatory outdoor water conservation measures with corresponding enforcement measures as part of a mandatory outdoor water conversation program, for all property owners in Santa Clara County who receive potable water supplied or managed by Valley Water, which includes watering restrictions of nonfunctional turf; and

WHEREAS, on December 7, 2022, the State Water Resources Control Board readopted the emergency drought regulations from January 4, 2022, which prohibit wasteful uses of water; and

WHEREAS, on March 24, 2023, Governor Newsom issued Executive Order N-5-23, which terminated the state's 15% voluntary water conservation goal and the requirement that local agencies implement Level 2 Water Shortage actions, while maintaining the requirement to enforce the prohibition of wasteful water use practices and retaining the state of emergency to allow for the continuation of drought response activities and support for regions still experiencing drought and water shortage conditions; and

WHEREAS, on April 11, 2023, the San Francisco Public Utilities Commission voted to rescind its November 2021 water shortage emergency declaration, while keeping its 11% voluntary water conservation target to remain consistent with the State Water Resource Control Board's regulation requiring urban water agencies to implement Level 2 Water Shortage Contingency Plan actions; and

WHEREAS, on April 12, 2023, Valley Water's Board of Directors voted to rescind its water shortage emergency declaration and the mandatory call of 15% water use reduction, while maintaining the ban on wasteful water use practices and switching to a voluntary 15% water conservation goal. The Board of Directors directed Valley Water to provide recommendations for additional actions to continue promoting water conservation as a way of life; and

WHEREAS, on May 16, 2023, the Milpitas City Council adopted Resolution No.9246 to terminate the Level 2 Water Shortage declared on August 5, 2021 and revert to a Level 0 Water Shortage, which includes enforcement of permanent water waste restrictions that promote water conservation as a "Milpitas Way of Life"; and

WHEREAS, on October 13, 2023, Governor Newsom signed Assembly Bill 1572, which prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities; other than cemeteries. The bill authorizes a public water system, city, county, or city and county to enforce these provisions in phases, as defined; and

WHEREAS, for the protection of the public health, safety, and welfare, including to protect against critical water shortages and the disastrous consequences thereby to the necessary and basic human needs of the population, sanitation, and fire protection, the Milpitas City Council wishes to adopt the water conservation practices contained herein; and

WHEREAS, in accordance with California Water Code section 375 et seq., and the laws and regulations cited above, the City complied with the notice, publication and/or posting requirements for the Ordinance as specified by state law.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

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. ADDITIONAL FINDINGS

The City Council finds that pursuant to California Water Code section 375, et seq,, due to the persistent and unpredictable water conditions in the State, statutory requirements for water planning, and the declared policy of the State, it is necessary and appropriate for the City to adopt, implement, and enforce a water conservation program with stages of water shortage restrictions, including emergency stages, to reduce the quantity of water used by consumers within the City, to preserve water supplies, to prevent the waste or unreasonable use or unreasonable method of use of water, and to ensure that there is sufficient water for human consumption, sanitation, and fire protection.

SECTION 3. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 1

Title VIII, Chapter 6, Section 1 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-1.00 – Findings and Purpose

The City Council of the City of Milpitas has found that the limited supply of City waters are subject to ever increasing demands and statewide requirements; that the City's economic prosperity depends on adequate supplies of water; and that the City policy promotes conservation and efficient use of potable water.

Consistent with the above findings, the purpose of this chapter is to promote the values and benefits of conservation and efficient use of potable water; and establish provisions for water management practices to enable effective water supply planning and prevention of potable water waste.

This chapter outlines processes and procedures to implement during times of declared water shortage.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 2

Title VIII, Chapter 6, Section 2 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-2.00 – Definitions

The words used in this chapter have the meaning set forth below:

2.01 “Recycled water,” “Reclaimed Water,” and “Treated Sewage Effluent Water” means treated or recycled wastewater of a quality suitable for non-potable uses such as landscape irrigation, and not intended for human consumption.

2.02 "Runoff" means water that is not absorbed by the surface to which it is applied and flows from the area.

2.03 "Potable Water" means water sold by the City intended for human consumption.

2.04 “Recirculated water” means water that is circulated in a system that recirculates water through an internal circulation device.

2.05 “Water Shortage Contingency Plan” or “WSCP” means the most recent version of the plan adopted by the City consistent with California Water Code sections 10632 et seq., which establishes standards and procedures to enable implementation and enforcement of local water shortage contingency measures and defines six water shortage levels.

2.06 “Pools and spas” means a design element where open water performs a recreational function for which water is supplied through a City potable water meter.

2.07 “Water feature” means a design element where open water performs an aesthetic or recreational function. Water features include ponds, lakes, waterfalls, fountains, artificial streams for which water is supplied through a City potable water meter. Pools and Spas are not considered water features and arē defined separately.

2.08 “Annual Water Supply and Demand Assessment” or “Annual Assessment” means an annual report with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the City’s WSCP.

2.09 “Measurable rainfall” means at least one fourth of one inch of rain.

2.10 “Ornamental turf” means grass grown for decorative purposes.

2.11 “Commercial property” means a place of business that provides or distributes a product or service. Commercial properties include, but are not limited to, retail and shopping malls, restaurants, hotels, office buildings, and any use designated as a commercial use in the Milpitas Zoning Ordinance.

2.12 “Industrial property” means a place that is primarily used for the manufacturing or processing of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or research and development. Industrial properties include any use designated as an industrial use in the Milpitas Zoning Ordinance.

2.13 “Institutional property” means a place dedicated to providing a public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

2.14 “Residential property” means private property upon which a residential structure is located. "Residential property" includes the entirety of the private property but does not include any public right of way or access easement over that property. For the purpose of multi-family properties with separately habitable units, each unit shall be separately considered its own residential property and common areas shall not be considered residential property.

2.15 “Common area” means that portion of a common interest development or of a property owned or managed by a homeowners’ association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

2.16 "Common interest development" means any of the following:

a) A community apartment project.

b) A condominium project.

c) A planned development.

d) A stock cooperative.

2.17 "Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. "Community service organization or similar entity" does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

2.18 "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

2.19 "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

2.20 "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf; however, turf located at cemeteries is considered functional.

2.21 "Homeowners' association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

2.22 "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots. Nonfunctional turf includes but is not limited to:

a) streetscape turf which is located along private or public streets (e.g., mow strips on either side of street), along streetscape sidewalks (narrow spaces of turf that line the sidewalk on private or public property), along driveways and parking lots within the community, business streetscape frontage areas, and within medians within roundabouts;

b) turf that is solely ornamental

c) other turf that is not functional turf.

2.23 "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 3

Title VIII, Chapter 6, Section 3 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-3.00 – Permanent Water Use Restrictions

The following water conservation requirements are effective at all times and are permanent as outlined in the City's WSCP, incorporated herein by reference as if fully set forth herein. More restrictive measures may be in place depending on the declared water shortage level. Violations of this section will be considered waste and an unreasonable use of water.

The table entitled "Table 3-1. Retail: Water Shortage Contingency Plan Levels (Department of Water Resources [DWR] Submittal Table 8-1)" is adopted as part of the WSCP and is attached as Exhibit "A."

EXHIBIT "A"

Table 3-1. Retail: Water Shortage Contingency Plan Levels (DWR Submittal Table 8-1)

DWR Submittal Table 8-1 Water Shortage Contingency Plan Levels		
Shortage Level	**Percent Shortage Range**	**Shortage Response Actions**
0	0% (Normal)	A Level 0 Water Supply Shortage – Condition exists when the City notifies its water users that no supply reductions are anticipated in this year. City proceeds with planned water efficiency best practices to support consumer demand reduction in line with state mandated requirements and local City goals for water supply reliability. Permanent water waste prohibitions are in place as stipulated in the City's Water Shortage Response Ordinance.
1	Up to 10%	A Level 1 Water Supply Shortage – Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 10% is necessary to make more efficient use of water and respond to existing water conditions. The City shall implement the mandatory Level 1 conservation measures identified in this WSCP. The type of event that may prompt the City to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
2	11% to 20%	A Level 2 Water Supply Shortage – Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 20% is necessary to make more efficient use of water and respond to existing water conditions. Upon declaration of a Level 2 Water Supply Shortage condition, the City shall implement the mandatory Level 2 conservation measures identified in this WSCP.
3	21% to 30%	A Level 3 Water Supply Shortage – Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 30% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

4	31% to 40%	A Level 4 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 40% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
5	41% to 50%	A Level 5 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
6	>50%	A Level 6 Water Supply Shortage – Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that greater than 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

The table entitled "Table 3-2. Demand Reduction Actions (DWR Submittal Table 8-3)" is adopted as part of the WSCP and is attached as Exhibit "B."

EXHIBIT "B"

Table 3-2. Demand Reduction Actions (DWR Submittal Table 8-3)

DWR Submittal Table 8-3 Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
0	Other water feature or swimming pool restriction	Statewide Prohibition is Required	Cleaning, filling, or operating water features, such as decorative fountains, except where the water is part of a recirculating system.	No
0	Other	Statewide Prohibition is Required	Washing or hosing down vehicles is prohibited except by use of a hand held container, hose with an automatic shut off device, or at a commercial car wash.	No

0	Other - Prohibit use of potable water for washing hard surfaces	Statewide Prohibition is Required	Washing hard or paved surfaces is prohibited except to alleviate safety or sanitary hazards using a hand held container, hose with an automatic shut off device, or a low-volume high pressure cleaning machine that recycles used water.	No
0	Landscape - Restrict or prohibit runoff from landscape irrigation	Statewide Prohibition is Required	Watering vegetated areas in a manner that causes excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	Irrigating ornamental turf on public street medians is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	No landscape watering shall occur within 48 hours after measurable precipitation.	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	CII - Restaurants may only serve water upon request	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	CII - Restaurants may only serve water upon request	No
0	CII - Other CII restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	No

0	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	All new commercial car wash and laundry facilities must re-circulate the wash water.	No
0	Landscape - Limit landscape irrigation to specific times	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	No
0	Other - Require automatic shut of hoses	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Use a shutoff nozzle on hoses.	No
0	Pools and Spas - Require covers for pools and spas	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Pools and spas shall be covered when not in use to prevent evaporation.	No
0	Other - Prohibit use of potable water for construction and dust control	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	No
0	Landscape - Limit landscape irrigation to specific days	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Irrigation shall be limited to 4 days per week turf watering when using potable water.	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No

0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than cemeteries, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities.	No
1	Landscape - Limit landscape irrigation to specific times	0-5%	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	Yes
1	Landscape - Limit landscape irrigation to specific days	0-5%	Irrigation shall be limited to 4 days per week turf watering when using potable water.	Yes
1	Expand Public Information Campaign	0-1%	Community Outreach and Messaging (Expand Public Information Campaign)	Yes
1	Reduce System Water Loss	0-5%	Real Loss Reduction - Pressure Management and More Aggressive Leak Detection and Repair	Yes
1	Increase Water Waste Patrols	0-1%	Increase Water Waste Patrols	Yes
1	Expand Public Information Campaign	0-1%	Expand promotion and outreach about rebates available	No
2	Improve Customer Billing	0-1%	Improve AMI Leak Reports to include more details on water use	No
2	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers promptly/within 5 days.	Yes
2	Landscape - Other landscape restriction or prohibition	0-1%	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems.	Yes

2	Landscape - Limit landscape irrigation to specific days	5-10%	Irrigation shall be limited to 3 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
2	Water Features - Restrict water use for decorative water features, such as fountains	0-1%	Filling or refilling ornamental lakes and ponds is prohibited. Ornamental lakes and ponds that sustain aquatic life of significant value and were actively managed prior to the storage declaration are exempt.	Yes
2	Pools and Spas - Require covers for pools and spas	0-1%	Pools and Spas - Require covers for pools and spas	Yes
2	Decrease Line Flushing	0-1%	Decrease Line Flushing	Yes
2	CII - Restaurants may only serve water upon request	0-1%	CII - Restaurants may only serve water upon request	Yes
2	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	0-1%	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 4 days.	Yes
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	0-1%	Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.	Yes
3	Other - Prohibit use of potable water for construction and dust control	0-1%	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	Yes

3	Landscape - Limit landscape irrigation to specific days	10-25%	Irrigation shall be limited to 2 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
3	Other water feature or swimming pool restriction	0-1%	Decorative water features that use potable water must be drained and kept dry.	Yes
3	CII - Other CII restriction or prohibition	0-1%	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	Yes
4	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 3 days.	Yes
4	Landscape - Limit landscape irrigation to specific days	5-20%	Irrigation shall be limited to 1 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
4	Other water feature or swimming pool restriction	0-1%	Existing pools shall not be emptied and refilled using potable water unless required for public health and safety purposes.	Yes
4	Other water feature or swimming pool restriction	0-1%	No new permits for pools will be issued.	Yes
4	Landscape - Prohibit certain types of landscape irrigation	0-1%	Irrigation of golf courses only allowed for greens and tees area.	Yes
5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 2 days.	Yes

5	Landscape - Prohibit all landscape irrigation	5-20%	All irrigation is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of all golf course areas is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of parks, school grounds, and recreation fields is prohibited, except for rare plant or animal species.	Yes
6	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 1 day.	Yes
6	Other	0-50%	Water use for public health and safety purposes only.	Yes
6	Landscape - Prohibit all landscape irrigation	0-5%	The City may shut off all non-essential water services. All irrigation is prohibited.	Yes
6	CII - Other CII restriction or prohibition	0-15%	Water for commercial, manufacturing, or processing purposes shall be reduced in volume by up to 50% or exceeded if necessary for public health and safety purposes.	Yes
6	Other	0-70%	Water use for public health and safety purposes only. Customer rationing may be implemented.	Yes

The following uses of potable water are prohibited for all water users at all times and are permanent:

3.01 Use that results in flooding or runoff in gutters, waterways, patios, sidewalks, driveways, or streets except as permitted in Section 3.02 (a) and (b).

3.02 Use of pressure washer or hand-held hose not equipped with a positive self-closing water shutoff device for:

(a) Washing cars, buses, boats, aircraft, trailers or other vehicles or mobile equipment;

(b) Watering outside plants, lawn, landscape, and turf areas.

3.03 Except upon the request of a customer, service of water by any establishment including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

3.04 Use through broken or defective plumbing, sprinkler, watering, or irrigation systems.

3.05 Use in new, added, or altered commercial car wash equipment unless a

recirculating water system is incorporated.

3.06 Use in new, added, or altered cooling system equipment unless at least fifty percent (50%) of the water is recirculated. A waiver to allow less than fifty percent (50%) recirculating may be granted by the Chief Building Official due to water quality concerns only. Cost is not an acceptable reason to request or receive a waiver.

3.07 Use for irrigation if recycled water, reclaimed water, or treated sewage effluent water is available, except in the following situations as deemed necessary by City Engineer/Public Works Director:

(a) Irrigation of City Cultural Resources;

(b) Where recycled water, reclaimed water, and treated sewage effluent water use is prohibited under Title 22 of the California Water Code;

(c) Other situations where recycled water, reclaimed water, or treated sewage effluent water use is deemed inappropriate by the City Engineer/Public Works Director.

3.08 Use for hosing of sidewalks, driveways, walkways, parking areas and other paved surfaces.

3.09 Use for construction purposes, including dust control and compaction.

3.10 Use for cleaning, filling, or operating water features, such as decorative fountains, ponds, lakes or other similar aesthetic structures, except where the water is part of a recirculating system. The only exception may be a water feature currently listed in the National Register of Historic Places, where water use deemed necessary for integrity of the feature.

3.11 Use to irrigate outdoor plants, lawn, grass, landscaping, or turf areas during and within forty-eight (48) hours after measurable rainfall.

3.12 Use for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.

3.13 Uncovered Pools and Spas when not in use.

3.14 The prohibitions enumerated in 3.11 and 3.12 do not apply to any storm water treatment features, such as landscape based bioretention areas and green roofs, to meet the requirements of Municipal Regional Stormwater National Pollutant Discharge Elimination System Permit No. CAS612008, C3 Provision.

3.15 The use of potable water for irrigation of nonfunctional turf on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities will be prohibited as set forth below:

(a) The following properties must stop irrigating nonfunctional turf with potable water by the following dates:

1. All properties owned by the California Department of General Services, beginning January 1, 2027;

2. All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027;

3. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028;

4. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029;

5. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The State Water Resources Control Board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) The prohibitions and requirements identified in this Section are not applicable to:

1. Turf landscapes located on single family residential properties

2. Turf landscapes that are irrigated using recycled water

3.16 Use for watering or irrigation of non-turf plants, functional turf, lawn, grass, or landscaping except between the hours of 6:00 p.m. through 9:00 a.m. and for no more than four (4) days during any seven-day period. The days of watering shall be:

- Address Ending in Odd Number: Monday, Wednesday, Thursday, and Saturday;
- Address Ending in Even Number: Tuesday, Thursday, Friday, and Sunday;
- No address: Monday, Tuesday, Thursday, and Sunday.

The following activities are exempt from the day and time restrictions on watering or irrigation (only in WSCP shortage levels 0 and 1):

(a) Use for short periods during timer adjustment and repair of irrigation system are exempt from the time and day restriction set forth above.

(b) Watering by hand.

(c) Watering plants slated for sale in nursery/garden centers.

(d) Watering using drip irrigation systems.

(e) Landscape irrigation zones that are controlled by an activated weather-based irrigation controller.

3.17 Exceptions to the prohibitions enumerated in 3.09, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15 and 3.16 may be granted where necessary to address an immediate health and safety need, or to comply with a term or condition in a permit issued by a state or federal agency, or where otherwise allowed by law.

SECTION 6. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 7

Title VIII, Chapter 6, Section 7 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-7.00 – Applicability

The prohibitions identified in Sections 3.01 through 3.16 are applicable to all water customers using potable water. Water users listed in Section 3.15 are subject to additional prohibitions. The prohibitions and rationing requirements identified in this Chapter are not applicable to fountains, irrigation systems, cooling towers, and dual-plumb sites that use non-potable water such as recycled water.

SECTION 7. CALIFORNIA ENVIROMENTAL QUALITY ACT (CEQA)

The adoption of this Ordinance is categorically exempt under CEQA Guidelines Section 15308 as this action, as authorized by state and local law, is to assure the maintenance, restoration, enhancement, or protection of the environment and the regulatory process herein involves procedures for protection of the environment. The adoption of this Ordinance is further categorically exempt under California Water Code section 10652 as this action implements actions taken pursuant to California Water Code section 10632, including the adoption of additional, locally appropriate demand reduction actions to adequately respond to shortages and mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.

SECTION 8. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 9. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

PLEASE NOTE:

This copy of Ordinance No. 240.8 is a “redlined” version for your convenience. Text additions are designated by an underline and text deletions are designated with a strikethrough.

REGULAR

NUMBER: 240.8

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTER 6 OF TITLE VIII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE WATER SHORTAGE CONTINGENCY PLAN AND PERMANENT WATER WASTE RESTRICTIONS INCLUDING A BAN ON WATERING NONFUNCTIONAL TURF

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES: (0)

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian M. Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, pursuant to California Water Code section 375, the City of Milpitas is authorized to adopt and enforce a water conservation program to reduce the quantity of water used by persons within its jurisdiction for the purpose of conserving the water supplies of the City; and

WHEREAS, pursuant to California Water Code section 376, a water conservation program adopted pursuant to California Water Code section 375 may be adopted by a resolution or an ordinance, and such resolution or ordinance is effective upon its adoption; and

WHEREAS, on January 17, 2014, Governor Brown issued a Proclamation declaring a State of Emergency due to severe drought conditions in the State of California; and

WHEREAS, on August 19, 2014, the Milpitas City Council adopted Urgency Ordinance No. 240.2, declaring a water shortage, adding supplemental water use restrictions to the Water Shortage Contingency Plan ("WSCP") as required by State law, and requested the community to implement water conservation measures with a goal of reducing consumption by twenty percent (20%); and

WHEREAS, on June 16, 2015, the Milpitas City Council adopted Urgency Ordinance 240.3, declaring the continuation of a water shortage, implemented Stage 2 of the Milpitas WSCP, and added additional conservation measures as required by State law, and requiring the community to implement water conservation measures with a goal of reducing consumption by thirty percent (30%); and

WHEREAS, as a result of increasing water supplies in many parts of the State, on May 9, 2016, Governor Brown issued Executive Order B-37-16, directing the State Water Resources Control Board to adjust and extend the emergency regulations for urban water conservation through the end of January 2017; and

WHEREAS, in response to the Governor's directive, the State Water Resources Control Board adopted new emergency regulations, which continued a statewide conservation approach while replacing the prior percentage reduction-based water conservation standard with a localized approach that requires urban water suppliers to adopt a locally-developed conservation standard based on each supplier's specific circumstances; and

WHEREAS, on August 16, 2016, the Milpitas City Council adopted Ordinance No. 240.5, declaring the continuation of a water shortage for the year 2016, implemented Stage One of the WSCP, modified the supplemental water use restrictions, and requested the community to implement water conservation measures with a goal of reducing consumption by twenty percent (20%); and

WHEREAS, on April 7, 2017, Governor Brown issued Executive Order B-40-17, terminating the January 17, 2014 drought State of Emergency for most counties in California, including Santa Clara County and directed the State Water Resources Control Board to rescind the water supply stress test for urban water suppliers as well as any remaining mandatory conservation standards, but to maintain urban water use reporting requirements and prohibitions on wasteful practices such as watering during or after rainfall, hosing off sidewalks, and irrigating ornamental turf on public street medians; and

WHEREAS, on June 20, 2017, the Milpitas City Council adopted Ordinance No. 240.6, declaring the termination of Stage Two of the WSCP and implemented a ten percent (10%) voluntary call for conservation; and

WHEREAS, following the end of the drought, the California Legislature modified the Urban Water Management Planning Act in 2018 to include additional water shortage planning requirements. California Water Code has significant updates specifically to Code Section 10632 that now mandates new elements to Urban Water Management Plans and Water Shortage Contingency Plans, including an annual drought risk assessment, standard water shortage levels and statewide water use prohibitions; and

WHEREAS, on June 9, 2021, the Santa Clara Valley Water District (Valley Water) Board of Directors adopted a resolution calling for mandatory water use reductions; and

WHEREAS, on June 15, 2021, the Milpitas City Council adopted Resolution No. 9086, "A resolution adopting the 2020 Urban Water Management P1an ('UWMP')", which includes water conservation as a necessary and effective component of the City's programs to provide a reliable supply of water to meet the needs of its customers; and

WHEREAS, on June 15, 2021, the Milpitas City Council adopted Resolution No. 9087, "A resolution adopting the 2020 Water Shortage Contingency Plan ('WSCP')" which establishes standards and procedures to enable implementation and enforcement of local water shortage contingency measures and water shortage levels. These measures align with California Water Code Sections 353 and 375; and

WHEREAS, on July 8, 2021 the Governor issued Executive Order N-10-21 declaring a State of Emergency due to drought conditions; and

WHEREAS, the City shall conduct an Annual Water Supply and Demand Assessment pursuant to California Water Code 10632 and, on or before July 1 of each year, beginning in 2022, submit an annual water shortage assessment report to the California Department of Water Resources with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the City's WSCP; and

WHEREAS, on August 5, 2021, the Milpitas City Council adopted Ordinance No, 240.7 to amend Chapter 6 of Title VIII in the Milpitas Municipal Code relating to the Water Shortage Contingency plan, and to declare a Level 2 Water Shortage, in line with conservation calls from Valley Water, San Francisco Public Utilities Commission, and the State; and

WHEREAS, on October 19, 2021, Governor Newsom issued a proclamation for a statewide drought emergency and directed the State Water Resource Control Board to adopt emergency regulations to prohibit certain wasteful uses of water; and

WHEREAS, on November 23, 2021, the San Francisco Public Utilities Commission declared a water shortage emergency and called for a voluntary 10% water use reduction; and

WHEREAS, on January 4, 2022, in response to the Governor's directive, the State Water Resources Control Board adopted new emergency regulations, which prohibits certain wasteful water use practices, such as the use of decorative water fountains, using irrigation systems during and within 48 hours of rain, and using water to clean sidewalks and driveways, among others; and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22, directing the State Water Resources Control Board to adopt regulations requiring urban water retail suppliers that have submitted a water shortage contingency plan to implement, at a minimum, shortage response actions for Level 2 Water Shortage. The Executive Order also directs the State Water Board to adopt regulations that prohibit the irrigation of strictly ornamental turf areas for the commercial, industrial, and institutional sectors; and

WHEREAS, on May 24, 2022, the State Water Resources Control Board adopted an emergency regulation that requires urban water retailers to implement Level 2 Water Shortage Contingency Plan actions and to prohibit the watering of "nonfunctional turf" (that is, turf that is strictly ornamental and does not serve human recreational purposes) using potable water, except to ensure the health of trees and perennial non-turf plantings, effective on June 10, 2022; and

WHEREAS, on September 22, 2022, Valley Water adopted Ordinance No. 22-02 to establish mandatory outdoor water conservation measures with corresponding enforcement measures as part of a mandatory outdoor water conversation program, for all property owners in Santa Clara County who receive potable water supplied or managed by Valley Water, which includes watering restrictions of nonfunctional turf; and

WHEREAS, on December 7, 2022, the State Water Resources Control Board readopted the emergency drought regulations from January 4, 2022, which prohibit wasteful uses of water; and

WHEREAS, on March 24, 2023, Governor Newsom issued Executive Order N-5-23, which terminated the state's 15% voluntary water conservation goal and the requirement that local agencies implement Level 2 Water Shortage actions, while maintaining the requirement to enforce the prohibition of wasteful water use practices and retaining the state of emergency to allow for the continuation of drought response activities and support for regions still experiencing drought and water shortage conditions; and

WHEREAS, on April 11, 2023, the San Francisco Public Utilities Commission voted to rescind its November 2021 water shortage emergency declaration, while keeping its 11% voluntary water conservation target to remain consistent with the State Water Resource Control Board's regulation requiring urban water agencies to implement Level 2 Water Shortage Contingency Plan actions; and

WHEREAS, on April 12, 2023, Valley Water's Board of Directors voted to rescind its water shortage emergency declaration and the mandatory call of 15% water use reduction, while maintaining the ban on wasteful water use practices and switching to a voluntary 15% water conservation goal. The Board of Directors directed Valley Water to provide recommendations for additional actions to continue promoting water conservation as a way of life; and

WHEREAS, on May 16, 2023, the Milpitas City Council adopted Resolution No.9246 to terminate the Level 2 Water Shortage declared on August 5, 2021 and revert to a Level 0 Water Shortage, which includes enforcement of permanent water waste restrictions that promote water conservation as a "Milpitas Way of Life"; and

WHEREAS, on October 13, 2023, Governor Newsom signed Assembly Bill 1572, which prohibits the use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities; other than cemeteries. The bill authorizes a public water system, city, county, or city and county to enforce these provisions in phases, as defined; and

WHEREAS, in accordance with California Water Code section 375 et seq., and the laws and regulations cited above, the City complied with the publication and/or posting requirements for the Ordinance as specified by state law.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

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. ADDITIONAL FINDINGS

The City Council finds that pursuant to Water Code 375, et seq,, due to the persistent and unpredictable water conditions in the State, statutory requirements for water planning, and the declared policy of the State, it is necessary

and appropriate for the City to adopt, implement, and enforce a water conservation program with stages of water shortage restrictions, including emergency stages, to reduce the quantity of water used by consumers within the City, to preserve water supplies, to prevent the waste or unreasonable use or unreasonable method of use of water, and to ensure that there is sufficient water for human consumption, sanitation, and fire protection.

SECTION 3 AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 1

Title VIII, Chapter 6, Section 1 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-1.00 – Findings and Purpose

The City Council of the City of Milpitas has found that the limited supply of City waters are subject to ever increasing demands and statewide requirements; that the City's economic prosperity depends on adequate supplies of water; and that the City policy promotes conservation and efficient use of potable water.

Consistent with the above findings, the purpose of this chapter is to promote the values and benefits of conservation and efficient use of potable water; and establish provisions for water management practices to enable effective water supply planning and prevention of potable water waste.

~~A.~~ This chapter outlines processes and procedures to implement during times of declared water shortage.

SECTION 4. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 2

Title VIII, Chapter 6, Section 2 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-2.00 - Definitions

The words used in this chapter have the meaning set forth below:

2.01 "Recycled water," "Reclaimed Water," and "Treated Sewer Effluent Water" means treated or recycled wastewater of a quality suitable for non-potable uses such as landscape irrigation, and not intended for human consumption.

2.02 "Runoff" means water that is not absorbed by the surface to which it is applied and flows from the area.

2.03 "Potable Water" means water sold by the City ~~of Milpitas~~ intended for human consumption.

2.04 "Recirculated Water" means_water that is circulated in a system that recirculates water through an internal circulation device.

2.05 "~~2020~~ Water Shortage Contingency Plan" or "WSCP" means the ~~adopted~~ most recent version of the plan adopted by the City consistent with California Water Cose sections 10632 et seq., ~~that~~ which establishes standards and procedures to enable implementation and enforcement of local water shortage contingency measures and defines six water shortage levels.

2.06 "Pools and spas" means a design element where open water performs a recreational function for which water is supplied through a City potable water meter.

2.07 "Water feature" means a design element where open water performs an aesthetic or recreational function. Water features include ponds, lakes, waterfalls, fountains, artificial streams for which water is supplied through a City potable water meter. Pools and spas are not considered water features and are defined separately.

2.08 "Annual Water Supply and Demand Assessment" or "Annual Assessment" means an annual report with

information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the City's WSCP.

2.09 "Measurable rainfall" means at least one fourth of one inch of rain.

2.10 "Ornamental turf" means grass grown for decorative purposes.

2.11 "Commercial property" means a place of business that provides or distributes a product or service. Commercial properties include, but are not limited to, retail and shopping malls, restaurants, hotels, office buildings, and any use designated as a commercial use in the Milpitas Zoning Ordinance.

2.12 "Industrial property" means a place that is primarily used for the manufacturing or processing of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or research and development. Industrial properties include any use designated as an industrial use in the Milpitas Zoning Ordinance3

2.13 "Institutional property" means a place dedicated to providing a public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

2.14 "Residential property" means private property upon which a residential structure is located. "Residential property" includes the entirety of the private property but does not include any public right of way or access easement over that property. For the purpose of multi-family properties with separately habitable units, each unit shall be separately considered its own residential property and common areas shall not be considered residential property.

2.15 "Common area" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

2.16 "Common interest development" means any of the following:

a) A community apartment project.

b) A condominium project.

c) A planned development.

d) A stock cooperative.

2.17 "Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. "Community service organization or similar entity" does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

2.18 "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

2.19 "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

2.20 "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or

assembly is not functional turf; however, turf located at cemeteries is considered functional.

2.21 "Homeowners' association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

2.22 "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots. Nonfunctional turf includes but is not limited to:

a) streetscape turf which is located along private or public streets (e.g., mow strips on either side of street), along streetscape sidewalks (narrow spaces of turf that line the sidewalk on private or public property), along driveways and parking lots within the community, business streetscape frontage areas, and within medians within roundabouts;

b) turf that is solely ornamental

c) other turf that is not functional turf.

2.23 "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

SECTION 5. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 3

Title VIII, Chapter 6, Section 3 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-6-3.00 – Permanent Water Use Restrictions

The following water conservation requirements are effective at all times and are permanent as outlined in the City's WSCP, incorporated herein by reference as if fully set forth herein. More restrictive measures may be in place depending on the declared water shortage level. Violations of this section will be considered waste and an unreasonable use of water.

The table entitled "Table 3-1. Retail: Water Shortage Contingency Plan Levels (Department of Water Resources [DWR] Submittal Table 8-1)" is adopted as part of the WSCP and is attached as Exhibit "A."

EXHIBIT "A"

Table 3-1. Retail: Water Shortage Contingency Plan Levels (DWR Submittal Table 8-1)

DWR Submittal Table 8-1 Retail Water Shortage Contingency Plan Levels		
Shortage Levels	Percent Shortage Range	Water Shortage Condition
0	0% (Normal)	A Level 0 Water Supply Shortage Condition exists when the City notifies its water users that no supply reductions are anticipated in this year. City proceeds with planned water efficiency best practices to support consumer demand reduction in line with state mandated requirements and local City goals for water supply reliability. Permanent water waste prohibitions are in place as stipulated in the City's Water Shortage Response Ordinance.
1	Up to 10%	A Level 1 Water Supply Shortage Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 10% is necessary to make more efficient use of water and respond to existing water conditions. The City shall implement the mandatory Level 1 conservation measures identified in this WSCP. The type of event that may prompt the City to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
2	11% to 20%	A Level 2 Water Supply Shortage Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 20% is necessary to make more efficient use of water and respond to existing water conditions. Upon declaration of a Level 2 Water Supply Shortage condition, the City shall implement mandatory Level 2 conservation measures identified in this WSCP.
3	21% to 30%	A Level 3 Water Supply Shortage Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 30% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
4	31% to 40%	A Level 4 Water Supply Shortage Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 40% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
5	41% to 50%	A Level 5 Water Supply Shortage Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

~~6~~	~~>50%~~	~~A Level 6 Water Supply Shortage - lC dn d i t i o n exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that greater than 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.~~

DWR Submittal Table 8-1 Retail Water Shortage Contingency Plan Levels

Shortage Level	Percent Shortage Range	Shortage Response Actions
0	0% (Normal)	A Level 0 Water Supply Shortage - Condition exists when the City notifies its water users that no supply reductions are anticipated in this year. City proceeds with planned water efficiency best practices to support consumer demand reduction in line with state mandated requirements and local City goals for water supply reliability. Permanent water waste prohibitions are in place as stipulated in the City's Water Shortage Response Ordinance.
1	Up to 10%	A Level 1 Water Supply Shortage - Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 10% is necessary to make more efficient use of water and respond to existing water conditions. The City shall implement the mandatory Level 1 conservation measures identified in this WSCP. The type of event that may prompt the City to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
2	11% to 20%	A Level 2 Water Supply Shortage - Condition exists when the City notifies its water users that due to drought or other supply reductions, a consumer demand reduction of up to 20% is necessary to make more efficient use of water and respond to existing water conditions. Upon declaration of a Level 2 Water Supply Shortage condition, the City shall implement mandatory Level 2 conservation measures identified in this WSCP.
3	21% to 30%	A Level 3 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 30% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
4	31% to 40%	A Level 4 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 40% consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

5	41% to 50%	A Level 5 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that up to 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.
6	>50%	A Level 6 Water Supply Shortage - Condition exists when the City declares a water shortage emergency condition pursuant to California Water Code section 350 and notifies its residents and businesses that greater than 50% or more consumer demand reduction is required to ensure sufficient supplies for human consumption, sanitation and fire protection. The City must declare a Water Supply Shortage Emergency in the manner and on the grounds provided in California Water Code section 350.

The table entitled "Table 3-2. Demand Reduction Actions (DWR Submittal Table 8-23)" is adopted as part of the WSCP and is attached as Exhibit "B."

EXHIBIT "B"

Table 3-2. Demand Reduction Actions (DWR Submittal Table 8-23)

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
0	Other water feature or swimming pool restriction	Statewide Prohibition is Required	Cleaning, filling, or operating water features, such as decorative fountains, except where the water is part of a recirculating system.	No
0	Other	Statewide Prohibition is Required	Washing or hosing down vehicles is prohibited except by use of a hand held container, hose with an automatic shut off device, or at a commercial car wash.	No
0	Other - Prohibit use of potable water for washing hard surfaces	Statewide Prohibition is Required	Washing hard or paved surfaces is prohibited except to alleviate safety or sanitary hazards using a hand held container, hose with an automatic shut off device, or a low-volume high pressure cleaning machine that recycles used water.	No
0	Landscape - Restrict or prohibit runoff from landscape irrigation	Statewide Prohibition is Required	Watering vegetated areas in a manner that causes excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.	No

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	Irrigating ornamental turf on public street medians is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	No landscape watering shall occur within 48 hours after measurable precipitation.	No
0	Landscape - Other landscape restriction or prohibition	On-going Long-Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems	No
0	Landscape - Other landscape restriction or prohibition	On-going Long-Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	CII - Restaurants may only serve water upon request	On-going Long-Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	CII - Restaurants may only serve water upon request	No
0	CII - - Other CII restriction or prohibition	On-going Long-Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	No
0	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	On-going Long-Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	All new commercial car wash and laundry facilities must re-circulate the wash water.	No

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
0	Landscape - Limit landscape irrigation to specific times	On-going Long Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short	No
0	Other - Require automatic shut of hoses	On-going Long Term Conservation Savings Measure. Not applicable to	Use a shutoff nozzle on hoses.	No
0	Pools and Spas — Require covers for pools and spas	On-going Long Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Pools and spas shall be covered when not in use to prevent evaporation.	No
0	Other - Prohibit use of potable water for construction and dust control	On-going Long Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings.	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	No
0	Landscape - Limit landscape irrigation to specific days	On-going Long Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings	Irrigation shall be limited to 4 days per week turf watering when using potable water.	No

0	Landscape - Other landscape restriction or prohibition	On-going Long Term Conservation Savings Measure. Not applicable to Water Shortage Contingency Plan quantifiable savings	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No

DWR Submittal Table 8-2: Demand Reduction Actions

Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
1	Landscape - Limit landscape irrigation to specific times	0-5%	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	Yes
1	Landscape - Limit landscape irrigation to specific days	0-5%	Irrigation shall be limited to 4 days per week turf watering when using potable water.	Yes
1	Expand Public Information	0-1%	Community Outreach and Messaging (Expand Public	Yes
1	Reduce System Water Loss	0-5%	Real Loss Reduction – Pressure Management and More Aggressive Leak Detection and	Yes
1	Increase Water Waste Patrols	0-1%	Increase Water Waste Patrols	Yes
1	Expand Public Information	0-1%	Expand promotion and outreach about rebates available	No
2	Improve Customer Billing	0-1%	Improve AMI Leak Reports to include more details on water	No
2	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers promptly/within 5 days.	Yes
2	Landscape - Other landscape restriction or prohibition	0-1%	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems.	Yes

2	Landscape - Limit landscape irrigation to specific days	5-10%	Irrigation shall be limited to 3 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
2	Water Features - Restrict water use for decorative water features, such as fountains	0-1%	Filling or refilling ornamental lakes and ponds is prohibited. Ornamental lakes and ponds that sustain aquatic life of significant value and were actively managed prior to the storage declaration are exempt.	Yes
2	Pools and Spas - Require covers for pools and spas	0-1%	Pools and Spas - Require covers for pools and spas	Yes
2	Decrease Line Flushing	0-1%	Decrease Line Flushing	Yes
2	CII - Restaurants may only serve water upon request	0-1%	CII - Restaurants may only serve water upon request	Yes
2	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	0-1%	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 4 days.	Yes
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	0-1%	Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.	Yes

3	Other - Prohibit use of potable water for construction and dust control	0-1%	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	Yes
3	Landscape - Limit landscape irrigation to specific days	10-25%	Irrigation shall be limited to 2 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using	Yes

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
			only drip irrigation or hand watering.	
3	Other water feature or swimming pool restriction	0-1%	Decorative water features that use potable water must be drained and kept dry.	Yes
3	CII - - Other CII restriction or prohibition	0-1%	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	Yes
4	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 3 days.	Yes
4	Landscape - Limit landscape irrigation to specific days	5-20%	Irrigation shall be limited to 1 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
4	Other water feature or swimming pool restriction	0-1%	Existing pools shall not be emptied and refilled using potable water unless required for public health and safety purposes.	Yes
4	Other water feature or swimming pool restriction	0-1%	No new permits for pools will be issued.	Yes
4	Landscape - Prohibit certain types of landscape irrigation	0-1%	Irrigation of golf courses only allowed for greens and tees area.	Yes
5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 2 days.	Yes
5	Landscape - Prohibit all landscape irrigation	5-20%	All irrigation is prohibited.	Yes

DWR Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of all golf course areas is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of parks, school grounds, and recreation fields is prohibited, except for rare plant or animal species.	Yes
6	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 1 day.	Yes
6	Other	0-50%	Water use for public health and safety purposes only.	Yes
6	Landscape - Prohibit all landscape irrigation	0-5%	The City may shut off all non-essential water services. All irrigation is prohibited.	Yes
6	CII - - Other CII restriction or prohibition	0-15%	Water for commercial, manufacturing, or processing purposes shall be reduced in volume by up to 50% or exceeded if necessary for public health and safety purposes.	Yes
6	Other	0-70%	Water use for public health and safety purposes only. Customer rationing may be implemented.	Yes

DWR Submittal Table 8-3 Demand Reduction Actions				
Shortage Level	Demand Reduction Actions	How much is this going to reduce the shortage gap?	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement ?
0	Other water feature or swimming pool restriction	Statewide Prohibition is Required	Cleaning, filling, or operating water features, such as decorative fountains, except where the water is part of a recirculating system.	No
0	Other	Statewide Prohibition is Required	Washing or hosing down vehicles is prohibited except by use of a hand held container, hose with an automatic shut off device, or at a commercial car wash.	No

0	Other - Prohibit use of potable water for washing hard surfaces	Statewide Prohibition is Required	Washing hard or paved surfaces is prohibited except to alleviate safety or sanitary hazards using a hand held container, hose with an automatic shut off device, or a low-volume high pressure cleaning machine that recycles used water.	No
0	Landscape - Restrict or prohibit runoff from landscape irrigation	Statewide Prohibition is Required	Watering vegetated areas in a manner that causes excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	Irrigating ornamental turf on public street medians is prohibited.	No
0	Landscape - Other landscape restriction or prohibition	Statewide Prohibition is Required	No landscape watering shall occur within 48 hours after measurable precipitation.	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	CII - Restaurants may only serve water upon request	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	CII - Restaurants may only serve water upon request	No
0	CII - Other CII restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	No
0	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	All new commercial car wash and laundry facilities must re-circulate the wash water.	No

0	Landscape - Limit landscape irrigation to specific times	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	No
0	Other - Require automatic shut of hoses	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Use a shutoff nozzle on hoses.	No
0	Pools and Spas - Require covers for pools and spas	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Pools and spas shall be covered when not in use to prevent evaporation.	No
0	Other - Prohibit use of potable water for construction and dust control	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	No
0	Landscape - Limit landscape irrigation to specific days	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Irrigation shall be limited to 4 days per week turf watering when using potable water.	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.	No
0	Landscape - Other landscape restriction or prohibition	Ongoing long-term conservation savings measure. N/A to WSCP quantifiable savings.	Prohibited use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than cemeteries, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities.	No

1	Landscape - Limit landscape irrigation to specific times	0-5%	Watering or irrigation of vegetated areas is prohibited between 9 am and 6 pm except by use of a hand held device, hose equipped with an automatic shutoff device, or for adjusting or repairing an irrigation system for short periods of time.	Yes
1	Landscape - Limit landscape irrigation to specific days	0-5%	Irrigation shall be limited to 4 days per week turf watering when using potable water.	Yes
1	Expand Public Information Campaign	0-1%	Community Outreach and Messaging (Expand Public Information Campaign)	Yes
1	Reduce System Water Loss	0-5%	Real Loss Reduction - Pressure Management and More Aggressive Leak Detection and Repair	Yes
1	Increase Water Waste Patrols	0-1%	Increase Water Waste Patrols	Yes
1	Expand Public Information Campaign	0-1%	Expand promotion and outreach about rebates available	No
2	Improve Customer Billing	0-1%	Improve AMI Leak Reports to include more details on water use	No
2	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers promptly/within 5 days.	Yes
2	Landscape - Other landscape restriction or prohibition	0-1%	Prohibited use of broken or defective plumbing, sprinkler, watering or irrigation systems.	Yes
2	Landscape - Limit landscape irrigation to specific days	5-10%	Irrigation shall be limited to 3 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
2	Water Features - Restrict water use for decorative water features, such as fountains	0-1%	Filling or refilling ornamental lakes and ponds is prohibited. Ornamental lakes and ponds that sustain aquatic life of significant value and were actively managed prior to the storage declaration are exempt.	Yes

2	Pools and Spas - Require covers for pools and spas	0-1%	Pools and Spas - Require covers for pools and spas	Yes
2	Decrease Line Flushing	0-1%	Decrease Line Flushing	Yes
2	CII - Restaurants may only serve water upon request	0-1%	CII - Restaurants may only serve water upon request	Yes
2	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	0-1%	Pools - Allow filling of swimming pools only when an appropriate cover is in place.	Yes
3	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 4 days.	Yes
3	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	0-1%	Car washing is only permitted using a commercial carwash that recirculates water or by high pressure/low volume wash systems.	Yes
3	Other - Prohibit use of potable water for construction and dust control	0-1%	Require a construction water use plan be submitted to the water supplier that addresses how impacts to existing water users will be mitigated (such as dust control).	Yes
3	Landscape - Limit landscape irrigation to specific days	10-25%	Irrigation shall be limited to 2 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
3	Other water feature or swimming pool restriction	0-1%	Decorative water features that use potable water must be drained and kept dry.	Yes
3	CII - Other CII restriction or prohibition	0-1%	No water in new, added or altered cooling system equipment unless at least fifty percent (50%) of the water is recycled.	Yes
4	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 3 days.	Yes

4	Landscape - Limit landscape irrigation to specific days	5-20%	Irrigation shall be limited to 1 days per week turf watering when using potable water. Plant containers, trees, shrubs and vegetable gardens may be watered additional days using only drip irrigation or hand watering.	Yes
4	Other water feature or swimming pool restriction	0-1%	Existing pools shall not be emptied and refilled using potable water unless required for public health and safety purposes.	Yes
4	Other water feature or swimming pool restriction	0-1%	No new permits for pools will be issued.	Yes
4	Landscape - Prohibit certain types of landscape irrigation	0-1%	Irrigation of golf courses only allowed for greens and tees area.	Yes
5	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 2 days.	Yes
5	Landscape - Prohibit all landscape irrigation	5-20%	All irrigation is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of all golf course areas is prohibited.	Yes
5	Landscape - Prohibit certain types of landscape irrigation	0-1%	Watering of parks, school grounds, and recreation fields is prohibited, except for rare plant or animal species.	Yes
6	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner	0-1%	Fix leaks or faulty sprinklers within 1 day.	Yes
6	Other	0-50%	Water use for public health and safety purposes only.	Yes
6	Landscape - Prohibit all landscape irrigation	0-5%	The City may shut off all non-essential water services. All irrigation is prohibited.	Yes
6	CII - Other CII restriction or prohibition	0-15%	Water for commercial, manufacturing, or processing purposes shall be reduced in volume by up to 50% or exceeded if necessary for public health and safety purposes.	Yes

6	Other	0-70%	Water use for public health and safety purposes only. Customer rationing may be implemented.	Yes

The following uses of potable water are prohibited for all water users at all times and are permanent:

3.01 Use that results in flooding or runoff in gutters, waterways, patios, sidewalks, driveways, or streets except as permitted in Section 3.02 (a) and (b).

3.02 Use of pressure washer or hand-held hose not equipped with a positive self-closing water shutoff device for:

(a) Washing cars, buses, boats, aircraft, trailers or other vehicles or mobile equipment;

(b) Watering outside plants, lawn, landscape, and turf areas.

3.03 Except upon the request of a customer, service of water by any establishment including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

3.04 Use through broken or defective plumbing, sprinkler, watering, or irrigation systems.

3.05 Use in new, added, or altered commercial car wash equipment unless a recirculating water system is incorporated.

3.06 Use in new, added, or altered cooling system equipment unless at least fifty percent (50%) of the water is recirculated. A waiver to allow less than fifty percent (50%) recirculating may be granted by the Chief Building Official due to water quality concerns only. Cost is not an acceptable reason to request or receive a waiver.

3.07 Use for irrigation if recycled water, reclaimed water, or treated sewage effluent water is available, except in the following situations as deemed necessary by City Engineer/Public Works Director:

(a) Irrigation of City Cultural Resources;

(b) Where recycled water, reclaimed water, and treated sewage effluent water use is prohibited under Title 22 of the California Water Code;

(c) Other situations where recycled water, reclaimed water, or treated sewage effluent water use is deemed inappropriate by the City Engineer/Public Works Director.

3.08 Use for hosing of sidewalks, driveways, walkways, parking areas and other paved surfaces.

3.09 Use for construction purposes, including dust control and compaction.

3.10 Use for cleaning, filling, or operating water features, such as decorative fountains, ponds, lakes or other similar aesthetic structures, except where the water is part of a recirculating system. The only exception may be a water feature currently listed in the National Register of Historic Places, where water use deemed necessary for integrity of the feature.

3.11 Use to irrigate outdoor plants, lawn, grass, landscaping, or turf areas during and within forty-eight (48) hours after measurable rainfall.

3.12 Use for outdoor irrigation in newly constructed homes and buildings, except with drip or microspray irrigation systems.

~~3.13 Use for watering street medians containing ornamental turf.~~

3.13 Uncovered Pools and Spas when not in use.

3.14 The prohibitions enumerated in 3.11~~,~~and 3.12~~, and 3.13~~ do not apply to any storm water treatment features, such as landscape based bioretention areas and green roofs, to meet the requirements of Municipal Regional Stormwater National Pollutant Discharge Elimination System Permit No. CAS612008, C3 Provision.

3.15 The use of potable water for irrigation of nonfunctional turf on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities will be prohibited as set forth below:

(a) The following properties must stop irrigating nonfunctional turf with potable water by the following

dates:

1. All properties owned by the California Department of General Services, beginning January 1, 2027;
2. All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027;
3. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028;
4. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029;
5. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The State Water Resources Control Board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) The prohibitions and requirements identified in this Section are not applicable to:

1. Turf landscapes located on single family residential properties
2. Turf landscapes that are irrigated using recycled water

~~Use for watering or irrigation of any plants, lawn, grass, landscaping or turf areas except between the hours of 6:00 p.m. through 9:00 a.m. and for no more than four (4) days during any seven-day period. The days of watering shall be:~~

~~Address Ending in Odd Number: Monday, Wednesday, Thursday, and Saturday;~~

~~Address Ending in Even Number: Tuesday, Thursday, Friday, and Sunday;~~

~~No address: Monday, Tuesday, Thursday, and Sunday.~~

~~The following activities are exempt from the day and time restrictions on watering or irrigation (only in WSCP shortage levels 0 and 1):~~

~~(a) Use for short periods during timer adjustment and repair of irrigation system are exempt from the time and day restriction set forth above.~~

~~(b) Watering by hand.~~

~~(c) Watering plants slated for sale in nursery/garden centers.~~

~~(d) Watering using drip irrigation systems.~~

~~(e) Landscape Irrigation zones that are controlled by an activated weather-based irrigation controller.~~

3.16 Use for watering or irrigation of non-turf plants, functional turf, lawn, grass, or landscaping except between the hours of 6:00 p.m. through 9:00 a.m. and for no more than four (4) days during any seven-day period. The days of watering shall be:

- Address Ending in Odd Number: Monday, Wednesday, Thursday, and Saturday;

- Address Ending in Even Number: Tuesday, Thursday, Friday, and Sunday;
- No address: Monday, Tuesday, Thursday, and Sunday.

The following activities are exempt from the day and time restrictions on watering or irrigation (only in WSCP shortage levels 0 and 1):

(a) Use for short periods during timer adjustment and repair of irrigation system are exempt from the time and day restriction set forth above.

(b) Watering by hand.

(c) Watering plants slated for sale in nursery/garden centers.

(d) Watering using drip irrigation systems.

(e) Landscape Irrigation zones that are controlled by an activated weather-based irrigation controller.

3.17 Exceptions to the prohibitions enumerated in 3.09, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15 and 3.16 may be granted where necessary to address an immediate health and safety need, or to comply with a term or condition in a permit issued by a state or federal agency, or where otherwise allowed by law.

SECTION 6. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII, CHAPTER 6, SECTION 7

Title VIII, Chapter 6, Section 7 of the Milpitas Municipal Code is hereby amended to read as follows:

The prohibitions identified in Sections 3.01 through 3.16 are applicable to all water customers using potable water. Water users listed in Section 3.15 are subject to additional prohibitions. The prohibitions and rationing requirements identified in this Chapter are not applicable to fountains, irrigation systems, cooling towers, and dual-plumb sites that use non-potable water such as recycled water.

SECTION 7. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 8. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36937 of the Government Code of the State of California.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Introduce Ordinance No. 232.2 Regarding Backflow Prevention and Cross-Connection Control (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**
Category:	Public Hearings-Leadership and Support Services
Meeting Date:	6/9/2026
Recommendation:	Following the reading of the title by the City Attorney, move to waive reading beyond the title and introduce Ordinance No. 232.2, amending various sections of Chapter 3 (Backflow Prevention and Cross-Connection Control) of Title VIII of the Milpitas Municipal Code

BACKGROUND:

A cross-connection is any actual or potential physical link between the City's safe drinking water supply and a non-potable source that has the potential to result in contamination of the City's water supply. To prevent such contamination, the State adopted Title 17 of the California Code of Regulations (CCR) in 1987 requiring public water purveyors to protect the public water system from contamination by implementing a cross-connection control program. The regulation included evaluating customers' properties to determine the degree of hazard present that could result in an actual or potential cross connection, required installing an approved backflow prevention assembly (BPA) to mitigate any such hazard, and performing annual testing to ensure installed BPAs were performing adequately to protect the public water system. In 1988, the City Council adopted Title VIII, Chapter 3 – Backflow Prevention and Cross-Connection Control of the Milpitas Municipal Code (Cross Connection Ordinance) to institute controls for the installation, testing, and repair of BPAs that complied with Title 17.

As the decades-old regulation became insufficient for modern industrial and residential demands, the State Legislature mandated more stringent, structured, and uniform statewide standards for cross-connection control and backflow prevention. The new legislation is meant to enhance the safety and reliability of public water systems in California. Assembly Bill 1671 was signed into law in 2017 and mandated that the California State Water Resources Control Broad (SWRCB) update the regulation and establish new minimum standards for backflow protection to ensure safe drinking water and prevent contamination of the public water supply. Assembly Bill 1180 was signed into law in 2019 and added public water system protections related to recycled water distribution and use. Together, these Assembly Bills led the SWRCB to develop and adopt the Cross-Connection Control Policy Handbook (CCCPH) on December 19, 2023. The CCCPH became effective on July 1, 2024, superseding the related portions of CCR Title 17 regulations. On June 17, 2025, the State Water Board adopted a revised version of the CCCPH, which extended some deadlines and changed some language to align with other pre-existing regulations. On April 21, 2026, the State Water Board adopted a revised version of the CCCPH regarding accreditation of certifying organizations and backflow prevention at existing auxiliary water supplies. The present action brings the City's Cross Connection Control Program into better alignment with this most recent revision of the CCCPH and the best practices for cross connection control represented therein.

The CCCPH mandates water purveyors to develop a Cross Connection Control Plan (CCCP), which establishes standards for backflow protection assemblies, requires hazard assessments to survey site conditions at all properties connected to the public water system, mandates properties with secondary water access or industrial/fire protection systems to install backflow prevention assemblies, and sets strict accreditation standards for cross-connection control specialists and backflow assembly testers. The City has prepared and received approval from the SWRCB for the CCCP, which was completed prior to the State's

deadline of July 1, 2025. The City's CCCP outlines how the City will maintain compliance, including conducting hazard assessments, BPA inspections, recordkeeping, and public outreach. Customers will benefit from the transparent and consistent program operations. In addition, the CCCPH requires that public water systems adopt operating rules, a resolution, or an ordinance to provide legal authority to implement corrective actions in the event a customer fails to comply in a timely manner with the requirements. The rules, resolution or ordinance must address the proper installation, inspection, field testing, and maintenance of backflow prevention assemblies.

The California Constitution requires the State to reimburse local agencies for certain newly mandated local programs. However, Assembly Bill 1671 contains a disclaimer stating no reimbursement is required under Section 17556 of the California Government Code, because the act creates a new crime or infraction (violating the adopted handbook is a crime), or changes the penalty for a crime or infraction, which disqualifies the mandate from state reimbursement. Additionally, Assembly Bill 1180 legislative digest explicitly concludes that no state reimbursement is required because it does not constitute a reimbursable state mandate under the California Constitution.

ANALYSIS:

Staff, in consultation with the City Attorney's Office, recommend adopting an amendment to the Cross-Connection Ordinance to meet the requirements of the CCCPH (Attachment A). The proposed amendments provide the City authority to implement its CCCP, includes updated definitions, gives rights to the City to enter private property for inspections, provides guidelines for installing, inspecting, repairing, and/or replacing BPAs as required to protect the public water system and lastly provides for enforcement for non-compliance, allowing the City to deny or discontinue water service. The following is a summary of amended or added sections of the Cross Connection Ordinance that addresses the requirements of the CCCPH.

- **VIII-3-1.00 – Purpose:** This section is amended to provide the City the authority to protect public health through the establishment of standards to ensure the City's public water system and South Bay Water Recycling's (SBWR) recycled water system will not be subject to the contamination or backflow of liquids, gases, or other substances in accordance with CCCPH and SBWR's Rules and Regulations for Design and Operation of On-Site Recycled Water Facilities.

- **VIII-3-2.00 – Authority:** This section is added as it was previously defined under Section 3-1.00 Purpose and Section 3-3.00 - Policy under the current Cross Connection Ordinance. It provides the authority to the City Engineer to protect City's public water system and SBWR's recycled water system from contaminants or pollutants by implementation and enforcement of a backflow prevention and cross-connection control program. The City Engineer continues to have the authority to terminate water service immediately without notification in the interest of protecting the public health, safety, and welfare if at any time a real or potential hazard is evidenced.

- **VIII-3-3.00** – **Definitions:** This section is amended to define new terminology introduced by the CCCPH.

- **VIII-3-4.00 – Policy:** This section is amended to set standards and polices in accordance with the CCCPH. The following is a summary of the section, but is not limited to:
  - City Engineer shall periodically submit updates of the CCCP to conform to the most current CCCPH requirements.
  - Only assemblies specified in City Standard Details and Specifications are allowed.
  - Existing premises that have an assembly not meeting minimum BPA standards may continue to remain in operation as long the City Engineer determines it will satisfactorily protect the City's public water system. If the assessment of hazard results in, or the City Engineer determines that the replacement of a BPA is required, the customer is provided up to one hundred eighty (180) calendar days to install a new BPA.
  - Existing premises without an assembly, depending on certain requirements, may be required to install a BPA within thirty (30) calendar days of being provided with written notice by the City Engineer.
  - Customers with existing fire services with non-testable, below-grade, single check assemblies will require above-ground replacement no later than June 1, 2034.

- Single-family residential premises with fire protection systems are required to install a BPA unless certain conditions are met. New buildings require installation prior to occupancy and existing buildings require installation by June 1, 2034.
- Customers with recycled water service are required to install a BPA. New services require installation prior to occupancy and existing services without a BPA are required to install a BPA no later than June 1, 2034.
- All replacement dates are allowed to be amended if they are subsequently amended in the CCCPH.

- **VIII-3-5.00 - Assessment of Hazard:** This section is added as it was previously defined under Section 3-3.00 - Policy under the current Cross Connection Ordinance. The section requires customers with an existing BPA to submit an assessment, completed by a specialist, to the City by June 30, 2027. New connections with BPAs are required to submit an assessment completed by a specialist prior to occupancy, at their own expense. This will determine the level of protection required for the customer.

- **VIII-3-6.00 - Determination of Backflow Prevention Assembly and Assessment of Hazard Requirements:** This section is added as it was previously defined under Section 3-5.00 - Determination of Backflow Prevention Device under the current Cross Connection Ordinance. It provides standards for the type of BPA to be installed according to the type of premises and based on the assessment of hazard, to provide maximum protection to the City's public water system.

- **VIII-3-7.00 - Installation of Assembly:** This section is added as it was previously defined under Section 3-6.00 - Installation of Device under the current Cross Connection Ordinance. This section requires a BPA to be designed and installed in accordance with the City Standard Details and Specifications and requires the customer to obtain a permit from the City's Building Department for installation of a new or replacement of an existing BPA.

- **VIII-3-8.00 - Testing and Maintenance:** This section is added as it was previously defined under Section 3-7.00 - Testing and Maintenance under the current Cross Connection Ordinance. This section requires customers to maintain and test their BPA annually, at their expense, and submit results to the City by an authorized backflow prevention assembly tester or cross-connection control specialist. It also requires customers to immediately repair, overhaul or replace any defective BPA and submit test results for the new installation.

- **VIII-3-9.00 – Notifications:** This section is added and requires customers to notify the City regarding a failed annual test result and or backflow or cross-connection incident.

- **VIII-3-10.00 – Appeals:** This section is added with the same language as previously defined under Section 3-8.0 Appeals under the current Cross Connection Ordinance.

- **VIII-3-11.00 - Penalties:** This section is added with the same language as previously defined under Section 3-9.0 Penalties. under the current Cross Connection Ordinance.

Community Impact

As the CCCPH updates the regulations and establishes new minimum standards for backflow protection to ensure safe drinking water and prevent contamination of the public water supply, it will have an impact on customers that have or will need a BPA, which is estimated to affect approximately 2,900 water and recycled services. The following table summarizes the minimum BPA required for customer types; a reduced pressure (RP) assembly is specified for the highest level of protection. For reference, the table also includes the minimum BPA required for customer types under Title 17. Existing premises that have an assembly not meeting the minimum BPA standards, the Cross Connection Ordinance will allow the device to continue to remain in operation as long the City Engineer determines it will satisfactorily protect the City's public water system. However, customers will be required to replace the existing BPA to the new standard if the device does not pass the annual test, assessment of hazard results in, or the City Engineer determines that the replacement is necessary. Single-family, non-hillside customers without fire protection systems are currently exempt from the requirements of the CCCPH, as their degree of hazard is very low, however new development is implementing these requirements.

Customer Type	Minimum Backflow Assembly Type (Title 17)	Minimum Backflow Assembly Type (CCCPH)	Assessment of Hazard Required
Industrial and Commercial Potable Irrigation Services	DC	RP	Yes
Industrial and Commercial Potable Systems	RP	RP	Yes
Industrial and Commercial Fire Protection Systems	DC	RPDA	Yes
Hillside Residences where Customer system is Higher than public water system.	DC	RP	Yes
Multi-Family Residential Properties with Two or more Units (including fire, irrigation and potable systems)	DC	RP	Yes
Low Hazard Fire Services	DC	RP	Yes
Single-Family Homes with Fire Protection System	None Required	RP	Yes
Single-Family Residence	None Required	None Required	None Required
Construction Meters	None Required	RP	Not Applicable
Recycled Water Services	None Required	RP	None Required

- DC: Double Check Backflow Prevention Assembly
- RP: Reduced Pressure Backflow Prevention Assembly
- RPDA: Reduced Pressure Detector Assembly

To adequately assess the City's public water system per CCCPH, all customers with a known BPA must complete a hazard assessment by June 30, 2027, at their own cost. Customers were made aware of the requirement as part of the 2025 and 2026 annual testing notifications. Approximately 70% of the customers have submitted assessments for the City's review. Depending on site complexity, the cost that customers may incur for assessments ranges from $250 to $1,000.

In addition, CCCPH further identifies the following existing services as potential hazards and requires a BPA to protect the City's public water system:

- Fire services with a below-grade single-check assembly. These devices are a non-testable and are not sufficient in preventing back-siphonage,
- Single-family residential with fire protection systems. These systems are subject to stagnant water, due to the lack of circulation, causing pipe corrosion leading to microbial growth, and
- Recycled water service, which can potentially be cross connected to the potable water system.

Staff have preliminarily identified approximately 336 business customers with a fire service equipped with a below grade single-check assembly, 850 single-family residences with a fire protection system, and 255 recycled water customers.

As the State recognizes the burden on the community to mandate BPA on these types of services, the CCCPH allows customers until June 1, 2034, to be in conformance. Once the exact number of services that require a BPA has been verified, staff will analyze the site conditions and reach out to customers to discuss the mandate. The cost of installing a BPA will vary depending on site conditions and will be at the expense of the customer in accordance with the Cross Connection Ordinance. As Assembly Bills 1671 and 1180 do not reimburse local agencies to assist with cost of this mandate, if directed, staff can evaluate and make future recommendations to City Council to help offset customers' expenses. Potential funds may be available from Fund 109, that receives late payment penalties on utility bills.

POLICY ALTERNATIVE(S):
Alternative: Do not adopt amendments to the Cross Connection Ordinance.

Pros: None

Cons: The City would be limited in its ability to protect the public water system from contamination by not having the authority to enter private property for inspections, to provide guidelines for annual testing, to install, inspect, repair, and/or replace BPAs, and to enforce corrective measures for non-compliant customers.

Reason for Not Recommending: Not establishing the legal authority to implement a compliance program could result in citations, compliance orders, and/or the revocation of the City's operating permit from the State. Also, without a compliance program, the likelihood of exposing the community to contaminants through a backflow occurrence is greatly increased.

FISCAL IMPACT:
The Public Works Department employs a dedicated Cross Connection Specialist, who is responsible for administrating and implementing the City's CCCP. However, there is still additional time and expense incurred to review State required hazard assessments from customers, to research, investigate and verify the inventory of customers with BPAs, and to conduct outreach/education to customers required to install BPAs by June 1, 2034.

Staff are continually evaluating the effort of conforming to the latest requirements of the CCCPH; if any additional funding for ongoing compliance is required, staff will request such funding through future budget appropriations as part of the annual operating budget that the City Council adopts for the Department. Additionally, changes to the Municipal Fee Schedule will be proposed for cost recovery of this additional workload as soon as is practicable.

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) Draft Ordinance No. 232.2 redlined
(b) Draft Ordinance No. 232.2

REGULAR

NUMBER: 232.2

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTER 3 OF TITLE VIII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL PROGRAM**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____, and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:	(0)
NOES:	(0) None.
ABSENT:	(0) None.
ABSTAIN	(0) None.

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City operates a public water system, as defined by California Health and Safety Code Section 116275(h), and, since at least December 20, 1988, has maintained a Backflow Prevention & Cross-Connection Control Program to protect that public water system with regulations codified relating thereto in Title VIII, Chapter 3 of the Milpitas Municipal Code (commencing with Section VIII-3-1.00); and

WHEREAS, California Health and Safety Code Sections 116407, 116555.5 and 13521.2 focus on backflow protection and cross-connection control for public water systems and nonportable recycled water uses and provides the California State Water Resources Control Board (State Water Board) authority to adopt standards for backflow protection and cross-connection control for both systems; and

WHEREAS, California Health and Safety Code Section 116555.5 states that public water systems are to implement cross-connection control programs that comply with applicable regulations and with standards adopted by the State Water Board; and

WHEREAS, prior to Assembly Bill 1671 being approved on October 6, 2017 (AB 1671), California's regulations pertaining to cross-connection control were set forth in regulations in Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Article 3 of the California Code of Regulations (CCR), which were adopted in 1987 with minor revisions in 2000; and

WHEREAS, AB 1671 and later Assembly Bill 1180 in October 2, 2019 (AB 1180) comprehensively overhauled California's regulatory scheme pertaining to cross-connection control and directed, among other things, that the State Water Board adopt standards for backflow protection and cross-connection control by January 1, 2020 and specified that these standards may be implemented through the adoption of a policy handbook; and

WHEREAS, AB 1180, through the adoption of California Health and Safety Code Section 13521.2, required the State Water Board by January 1, 2023 to update the uniform statewide standards for non-potable recycled water uses, including to incorporate by reference the criteria and applicable backflow protection provisions contained within the most recently adopted version of the policy handbook for public water systems; and

WHEREAS, on December 19, 2023, the State Water Board adopted the Cross-Connection Control Policy Handbook (CCCPH), which took effect on July 1, 2024 and replaced the previous backflow protection and cross-connection control regulations in Title 17 of the CCR; and

WHEREAS, on June 17, 2025, the State Water Board adopted a revised version of the CCCPH, which extended some deadlines and changed some language to align with other pre-existing regulations; and

WHEREAS, on April 21, 2026, the State Water Board adopted a revised version of the CCCPH regarding accreditation of certifying organizations and backflow prevention at existing auxiliary water supplies; and

WHEREAS, consistent with California Health and Safety Code Section 116555.5 and the CCCPH, the City wishes to update the regulations contained in Title VIII, Chapter 3 of the Milpitas Municipal Code related to the Backflow Prevention & Cross-Connection Control Program to bring its

regulations into greater alignment with the most recent standards promulgated by the State Water Board through the CCCPH, including the recent changes to the CCCPH identified above and particularly the recent changes to standards for non-potable recycled water uses; and

WHEREAS, the City has a vested and legitimate interest, and legal authority, to protect the public health, safety, and welfare by adopting reasonable regulations, including prohibitions, to control cross-connections in its public water and recycled water systems, including to prevent the backflow of dangerous of liquids, gases, or other substances and contaminants into its systems from customer properties; and

WHEREAS, the City has a vested and legitimate interest, and legal authority, to implement corrective actions in the event a water customer fails to comply in a timely manner with State law and the City's regulations regarding cross connection control and backflow prevention, including the installation, inspection, field testing, or maintenance of backflow prevention assemblies, to protect its public water and recycled water systems, including from the introduction of substances and contaminants that may pose a hazard to the public who rely upon these systems; and

WHEREAS, City staff has identified various sections of the Milpitas Municipal Code Title VIII, Chapter 3, requiring clarifications, updates and modifications and recommended that the City Council take action to address these issues through the adoption of this Ordinance; and

WHEREAS, pursuant to California Government Code Sections 65853 and 65854, the City Council of the City of Milpitas held a properly noticed public hearing on June 9, 2026, to consider these amendments to the Milpitas Municipal Code Title VIII, Chapter 3; and

WHEREAS, the City Council finds that this Ordinance does not render the Milpitas Municipal Code Title VIII, Chapter 3, inconsistent with the requirements of the State Water Board, including as promulgated through the CCCPH.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

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. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII ("PUBLIC WORKS"), CHAPTER 3 ("BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL")

Title VIII, Chapter 3 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-3-1.00 Purpose

The purpose of this Chapter is to protect the health, safety, and welfare of the ~~water~~

~~customers~~public ~~by the control of~~ from the backflow of harmful contaminants into the ~~p~~public ~~w~~water ~~s~~system and recycled water system, stemming from actual or potential cross-connections. There are ~~through two~~three ~~basic~~two ~~basic programs, which~~programs which will control and ~~prevent~~protect against these harmful backflows:

a) Through proper installation ~~and~~, maintenance and testing of backflow ~~preventers~~ prevention assemblies on services to premises where actual or potential cross-connections exist to prevent backflow or back-siphonage of contaminants or pollutants from the customer's premises into the ~~Public Water System~~public water system or recycled water system, and~~.~~

b) By promoting the elimination of existing or future cross-connections through inspection and regulation of plumbing and water piping ~~within~~ between a customer's premises and the~~,~~ ~~Public Water System~~public water system or recycled water system. ~~or between them.~~

~~Through proper installation and maintenance of backflow prevention assemblies on services to premises where actual or potential cross-connections exist to prevent backflow or back-siphonage of contaminants or pollutants from the customer's premises into the Recycled Water System.~~

VIII-3-2.00 Authority

~~he California Environmental Protection Agency – State Water Resources Control Board (SWRCB), "Cross-Connection Control Policy Handbook – Standards and Principles for California's s," adopted on December 19, 2023, made effective on July 1, 2024, , the City is given the authority to protect public health through the establishment of standards intended to ensure a Public Water System will not be subject to the backflow of liquids, gases, or other substances.~~

~~Per applicable sections of the California Code of Regulations (CCR), Title 17, "Drinking Water Supply – Backflow Prevention" – Title 17 that can be applied to recycled water, the South Bay Water Recycling (SBWR) Rules and Regulations for Design and Operation of On-Site Recycled Water Facilities, and the retailing agreement between SBWR and the City dated June 13, 1995,m the City is given the authority to protect public health through the establishment of standards intended to ensure a Recycled Water System will not be subject to the backflow of liquids, gases, or other substances.Chapter V, Sections 7583-7622, inclusive of the California Code of Regulations entitled "Regulations Relating to Cross-Connections," gives the City authority to protect the Public Water System from contamination and pollution.~~

The City Engineer ~~on behalf of the City~~ shall have authority to protect the ~~P~~public ~~W~~water ~~S~~system and the ~~R~~recycled ~~W~~water ~~S~~system from contamination or pollution due to the backflow or back-siphonage of contaminants or pollutants through water service connections by implementation and enforcement of a backflow prevention and cross-connection control program based on accepted standards.

If, in the judgment of the City Engineer, an approved backflow prevention assembly is required at the City's water service connection to any customer's premises, for the safety of the water system, the City Engineer shall give notice in writing to the customer to install such an

approved assembly at each service connection to the premises. The customer must immediately install such approved assemblies at his or her own expense and to the satisfaction of the City Engineer. Failure, refusal, or inability on the part of the customer to comply with this Chapter will constitute ~~a ground~~grounds for the City taking action to protect the safety of the public water system or recycled water system, including discontinuing water service to the premises until compliance has been met and all other remedies provided in this Chapter.

The City Engineer has authority to terminate water service immediately without notification in the interest of protecting the public health, safety, or welfare if at any time a real or potential hazard is evidenced, such as failure to timely conform to required assessment of hazard, testing, maintenance, or standard construction design, as provided herein.

VIII-3-~~32~~.00 Definitions

For purposes of this Chapter, the terms used herein are defined as follows:

3.01 ~~Air Gap Separation. A physical break between the free-flowing discharge end of a Public Water System pipeline and an open or non-pressure receiving vessel. An "approved air gap separation" shall be at least twice the diameter of the supply pipe measured vertically above the overflow rim of the vessel, in no case less than one inch (1").~~

Approved Water Supplies~~y~~. A water source that has been approved by the State Water Resources Control Board for domestic use in a ~~Public Water System~~public water system and designated as such in a domestic water supply permit~~.~~; and a separate recycled water source that meets South Bay Water Recycling requirements for recycled use in the recycled water system.

3.02 ~~Assembly. An abbreviated term for a backflow prevention assembly.~~Approved Assembly. A backflow prevention assembly that conforms to the list of backflow prevention assemblies as determined by the City Engineer in writing pursuant to Section 4.04. An assembly that does not conform to this requirement, or is improperly installed, is an Unapproved Assembly.

3.03 Assessment of Hazard. An assessment performed by an authorized c~~C~~ross-c~~C~~onnection c~~C~~ontrol s~~S~~pecialist to determine the potential of a backflow into the ~~Public Water System~~public water system. The assessment will consider the existence of cross-connections; the type and use of materials handled and present, or likely to be, on the water customer premises; the degree of piping system complexity and accessibility; access to auxiliary water supplies, pumping systems, or pressure systems; distribution system conditions that increase the likelihood of a backflow event; water customer premises accessibility; any previous backflow incidents on the water customer premises; and all other pertinent authorities, requirements, and information, including the requirements and information provided in the ~~California Environmental Protection Agency – State Water Resources Control Board, "~~Cross-Connection Control Policy Handbook~~ – Standards and Principles for California's Public Water~~

~~System~~.

3~~2~~.03~~4~~-1 Hazard, Degree of. An ~~A~~assessment of hazard must identify the degree of hazard (or no hazard) to the ~~P~~public ~~W~~water ~~S~~system through evaluation of customer premises based on the following classifications:

3~~2~~.03~~4~~-2~~1~~.1 High Hazard Cross-Connection. A cross-connection that poses a significant threat to the potability or safety of the ~~P~~public ~~W~~water ~~S~~system. Materials entering the ~~Public Water System~~public water system through a high-hazard cross-connection are contaminants or health hazards.

3~~2~~.03~~4~~-3~~1~~.2 Low Hazard Cross-Connection. A cross-connection that has been found to not pose a significant threat to the potability or safety of the ~~Public Water System~~public water system but may adversely affect the aesthetic quality of the ~~Public Water System~~public water system. Materials entering the public water supply through a low-hazard cross-connection are pollutants or non-health hazards.

3~~2~~.03~~4~~-4~~1~~.3 No Hazard Cross-Connection. A cross connection that poses no hazard to potability or safety of the ~~Public Water System~~public water system.

~~3.02~~3.04 Auxiliary Water Supply. Any water supply available to the premises other than the ~~Public Water System~~public water system. These auxiliary supplies may include water from another purveyor's ~~public~~ ~~P~~public ~~potable water~~ ~~W~~water ~~S~~system ~~supply~~ or any natural source such as a well, spring, river, stream, harbor, ~~etc~~etc.~~.~~, or "used water" or "industrial fluids~~.~~" or "recycled water"~~.~~ These waters may be polluted or contaminated, or they may be objectionable and constitute an unacceptable water source over which the City has no sanitary control.

3.05 Backflow. The undesirable flow of water or other liquids, gases, or solid substances under pressure into the distributing pipes of the ~~Public Water System~~public water system or recycled water system from any outside source.

3.06 Backflow Prevention Assembly. A generic term referencing multiple types of mechanical assembly designed and constructed to prevent backflow, such that while in-line it is accessible, can be repaired and its ability to prevent backflow, as designed, can be field-tested, inspected, and evaluated. The assembly must have passed laboratory and field evaluation tests performed by a recognized testing organization that has demonstrated its competency to the State Water Resource Control Board, Division of Drinking Water. A backflow prevention assembly is referred to herein also by the abbreviated term "assembly." ~~A backflow prevention assembly is referred to herein also by the abbreviated term "Assembly."~~

3~~2~~.06~~7~~-1 Double Check Detector Backflow Prevention Assembly (DCDA). An assembly that includes a bypass with a water meter and double check backflow prevention assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may only be used for protection

from back siphonage and backpressure events (low hazard connection). ~~These assemblies are not allowed for new installation unless approved by the City Engineer and readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-2 Double Check Detector Backflow Prevention Assembly – Type II (DCDA II). An assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may only be used for protection from back siphonage and backpressure events (low ~~-~~hazard cross-connection). ~~These assemblies are not allowed for new installations unless approved by the City Engineer and readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-3 Double Check Valve Backflow Prevention Assembly (DC). An assembly consisting of two independently acting internally loaded check valves, with tightly closing shut-off valves located at each end of the assembly (upstream and downstream of the two check valves) and fitted with test cocks that enable accurate field testing of the assembly. This type of assembly may only be used for protection from back siphonage and backpressure events (low hazard cross-connection). ~~These assemblies are not allowed for new installations unless approved by the City Engineer and readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-4 Pressure Vacuum Breaker Backflow Prevention Assembly (PVB). An assembly with an independently acting internally loaded check valve and an independently acting loaded air inlet valve located on the discharge side of the check valve; with test cocks and tightly closing shutoff valves located at each end of the assembly that enable accurate field testing of the assembly. This type of assembly may only be used for protection from back siphonage (low hazard and high hazard cross-connection) events and is not to be used to protect from backpressure events. ~~These assemblies are not allowed for new installations unless approved by the City Engineer and readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-5 Reduced Pressure Principle Backflow Prevention Assembly (RP). An assembly that includes ~~a bypass with a water meter and reduced pressure principle backflow prevention assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. Includes~~ two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shutoff valves, plus properly located test cocks for the testing of the check and relief valves. The entire assembly shall meet the design and performance specifications and approval of a recognized and City-approved testing agency for backflow prevention. The device shall operate to maintain the pressure in the zone between the two check valves at a level less than the pressure on the ~~Public Water System~~public water system side of the device. At cessation of normal flow, the pressure between the two check valves shall

be less than the pressure on the ~~Public Water System~~public water system side of the device. In case of leakage of either of the check valves, the differential relief valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. This type of assembly may be used for protection from back siphonage and backpressure events (low hazard and high hazard cross-connections). ~~To be approved, these assemblies must be readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-6~~.~~ Reduced Pressure Principle Detector Backflow Prevention Assembly (RPDA). An assembly that includes a bypass with a water meter and reduced pressure principle backflow prevention assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. Includes two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shutoff valves, plus properly located test cocks for the testing of the check and relief valves. ~~The entire assembly shall meet the design and performance specifications and approval of a recognized and City-approved testing agency for backflow prevention.~~ The device shall operate to maintain the pressure in the zone between the two check valves at a level less than the pressure on the ~~Public Water System~~public water system side of the device. At cessation of normal flow, the pressure between the two check valves shall be less than the pressure on the ~~Public Water System~~public water system side of the device. In case of leakage from either check valves, the differential relief valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. This type of assembly may be used for protection from back siphonage and backpressure events (low -hazard and high -hazard cross-connections). ~~To be approved, these assemblies must be readily accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-7~~.~~ Reduced Pressure Principle Detector Backflow Prevention Assembly – Type II (RPDA II). An assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may be used for protection from back siphonage and backpressure events (low ~~-~~hazard and high -hazard cross-connections). ~~To be approved, these assemblies must be accessible for in-line maintenance and testing.~~

3~~2~~.06~~7~~-8~~.~~ Single Check Backflow Prevention Assembly (SC). A basic mechanical device with one spring-loaded check valve that allows water to flow in only one direction. Refer to Section 4.05 for use. ~~These assemblies are not testable and are not allowed for new installations.~~

32.067-9. Spill Resistant Pressure Vacuum Breaker ~~Backsiphonage~~Back-siphonage Prevention Assembly (SVB). An assembly with an independently acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with shutoff valves at each end and a test cock and bleed/vent port, to enable accurate field testing of the assembly. This type of assembly may only be used for protection from back-siphonage events (low -hazard cross-connection) and is not to be used to protect from backpressure events. ~~These assemblies are not allowed for new installations.~~

32.067-10. ——Swivel-Ell Backflow Prevention Assembly (Swivel-Ell). An assembly consisting of a reduced pressure principle backflow prevention assembly combined with a changeover piping configuration (swivel-ell connection). ~~These assemblies are not allowed for new installations.~~

3.07 Back Pressure. When the pressure in a ~~C~~customer's ~~W~~water ~~S~~system is higher than ~~Public Water System~~public water system pressure or recycled water system, forcing either non-potable, "~~U~~used ~~W~~water" back into the ~~Public Water System~~public water system or contaminated "used water" back into the recycled water system.

3.08 Backflow Prevention Assembly Tester. A person certified ~~by the State~~per the requirements of the Cross Connection Control Policy Handbook and when ~~approved~~qualified by the City, is authorized to test backflow prevention assemblies within the City.

3.09 Back-Siphonage. The flow of water or other liquids, gases, or solid substances into the distribution pipes of the ~~Public Water System~~public water system or recycled water system from any outside source caused by the sudden reduction of pressure in the ~~Public Water System~~public water system or recycled water system.

~~3.03~~3.10 City Engineer. The City Engineer for the City of Milpitas, or designee.

3.11 City Standard Drawings and Specifications. Latest edition documents prepared by the Public Works Department of the City.

3.12 Contamination. Any impairment of the quality of the potable water or recycled water by sewage, industrial fluids or waste liquids, compounds or other materials to a degree which creates an actual hazard to public health through poisoning or through the spread of disease.

3.13 Cross-Connection. Any physical connection or arrangement of piping or fixtures where backflow or back-siphonage might occur between any part of a water system, used or intended to supply water for drinking purposes, and water or any source or system containing substance that is not or cannot be approved as safe, wholesome, or potable for human consumption. Includes similar connection or arrangement of piping or fixtures where backflow or back-siphonage might occur to the recycled water system.

3.14 Cross-Connection Control Plan (CCCP). A City plan that describes how the City manages and administers the City Cross-Connection Control Program.

3.15 Cross-Connection Control Policy Handbook (CCCPH). The most recent edition of the California Environmental Protection Agency - State Water Resources Control Board (SWRCB), "Cross-Connection Control Policy Handbook – Standards and Principles for California's Public Water Systems," first adopted on December 19, 2023, and made effective on July 1, 2024, as mo~~re~~st currently amended or superseded.

3.16 Cross-Connection Control Specialist. A person certified per the requirements of the CCCPH and when qualified by the City, is authorized to assess the hazard level present at customer premises. A specialist certified per the requirements of the CCCPH to test may also be authorized by the City to be a Backflow Prevention Assembly Tester.

~~3.04 Backflow Prevention Device. A device or means designed to prevent backflow or back siphonage. Types of backflow prevention devices are as follows:~~

~~2.04.1 Double Check Valve Assembly. An assembly of two independently operating approved check valves with tightly closing shutoff valves on each side of the check and relief valves. The entire assembly shall meet the design and performance specifications and approval of a recognized and City approved testing agency for backflow prevention devices. To be approved, these devices must be readily accessible for in-line maintenance and testing and be installed per City standards.~~

~~2.04.2 Reduced Pressure Principle Backflow Prevention Device. An assembly of two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shutoff valves, plus properly located test cocks for the testing of the check and relief valves. The entire assembly shall meet the design and performance specifications and approval of a recognized and City approved testing agency for backflow prevention. The device shall operate to maintain the pressure in the zone between the two check valves at a level less than the pressure on the Public Water System side of the device. At cessation of normal flow the pressure between the two check valves shall be less than the pressure on the Public Water System side of the device. In case of leakage of either of the check valves, the differential relief~~

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9 valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. To be approved, these devices must be readily accessible for in-line maintenance and testing and be installed per City standards.

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Cross-Connection Control Policy Handbook (CCCPH). California Environmental Protection Agency – State Water Resources Control Board (SWRCB), "Cross-Connection Control Policy Handbook – Standards and Principles for California's Public Water Systems," adopted on December 19, 2023, and made effective on July 1, 2024.

City Standard Drawings and Specifications. Latest edition documents prepared by the Public Works Department of the City.

10.02 Contamination. Any impairment of the quality of the potable water by sewage, industrial fluids or waste liquids, compounds or other materials to a degree which creates an actual hazard to the public health through poisoning or through the spread of disease.

Cross-Connection. Any physical connection or arrangement of piping or fixtures where backflow or back-siphonage might occur between any part of a water system, used or intended to supply water for drinking purposes, and water or any source or system containing substance that is not or cannot be approved as safe, wholesome, or potable for human consumption.

Cross-Connection Control Plan (CCCP). A City plan that describes how the City manages and administers the City Cross-Connection Control Program.

Cross-Connection Control Specialist. A person certified by the State and, when qualified by the City, is authorized to assess the hazard level present at customer premises. A specialist certified by the State to test may also be authorized by the City to be a Backflow Prevention Assembly Tester.

3.17 Customer. A customer is all industrial, commercial, multi-family, and single-family premises with a connection to the Public Water Systempublicwaterpublic water system intended for use and consumption for peopleotable consumption, for irrigation use, or for fire protection use. or a connection to the recycled water system intended for use and consumption for irrigation use or other non-drinkingpotable purposeuses. A customer is the owner of any premises served by either the public water system or the recycled water system. A customer may include any person or entity in possession of the premises, or those persons or entities responsible for water service charges. A customer is referred to herein also by the term "Water Customer".

10.033.18 Customer's Water System. All privately-owned facilities and parts beyond the service connection of the Public Water Systempublicwaterpublic water system or recycled water system for distributing water.

10.04 Hazard, Degree of. The term is derived from an evaluation of the potential risk to public

health and the adverse effect of the hazard upon the Public Water System.

2.07.1 Hazard – Health. Any condition, device, or practice in the water system and its operation which, based on the Manual of Cross-Connection Control, could create a danger to the health and well-being of the water customers. An example of a health hazard is a structural defect, including cross-connections, in a water supply system.

2.07.2 Hazard – Plumbing. A plumbing type cross-connection in a customer's potable water system has not been properly protected by a backflow prevention device. Unprotected plumbing type cross-connections are considered to be a health hazard.

2.07.3 Hazard – Pollutional. An actual or potential threat to the physical properties of the Public Water System or to the potability of either the Public or the Customer's Water System, but which would constitute a nuisance or be aesthetically objectionable or could cause damage to the system or its appurtenances, but would not be dangerous to health.

2.07.4 Hazard – System. An actual or potential threat of severe damages to the physical properties of the Public Water System or the Customer's Water System or of a pollution or contamination which would have a protracted effect on the quality of the water in the system.

~~20~~

~~20.02~~3.19 Industrial Fluid System. Any system containing a fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration such as would constitute a health, ~~plumbing, pollutional~~ or system hazard if introduced into ~~an approved water supply~~the ~~Public Water System~~public water system or recycled water system. This may include, but not be limited to: polluted or contaminated waters; all types of process waters and "used waters" originating from the ~~Public Water System~~customer's water system which may have deteriorated in sanitary quality; chemicals in fluid form; plating acids and ~~alkalies~~alkalis, circulated cooling waters connected to an open cooling water or cooling towers that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters such as from wells. springs, streams, rivers, bays, harbors, seas, irrigation canals or systems, etc.; oils, gases, glycerine, paraffins, caustic and acid solutions and other liquid and gaseous fluids used in industrial or other purposes or for fire-fighting purposes.

3.20 List of Approved Backflow Prevention ~~Devices~~Assemblies. The ~~most recent list of~~ approved backflow prevention assemblies ~~or equal~~ as noted ~~o~~in the City Standard Details~~rawings~~ and Specifications.~~from the University of Southern California, School of Engineering, Foundation for Cross-Connection Control and Hydraulic Research.~~

3.21 Pollution. The presence of any foreign substance (organic, inorganic, or biological) in water, which tends to degrade its quality and constitutes a hazard or impairs the usefulness or quality of the water to a degree which does not create an actual hazard to the public health, but which does adversely and unreasonably affect such waters for domestic use and/or recycled use.

3.22 Potable Water. Water that is safe for human consumption.

3.23 Premises. All areas on a customer's property that are served or have the potential to be served by the ~~Public Water System~~~~publicwater~~public water system or recycled water system.

3.24 Public Water System. System of potable water distribution lines under the complete control of the City using approved water supplies up to the service connection of the customer.

3.25 Recycled Water. Water which, because of treatment of waste, is suitable for direct beneficial use or a controlled use, other than potable use, that would not otherwise occur due to appropriate levels of treatment, as defined by California Water Code section 13050(n). Wastewater suitable for uses other than potable use due to appropriate levels of treatment.

Recycled Water System. System of recycled water distribution lines up to the service connection of the customer.~~ as supplied by South Bay Water Recycling (SBWR).~~

3.26

3.27 Service Connection. The terminal end of the ~~Public Water System~~public water ~~;~~system or recycled water system, i.e., where the City loses jurisdiction and sanitary control over the water at its point of delivery to the ~~C~~customer's ~~W~~water ~~S~~system(s). If a meter is installed at the end of the service connection, then the service connection shall mean

the downstream end of the customer's meter. There shall be no unprotected takeoffs from the service line on the City's side of the meter or backflow prevention assembly located at the point of delivery to the ~~C~~customer's ~~Water S~~system. Service connection shall also include water service connection from a fire hydrant and all other temporary or emergency water service connections from the ~~Public Water System~~public water system.

3.28 Used Water. Any water supplied by the City from the ~~Public Water System~~public water system or recycled water system to a ~~C~~customer's ~~W~~water ~~S~~system after it has passed through the service connection and is no longer under the sanitary control of the City.

~~2.10 **Manual of Cross-Connection Control. The latest edition of the Manual of Cross-Connection Control as published by the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California, University Park, Los Angeles, CA 90089.**~~

~~2.11 **Pollution. The presence of any foreign substance (organic, inorganic, or biological) in water which tends to degrade its quality so as to constitute a hazard or impair the usefulness or quality of the water to a degree which does not create an actual hazard to the public health, but which does adversely and unreasonably affect such waters for domestic use.**~~

~~2.12 **Service Connection. The terminal end of the Public Water System; i.e., where the City of Milpitas loses jurisdiction and sanitary control over the water at its point of delivery to the Customer's Water System. If a meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the customer's meter. There should be no unprotected takeoffs from the service line on the City's side of the meter or backflow prevention device located at the point of delivery to the Customer's Water System. Service connection shall also include water service connection from a fire hydrant and a11 other temporary or emergency water service connections from the Public Water System.**~~

2.13 Used Water. Any water supplied by the City from the Public Water System to a Customer's Water System after it has passed through the service connection and is no longer under the sanitary control of the City.

2.14 Water System. The water system shall be considered as made up of two parts: The Public Water System and the Customer's Water System.

2.14.1 The Public Water System shall consist of the source facilities and the distribution system; and shall include all those facilities of the water system under the complete control of the City up to the point where the Customer's Water System begins the service connection.

2.14.2 The Source shall include all components of the facilities utilized in the production, treatment, storage, and delivery of water to the distribution system.

2.14.3 The Distribution System shall include the network of conduits used for the delivery of water from the source to the Customer's Water System.

2.14.4 The Customer's Water System shall include those parts of the facilities beyond the service connection of the Public Water System for distributing water.

VIII-3-43.00 Policy

4.01- Water Service. No water service connection to any premises shall be installed or maintained by the City unless the Public Water Systempublic water system or recycled water system is protected from, including but not limited to, back pressure that may result infrom contamination and pollution, as required by this Chapter, the CCCPH, and other applicable laws and regulations. .Refer to exclusions as described in the requirements of Section 65.00. Service of water to any premises shall be discontinued by the City if a backflow prevention assembly commensurate to the hazard level identified in the assessment of hazard and as required by this Chapter is not installed, tested and maintained, or if it is found that a backflow prevention assembly has been removed, by passed, or if any unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected to the satisfaction of the City Engineer.Temporary, intermittent, or emergency users of the public water system or recycled water system, including those outside of the City's jurisdictional boundary, will be considered as consumers on premises for the purposes of this Chapter and will be subject to the same cross-connection control requirements as water service connections to any premises.No water service connection to any premises shall be installed or maintained by the City unless the water supply is protected from contamination and pollution. Service of water to any premises shall be discontinued by the City if a backflow prevention device required by this Chapter is not installed, tested and maintained, or if it is found that a backflow prevention device has been removed, by passed, or if any unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected to the satisfaction of the City Engineer.

4.02- Cross-Connection Control Plan (CCCP). The City Engineer shall submit and periodically update the CCCP to the most recent CCCPH requirements. the California Environmental Protection Agency – State Water Resources Control Board (SWRCB),

~~"Cross-Connection Control Policy Handbook – Standards and Principles for California's Public Water Systems requirements.~~ The CCCP shall be accessible for public review on the City's webpage.

4.03 Open for Inspection. City Engineer has the authority to conduct inspections, including sampling, related to the purpose of implementing this Chapter on private or public property. The ~~Customer's~~ customer's ~~Water~~ water ~~System~~ system(s) shall be open for inspection at all times to authorized representatives of the City Engineer to determine whether cross-connections, hazards ~~(health, plumbing, pollutional, system)~~, or violations of this Chapter or applicable laws and regulations exist. When an imminent hazard to public health or safety becomes known, the City Engineer may deny or immediately discontinue water service to the premises until the customer has opened the premises and assemblies to inspect and correct~~ed~~ the condition to the satisfaction of the City Engineer.

4.04 ~~Approval of~~New Assembly Installation ~~Devices~~Assemblies. Only assemblies in the list of assemblies in City Standard Details & Specifications are allowed, unless approved in writing by the City Engineer~~Only assemblies listed or equal to those specified in the City Standard Drawings and Specifications are approved~~Any backflow prevention device required herein shall be of a model and size as shown on the list of approved backflow prevention devices~~.~~

4.05 Existing Premises – With an Unapproved Assembly Type. Existing premises that have been installed with an assembly not meeting minimum backflow types as specified in Section 6.01 may continue to use that assembly if the City Engineer determines in writing:

4.05.1 ~~-~~The assembly will satisfactorily protect the public water system, including based on CCCPH requirements and the requirements of this Chapter; and~~,~~

4.05.2 The premises upon which the assembly is installed is not of a type requiring an RP or other assembly prescribed by the CCCPH, including as listed in Appendix D of the CCCPH; and

4.05.3 An assessment of hazard has been completed per Section 5.00; and

4.05.4 The assembly is accessible for in line maintenance; and

4.05.5
~~s upon which the assembly is installed is not of arequiring an RP or other assembly prescribed by the CCCPH, including as ;~~
~~an has been ;~~
~~the assembly ;and~~
T~~t~~he assembly has been successfully test~~ing~~ed and maintaine~~nance~~d as described in Section 8.00~~.~~.~~-~~

This Section does not apply to assemblies for existing fire services. For ~~E~~existing fire services, refer to Section 4.07.

Whenever an existing assembly is moved from its present location or requires major repair, the assembly shall be replaced by an assembly as specified in Section 6.00.

If the assessment of hazard results in, or the City Engineer determines that~~,~~ ~~a~~the replacement of an assembly is required, the customer is provided up to one hundred eighty (180) calendar days to install an assembly as specified in Section 6.00 and Section 7.00.

4.06 Existing Premises—Without an Assembly. If it is determined that backflow protection is needed per the requirements described in Section 6.00, the customer shall complete an assessment of hazard per Section 5.00 and install an assembly as specified in Section 6.00 and Section 7.00 within thirty (30) calendar days of being ~~provided~~provided with written notice by the City Engineer.

4.07 ~~may~~Existing Fire Services. Existing fire services with non-testable, below grade, single check assemblies shall be replaced with an above grade RPDA no later than June 1, 2034, or as may be specified in an amended CCCPH, whichever is later.

4.08 Single-Family Residential Fire Protection Systems. New single-family residential premises require an assembly as specified in Section 6.00 prior to occupancy. Existing premises require the installation of an assembly by June 1, ~~2034~~2034, or as may be specified in an amended CCCPH, whichever is later. Both new and existing premises are exempted from the requirements in Section 6.00 to install an assembly if all the following criteria are met:

4.0~~889~~-1. The customer premises have only one service connection to the public water system; and

4.0~~889~~-2. A single service line onto the customer premises exists that subsequently splits on the property for domestic flow and fire protection system flow, such that the fire protection system may be isolated from the rest of the customer premises; and

4.0~~889~~-3. A single, water industry standard, water meter is provided to measure combined domestic flow and fire protection system flow; and

~~4/08~~.089-4. The fire protection system is constructed of piping materials certified as meeting National Sanitation Foundation / American National Standards Institute Standard 61; and

4.0~~98~~-5. The fire protection system's piping is looped within the structure and is connected to one or more routinely used fixtures (such as a water closet) to prevent stagnant water.

4.09 Recycled Water Customers. New recycled water service customers are required to have an assembly type as specified in Section 6.00 for the recycled water system and an RP to protect the public water system. Existing recycled water customers are required to have an RP assembly to protect the public water service. Existing recycled water customers without an assembly on the recycled water system are required to install an assembly no later than June 1, 2034.

4.10 Discontinue Water Service. Service of water to any premises may be discontinued by the City Engineer if an assembly commensurate to the hazard level identified in the assessment of hazard and as required by this Chapter is not installed, tested and maintained, or if it is found that an assembly has been removed, by-passed, or if any unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected to the satisfaction of the City Engineer.

VIII-3-5.00- Assessment of Hazard

5.01- Completed at Customer Expense. Assessment of hazards are to be completed at the expense of the customer and only by a customer retained, City authorized cross-connection control specialist. ~~Backflow preventers which may be subjected to back-~~

~~pressure or back-siphonage that have been fully tested and have been granted a Certificate of Approval by a certified laboratory and is listed on the City's current list of "Approved Backflow Prevention Devices" may be used without further test or qualification.~~

5.02 Submission of Assessment. Assessment findings are to be submitted to the City in electronic format, via the City's online platform.

5.03 New Premises or Connections. New premises ~~shall~~must~~, at the owner's expense,~~ have an ~~customer completed~~ assessment of hazard performed ~~by a Cross Connection Control Specialist~~ and have installed an ~~appropriate~~ assembly ~~as may be required with~~per the requirements described in Section ~~4~~6.00 ~~and Section 5.00~~. Assessment of hazard is to be completed prior to installation of an assembly if ~~customers~~customer's premises are newly connected to the ~~Public Water System~~public water system~~, or if a customer's premises changes ownership.~~.

5.04 Existing Premises – With Any~~a Complying~~ Assembly Type. Upon adoption of this Chapter, ~~Customers must follow the requirements described in Section 7.00.~~

~~3.06-1 Assessment of Hazard~~

~~3.06-1.1 c~~Existing premises must ~~are required to~~ have an assessment of hazard~~,~~ performed by June 30, 2027.~ ~~An assessment is to occur prior to and after this date,~~ Premises are required to have an assessment immediately if evidence exists of potential changes in the activities or materials on a customer's premises; if a backflow from a customer's premises occurs; if the State Water Resource Control Board requests an assessment; if the City Engineer concludes an existing assessment may no longer be correct. Refer ~~to the requirements described in~~to Section 6~~5~~.00. For customer ownership changes at existing premises, an assessment of hazard is to be completed (excludes single-family homes). ~~Assessment of hazard shall be at the expense of the customer and submitted to the City in electronic format, via the City's online platform.~~

5.05~~-~~ Recycled Water Customers. An assessment of hazard is not required.

5.06 ~~———~~Discontinue Water Service. If a customer does not complete an assessment of hazard as noted in Section 6.01 based on their customer type, the City Engineer may discontinue water service to the premises or have the assessment completed at the expense of the customer.

~~3.06-1.2 If a customer does not complete an assessment, the City Engineer may discontinue water service to the premises or have the assessment completed at the expense of the customer.~~

~~3.01 Existing Users Premises with With an nonNon-complying Complying deviceAssembly. An existing non-complying assembly may continue to be used if the City Engineer determines the assembly will satisfactorily protect the Public Water System based on customer completed assessment of hazard, testing and maintenance requirements described in Section~~

7.00 are satisfied, and if the premise type is listed in Appendix D of the CCCPH. Whenever a existing non-complying assembly is moved from its present location or requires major repair, the assembly shall be replaced by a new code compliant assembly. If the assessment of hazard results in or the City Engineer determines that a replacement of a non-complying assembly is required, the customer is provided up to 180 calendar days to install a code compliant assembly or the City shall discontinue water service.All presently installed backflow prevention devices which do not meet the requirements of this section, but were approved devices for the purposes described herein at the time of installation and which have been properly maintained, shall be excluded from the requirements of these rules so long as the City Engineer is assured that they will satisfactorily protect the Public Water System based on the testing and maintenance requirements described in Section 7.00. Whenever the existing device is moved from the present location or requires major repair, the unit shall be replaced by a backflow prevention device meeting the requirements of this Section.

3.02 **Evaluation of Hazard**. An evaluation of cross-connection hazards shall be performed when, as specified in the Manual of Cross-Connection Control, an existing user might pose an actual or potential cross-connection hazard.

Existing Premises – Without an Assembly. If it is determined that backflow protection is needed per the requirements described in Section 4.0 and Section 5.0, the customer shall complete an assessment of hazard and install a code compliant assembly up to 180 calendar days or the City shall discontinue water service. If their premise type is listed in Appendix D of the CCCPH, the customer shall install an assembly per the requirements of this Chapter up to 90 calendar days or the City shall discontinue water service. **Existing Users – without any device**. All customers and premises existing prior to adoption of this Chapter are subject to an evaluation of hazard by the City Engineer in accordance with the Manual of Cross-Connection Control to determine if backflow devices shall be required. If it is determined that an existing premises requires backflow prevention under Section 4.00, then the City Engineer shall give notice in writing to the customer to install an approved backflow prevention device within 180 calendar days or the City shall discontinue water service. Certification of the device installed shall be executed within ninety days from date of notice.

Existing Fire Services. Existing fire services with non-testable, below grade, single check assemblies shall be replaced with an above grade RPDAs no later than June 2034.

Single Family Residential Fire Protection Systems. New single family residential premises require an assembly prior to occupancy. Existing premises require the installation of an assembly by June 2034. Refer to the the Assessment Hazard requirements described in Section 5.00. Both new and existing premises are exempted from the requirement to install an assembly if the following criteria are met:

3.10-1. The customer premises has only one service connection to the Public Water System; and

3.10-2. A single service line onto the customer premises exists that subsequently splits on the property for domestic flow and fire protection system flow, such that the fire protection system may be isolated from the rest of the customer premises; and

3.10-3. A single, water industry standard, water meter is provided to measure combined domestic flow and fire protection system flow; and

3.10-4. The fire protection system is constructed of piping materials certified as meeting NSF/ANSI Standard 61; and

3.10-5. The fire protection system's piping is looped within the structure and is connected to one or

more routinely used fixtures (such as a water closet) to prevent stagnant water.

Recycled Water Customers. New recycled water service customers are required to have an assembly unless exempted by the City Engineer. A hRefer to the Assessment Hazard requirements described in Section 5.00. Unless exempted by the City Engineer, existing recycled water customers without an assembly will be required to install an assembly no later than June 2034.

5.05 Compliance Dates. Dates specified in Sections 3.06-1, 3.09, 3.10, and 3.11 may be amended by an updated SWRCB, "Cross-Connection Control Policy Handbook."

VIII-3-64.00 Determination of Backflow Prevention Assembly and Assessment of Hazard RequirementsWHERE BACKFLOW PROTECTION IS REQUIRED

6.01— Assembly and Assessment of Hazard Requirements for Customer with New Premise or Service Connection, Without an Assembly, or Deficient Assembly. Assembly requirement types for new customers with new premise or service connection, without an assembly, or a deficient assembly 4.01 An approved assembly shall be installed from the list of assemblies listed or equal to those specified in the City Standard Drawings and Specifications. The assembly shall be installed prior to the issuance of a final occupancy permit on each service line to a customer's water system at or near the property line and before the first branch line leading off the service line. This shall apply to certain commercial and industrial businesses, multi-family residences, separate irrigation systems, hillside residences, residential fire systems, and wherever the following conditions exist:An approved backflow prevention device shall be installed per standard drawings adopted by the City and the list of approved backflow prevention devices. The device shall be installed prior to the issuance of a final occupancy permit on each service line to a Customer's Water System at or near the property line and before the first branch line leading off the

service line. This shall apply to certain commercial and industrial businesses, separate irrigation systems, and hillside residences (without Polyvinyl Chloride Pipe (PVC) fire service) and wherever the following conditions exist:

In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional potable source, the Public Water System shall be protected against backflow from the premises by installing an assembly in the service line. In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional potable source as determined by the Manual of Cross-Connection Control, the Public Water System shall be protected against backflow from the premises by installing a backflow prevention device in the service line appropriate to the degree of hazard.

In case of the premises which any industrial fluid or any other objectionable substance is handled in a manner that could permit the fluid or substance to enter the water system, the Public Water System shall be protected against backflow from the premises by installing an assembly in the service line. This shall include the handling of process waters and waters originating from the Public Water System which have been subject to a degradation in quality.In case of the premises which any industrial fluid or any other objectionable substance is handled in a manner that could permit the fluid or substance to enter the water system, the Public Water System shall be protected against backflow from the premises by installing a backflow prevention device in the service line appropriate to the degree of hazard. This shall include the handling of process waters and waters originating from the Public Water System which have been subject to deterioration in quality.

In the case of premises having internal cross-connection that cannot be permanently corrected, the Public Water System shall be protected against backflow from the premises by installing an assembly in the service line. In the case of premises having internal cross-connection that cannot be permanently corrected, the Public Water System shall be protected against backflow from the premises by installing a backflow prevention device in the service line appropriate to the degree of hazard.

In the case of premises having intricate piping arrangements or where entry to all portions of the premises is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that no cross-connections exist, the Public Water System shall be protected against backflow from the premises by installing an backflow prevention device assembly in the service line, appropriate to the degree of hazard.

In the case of premises having a repeated history of cross-connections being established, or re-established, the Public Water System shall be protected against backflow from the premises, appropriate to the degree of hazard, by installing an backflow assembly prevention device in the service line.

In the case of premises being listed in Appendix D of the CCCPH.

In the case of premises where both recycled water and potable water are present in separate piping systems with no interconnection.

~~VIII-3-5.00 DETERMINATION OF BACKFLOW PREVENTION DEVICEASSEMBLY AND ASSESSMENT OF HAZARD~~

~~The backflow prevention device~~assembly and assessment of hazard ~~required~~ and the corresponding requirement to assess hazard effective ~~under Section 3.00 and Section 4.00 by customer type~~ upon adoption of this Chapter is ~~-~~as follows:

Customer Type	Minimum Backflow Assembly Type*	Assessment of Hazard Required
Industrial and Commercial Potable Irrigation Services	RP	Yes, refer to Section 5.00
Industrial and Commercial Potable Systems	RP	Yes, refer to Section 5.00
Industrial and Commercial Fire Protection Systems	RPDA, refer to Section 4.07	Yes, refer to Section 5.00
Hillside Residences where Customer system is Higher than Public Water System.	RP	Yes, refer to Section 5.00
Multi-Family Residential Properties with Two or more Units** (includes fire, irrigation and potable systems)	RP	Yes, refer to Section 5.00
Low Hazard Fire Services	RP	Yes, refer to Section 5.00
Single-Family Homes with Fire Protection Systems	RP, refer to Section 4.08	Yes, refer to Section 5.00. Not required with ownership change.
Single-Family Residence	None Required	None Required
Construction Meters	RP	Not Applicable
Recycled Water Services	RP, refer to Section 4.09	None Required

Customer Type	Minimum Backflow Assembly Type*	Hazard Assessment of Hazard Required
Industrial and Commercial Potable Irrigation Services	RP	Yes, refer to Section 35.00
Industrial and Commercial Potable Systems	RP	Yes, refer to Section 35.00
Industrial and Commercial Fire Protection Systems	RPDA, refer to Section 4.07	Yes, refer to Section 35.00
Hillside Residences where Customer system is Higher than Public Water SystemPublic Water System.	RP	Yes, refer to Section 35.00
Multi-Family Residential Properties with Two or more Units** (includes fire, irrigation and potable systems)	RP	Yes, refer to Section 35.00
Low Hazard Fire Services	RP	Yes, refer to Section 35.00
Single-Family Homes with Fire Protection Systems	RP, refer to Section 4.08	Yes, refer to Section 5.00.. Not required with

		~~ownership change.~~
~~Single Family Residence~~	~~None Required~~	~~None Required~~
~~Construction Meters~~	~~RP~~	~~Not Applicable~~
~~Recycled Water Services~~	~~RP, refer to Section 4.09~~	~~None Required~~

**When an RP is required, an RPDA or RPDA-II may be substituted if appropriate.*

~~5.01.1 A double check valve assembly on all irrigation systems.~~

~~5.01.2 A reduced pressure principle backflow prevention device on certain commercial or industrial domestic systems.~~

~~5.01.3 A double check valve assembly on all Hillside residences where PVC pipe is not used.~~

~~5.02 An evaluation of hazard will be performed by the City Engineer or his staff based on the Manual of Cross-Connection Control to determine the degree of hazard and what, if any, backflow prevention device shall be required. The following guidelines shall be used in evaluating each customer activity.~~

~~5.02.1 In the case of a customer activity where toxic or hazardous substances are handled in any manner which may allow for contamination for the water system, the Public Water System shall be protected by a reduced pressure principle backflow prevention device at the service connection.~~

~~5.02.2 In the case of a customer activity where there is water or substance that would be objectionable, but not hazardous to health, if introduced into the Public Water System, the Public Water System shall be protected by an approved double check valve assembly at the service connection.~~

~~5.02.3 In the case of a customer activity where an unapproved auxiliary water supp1y is interconnected with the water system, the Public Water System shall be protected by an approved reduced pressure principle backflow prevention device at the service connection.~~

~~5.02.4 In the case of a customer activity where an unapproved auxiliary water supply exists and there is no interconnection, the Public Water System shall be protected by a double check valve assembly at the service connection.~~

~~5.02.5 In the case of a customer activity where there are internal cross-connections that cannot be permanently corrected, either actual or potential, the Public Water System shall be protected by an approved reduced pressure principle backflow prevention device at the service connection.~~

~~5.02.6 In the case of a customer activity having intricate piping arrangements or entry to all portions of the premises is restricted so that inspections for cross-connections cannot be made with sufficient frequency at sufficient short notice to assure no cross-connections exist, the Public Water System shall be protected against backflow or back-siphonage from the premises by the installation of a reduced pressure principle backflow prevention device at the service connection. In this case, maximum protection will be required; that is, an approved reduced pressure principle backflow prevention device shall be installed in each service to the premises.~~

~~5.02.7 In case of a customer activity on which a non-residential irrigation system exists where fertilizer, herbicides, or pesticides can be injected into the irrigation system, the Public Water System shall be protected against backflow or back-siphonage from the premises by the installation of a reduced pressure principle backflow prevention device at the service connection.~~

~~5.02.8 In the case of a customer activity where a fire system exists and there is direct connection from the Public Water System to elevated storage tanks or fire pumps taking suction from private reservoirs, the Public Water System shall be protected against backflow or back-siphonage from the premises by the installation of a double check valve assembly at the service connection.~~

~~5.02.9 In the case of a customer activity where a fire system exists and is directly supplied from public mains and interconnected with auxiliary supplies (such as: pumps taking suction from reservoirs exposed to contamination or from rivers and ponds, driven wells, mills or other industrial water systems; or systems where anti-freeze or other additives are used) the Public Water System shall be protected against backflow or back-siphonage from the premises by the installation of a reduced pressure principle backflow prevention device at the service connection.~~

~~5.02.10 In the case of a customer activity where a fire system exists and this system is supplied from the public water supply and is treated with chemical retardants for the purpose of controlling fires, the Public Water System shall be protected against backflow or back-siphonage from the premises by the installation of a reduced pressure principle backflow prevention device at the service connection.~~

~~5.03 When a Double Check Valve Assembly is cited as the required device for that customer activity in this section, a reduced pressure principle backflow prevention device may be used if the customer prefer. The requirement for a double check valve is a minimum requirement and the maximum protection can be used.~~

***Include Accessory Dwelling Units*
~~*When an RP is required, an RPDA or RPDA-II may be substituted if appropriate.*~~

6.02- Additional Assembly Requirements for All Customers. Installation of an RP, RPDA or RPDA-II assembly is ~~also~~ required wherever the following conditions exist:

6.02-1 In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional potable source.

6.02-2 In case of the premises which any industrial fluid or any other objectionable substance is handled in a manner that could permit the fluid or substance to enter the water system(s). This shall include the handling of processed waters and waters originating from the public water system or recycled water system which have been subject to a degradation in quality.

6.02-3 In the case of premises having internal cross-connection that cannot be permanently corrected.

6.02-4 In the case of premises having intricate piping arrangements or where entry to all portions of the premises is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that no cross-connections exist.

6.02-5 In the case of premises having a repeated history of cross-connections being established, or re-established.

6.02-6 In the case of premises with assemblies required in the CCCPH, including as listed in Appendix D of the CCCPH.

6.02-7 In the case of premises where both recycled water and potable water are present in separate piping systems with no interconnection.

6.03 Customer Premises with Existing Unapproved Assemblies. Customers with existing assemblies in service prior to the adoption of this Chapter that do not meet minimum assembly types as specified in Section 6.01, refer to Section 4.05.

VIII-3-76.00 Installation of Assembly ~~DEVICE~~

76.01 ~~Only assemblies listed in the City Standard Drawings and Specifications are approved.~~ Accessibility. A~~A~~ll assemblies are to be readily accessible for in line maintenance, testing and repair. ~~All new and replaced assemblies require a City Building Department issued permit.~~

7.02– Location of Assembly. Assemblies on each service line to a customer's water system are to be installed at or near the property line and before the first branch line leading off the service line.

7.03– ~~———~~Construction. Assemblies shall be designed and installed consistent with –City Standard Details & Specifications.

7.034– Permit Required. All new assemblies require a City Building Department issued permit prior to final occupancy. All replaced assemblies require a City Building Department issued permit. ~~Installation of backflow preventers required by this section shall be as follows:~~

~~**6.01.1 The backflow protection device shall be installed by the customer on the customer water service side within six inches (6") of property line per City standards.**~~

~~**6.01.2 All backflow preventers shall be readily accessible for testing and repair.**~~

~~**6.01.2(1) Reduced Pressure Principle Backflow Prevention Device. Reduce Pressure Principle Backflow Prevention Devices shall be installed a minimum of twelve inches (12") above grade and not more than thirty inches (30") above grade measured from the bottom of the device. There shall also be a minimum twelve inches (12") side clearance.**~~

~~**6.01.2(2) Double Check Valve Assembly. Double Check Valve Assembly shall be installed a minimum of twelve inches (12") above grade and not more than thirty inches (30") above grade measure from the bottom of the device. Therse shall also be a minimum twelve inches (12") side clearance.**~~

VIII-3-87.00 Testing and Maintenance

8.01- Completed at Customer Expense. Testing of an assembly is to be completed at the expense of the customer and only by a customer retained City authorized backflow prevention assembly tester or cross-connection control specialists.

8.02 Submission of Testing Results. Testing results are to be submitted to the City in electronic format, via the City's online platform.

8.03 Testing Results Due. Testing results are due immediately upon ~~It shall be the responsibility of the customer at any premises where an assembly is installed to have proper certified inspection and operational testing. Testing of the assembly shall be performed only by a Backflow Prevention Assembly Tester or Cross Connection~~

~~Control Specialist and shall be at~~ initial installation and then no later than one hundred eighty (180) calendar days upon receipt of annual notice from the City. In instances where the City Engineer deems the hazard to be significant, more frequent testing intervals and submission results may be required. ~~Tests shall be at the expense of the customer. Passing test results for a City approved backflow assembly shall be submitted to the City in electronic format, via the City's online platform. It shall be the responsibility of the City at any premises where a backflow prevention device is installed to have proper certified inspection and operational testing. Testing of the device shall be at initial installation and once per year henceforth by the City. In those instances where the City Engineer deems the hazard to be great enough. he may require certified inspections and testing at more frequent intervals.~~

~~8.04~~

~~8.05 If a customer does not complete testing as noticed by the City, the City Engineer may have the testing completed at the expense of the customer or have the water to the premises discontinued.~~The inspections and tests shall be performed by City of Milpitas personnel or by a certified tester approved by the City. The City Engineer shall establish a list of certified testers. These tests shall be at the expense of the customer.

8.04 Maintenance. ~~It shall be the responsibility of the customer at any premise where an assembly is installed to have a certified assessment of hazard completed per the requirements of this Chapter, performed by a City approved Cross Connection Control Specialist. Any defective device shall be immediately repaired, overhauled or replaced by and at the expense of the customer whenever said devices are found by the City to be defective. Then the modified device, or replacement device, shall be retested by the City.~~

Customers are to provide maintenance to their assembly as needed, to ensure uninterrupted protection of the ~~Public Water System~~public water system and ~~R~~recycled ~~W~~water ~~S~~system and to achieve annual passing test results. If assemblies are found by the customer or the City Engineer to be deficient, any defective assembly shall be immediately repaired, overhauled or replaced within thirty (30) calendar days per the requirements of the CCCP by and at the expense of the customer. All modified or replaced assemblies shall be promptly retested by the customer at their own expense.~~Records of all repairs and overhauls shall be filed with the City Engineer within sixty (60) days of notification date on the City's Test and Maintenance Report.~~

8.05 Cross-Connection Control Plan. Backflow prevention assembly tester or cross-connection control specialists ~~Vendors~~ providing cross-connection services to customers shall be familiar with and comply with the detailed CCCP information that supports this Chapter.

8.06 Discontinue Water Service. If a customer does not complete required testing with passing results, the City Engineer may have the testing completed at the expense of the customer or have the water to the premises discontinued.

VIII-3-9~~8~~.00 Notifications ~~NOTIFICATIONS~~

9~~8~~.01 Failing Test Result. Customers, backflow prevention assembly testers and/or cross-connection control specialists ~~with an assembly~~ are required to notify the City Engineer within five (5) calendar days if an assembly fails an annual test.

9~~8~~.02 Backflow or Cross-Connection Incident. Customers with an ~~–~~assembly, backflow prevention assembly testers and/or cross-connection control specialists ~~-~~are required to notify the City Engineer within twenty-four (24) hours of determining a known backflow or cross-connection incident.

VIII-3-~~8~~109.00 ~~———~~Appeals

Except as otherwise provided by this Chapter and where a hearing on the matter is not otherwise required to be had by the City Council, any person aggrieved by a decision of any officer or department of City may appeal to the City Council in accordance with provisions of Section 5, Chapter 20, Title I of the Milpitas Municipal Code.

VIII-3-~~9~~110.00 ~~———~~Penalties

The City may discontinue water service to any premises served if a required ~~backflow prevention device~~assembly is removed, or if the City finds evidence that an installed ~~backflow prevention device~~assembly has been ~~by passed~~bypassed, or allowed to remain ineffective or inoperative.

Any person or persons, company, corporation or association, who shall violate any of the provisions of this Chapter or fail to comply therewith, or who shall violate or fail to comply with any order made thereunder, ~~shall~~ shall severally for each and every violation and non-compliance respectively, be guilty of an infraction, punishable in accordance with the provisions of 1-1-4.09-1 of the Milpitas Municipal Code. The imposition of one fine for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense.

The application of the above fine shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 3. CALIFORNIA ENVIROMENTAL QUALITY ACT (CEQA)

The adoption of this ordinance 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.

SECTION 4. SEVERABILITY
~~VIII-3-10~~121.00 ~~Severability~~ ~~EFFECTIVE DATE~~

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

~~VIII-3-3.13 Effective Date and Posting~~
SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) calendar days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

~~The requirements and procedures for Backflow Prevention and Cross-Connection~~

~~Control as established by Ordinance 232.1 shall become effective starting January 20xxxx, 19892026.~~

REGULAR

NUMBER: 232.2

TITLE: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING CHAPTER 3 OF TITLE VIII OF THE MILPITAS MUNICIPAL CODE RELATING TO THE BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL PROGRAM**

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by _____, and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:	(0)
NOES:	(0) None.
ABSENT:	(0) None.
ABSTAIN	(0) None.

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, the City operates a public water system, as defined by California Health and Safety Code Section 116275(h), and, since at least December 20, 1988, has maintained a Backflow Prevention & Cross-Connection Control Program to protect that public water system with regulations codified relating thereto in Title VIII, Chapter 3 of the Milpitas Municipal Code (commencing with Section VIII-3-1.00); and

WHEREAS, California Health and Safety Code Sections 116407, 116555.5 and 13521.2 focus on backflow protection and cross-connection control for public water systems and nonportable recycled water uses and provides the California State Water Resources Control Board (State Water Board) authority to adopt standards for backflow protection and cross-connection control for both systems; and

WHEREAS, California Health and Safety Code Section 116555.5 states that public water systems are to implement cross-connection control programs that comply with applicable regulations and with standards adopted by the State Water Board; and

WHEREAS, prior to Assembly Bill 1671 being approved on October 6, 2017 (AB 1671), California's regulations pertaining to cross-connection control were set forth in regulations in Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Article 3 of the California Code of Regulations (CCR), which were adopted in 1987 with minor revisions in 2000; and

WHEREAS, AB 1671 and later Assembly Bill 1180 in October 2, 2019 (AB 1180) comprehensively overhauled California's regulatory scheme pertaining to cross-connection control and directed, among other things, that the State Water Board adopt standards for backflow protection and cross-connection control by January 1, 2020 and specified that these standards may be implemented through the adoption of a policy handbook; and

WHEREAS, AB 1180, through the adoption of California Health and Safety Code Section 13521.2, required the State Water Board by January 1, 2023 to update the uniform statewide standards for non-potable recycled water uses, including to incorporate by reference the criteria and applicable backflow protection provisions contained within the most recently adopted version of the policy handbook for public water systems; and

WHEREAS, on December 19, 2023, the State Water Board adopted the Cross-Connection Control Policy Handbook (CCCPH), which took effect on July 1, 2024 and replaced the previous backflow protection and cross-connection control regulations in Title 17 of the CCR; and

WHEREAS, on June 17, 2025, the State Water Board adopted a revised version of the CCCPH, which extended some deadlines and changed some language to align with other pre-existing regulations; and

WHEREAS, on April 21, 2026, the State Water Board adopted a revised version of the CCCPH regarding accreditation of certifying organizations and backflow prevention at existing auxiliary water supplies; and

WHEREAS, consistent with California Health and Safety Code Section 116555.5 and the CCCPH, the City wishes to update the regulations contained in Title VIII, Chapter 3 of the Milpitas Municipal Code related to the Backflow Prevention & Cross-Connection Control Program to bring its

regulations into greater alignment with the most recent standards promulgated by the State Water Board through the CCCPH, including the recent changes to the CCCPH identified above and particularly the recent changes to standards for non-potable recycled water uses; and

WHEREAS, the City has a vested and legitimate interest, and legal authority, to protect the public health, safety, and welfare by adopting reasonable regulations, including prohibitions, to control cross-connections in its public water and recycled water systems, including to prevent the backflow of dangerous of liquids, gases, or other substances and contaminants into its systems from customer properties; and

WHEREAS, the City has a vested and legitimate interest, and legal authority, to implement corrective actions in the event a water customer fails to comply in a timely manner with State law and the City's regulations regarding cross connection control and backflow prevention, including the installation, inspection, field testing, or maintenance of backflow prevention assemblies, to protect its public water and recycled water systems, including from the introduction of substances and contaminants that may pose a hazard to the public who rely upon these systems; and

WHEREAS, City staff has identified various sections of the Milpitas Municipal Code Title VIII, Chapter 3, requiring clarifications, updates and modifications and recommended that the City Council take action to address these issues through the adoption of this Ordinance; and

WHEREAS, pursuant to California Government Code Sections 65853 and 65854, the City Council of the City of Milpitas held a properly noticed public hearing on June 9, 2026, to consider these amendments to the Milpitas Municipal Code Title VIII, Chapter 3; and

WHEREAS, the City Council finds that this Ordinance does not render the Milpitas Municipal Code Title VIII, Chapter 3, inconsistent with the requirements of the State Water Board, including as promulgated through the CCCPH.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

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. AMENDMENT OF MILPITAS MUNICIPAL CODE TITLE VIII ("PUBLIC WORKS"), CHAPTER 3 ("BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL")

Title VIII, Chapter 3 of the Milpitas Municipal Code is hereby amended to read as follows:

VIII-3-1.00 Purpose

The purpose of this Chapter is to protect the health, safety, and welfare of the public from the backflow of harmful contaminants into the public water system and recycled water system, stemming from actual or potential cross-connections. There are two programs which will

control and protect against these harmful backflows:

a) Through proper installation, maintenance and testing of backflow prevention assemblies on services to premises where actual or potential cross-connections exist to prevent backflow or back-siphonage of contaminants or pollutants from the customer's premises into the public water system or recycled water system, and

b) By promoting the elimination of existing or future cross-connections through inspection and regulation of plumbing and water piping between a customer's premises and the public water system or recycled water system.

VIII-3-2.00 Authority

The City Engineer shall have authority to protect the public water system and the recycled water system from contamination or pollution due to the backflow or back-siphonage of contaminants or pollutants through water service connections by implementation and enforcement of a backflow prevention and cross-connection control program based on accepted standards.

If, in the judgment of the City Engineer, an approved backflow prevention assembly is required at the City's water service connection to any customer's premises, for the safety of the water system, the City Engineer shall give notice in writing to the customer to install such an approved assembly at each service connection to the premises. The customer must immediately install such approved assemblies at his or her own expense and to the satisfaction of the City Engineer. Failure, refusal, or inability on the part of the customer to comply with this Chapter will constitute grounds for the City taking action to protect the safety of the public water system or recycled water system, including discontinuing water service to the premises until compliance has been met and all other remedies provided in this Chapter.

The City Engineer has authority to terminate water service immediately without notification in the interest of protecting the public health, safety, or welfare if at any time a real or potential hazard is evidenced, such as failure to timely conform to required assessment of hazard, testing, maintenance, or standard construction design, as provided herein.

VIII-3-3.00 Definitions

For purposes of this Chapter, the terms used herein are defined as follows:

3.01 Approved Water Supplies. A water source that has been approved by the State Water Resources Control Board for domestic use in a public water system and designated as such in a domestic water supply permit; and a separate recycled water source that meets South Bay Water Recycling requirements for recycled use in the recycled water system.

3.02 Approved Assembly. A backflow prevention assembly that conforms to the list of backflow prevention assemblies as determined by the City Engineer in writing pursuant to Section 4.04. An assembly that does not conform to this requirement, or is improperly installed, is an Unapproved Assembly.

3.03 Assessment of Hazard. An assessment performed by an authorized cross-connection control specialist to determine the potential of a backflow into the public water system. The assessment will consider the existence of cross-connections; the type and use of materials handled and present, or likely to be, on the water customer premises; the degree of piping system complexity and accessibility; access to auxiliary water supplies, pumping systems, or pressure systems; distribution system conditions that increase the likelihood of a backflow event; water customer premises accessibility; any previous backflow incidents on the water customer premises; and all other pertinent authorities, requirements, and information, including the requirements and information provided in the Cross-Connection Control Policy Handbook.

3.03-1 Hazard, Degree of. An assessment of hazard must identify the degree of hazard (or no hazard) to the public water system through evaluation of customer premises based on the following classifications:

3.03-2 High Hazard Cross-Connection. A cross-connection that poses a significant threat to the potability or safety of the public water system. Materials entering the public water system through a high-hazard cross-connection are contaminants or health hazards.

3.03-3 Low Hazard Cross-Connection. A cross-connection that has been found to not pose a significant threat to the potability or safety of the public water system but may adversely affect the aesthetic quality of the public water system. Materials entering the public water supply through a low-hazard cross-connection are pollutants or non-health hazards.

3.03-4 No Hazard Cross-Connection. A cross connection that poses no hazard to potability or safety of the public water system.

3.04 Auxiliary Water Supply. Any water supply available to the premises other than the public water system. These auxiliary supplies may include water from another purveyor's public water system or any natural source such as a well, spring, river, stream, harbor, etc., or “used water” or “industrial fluids” or “recycled water”. These waters may be polluted or contaminated, or they may be objectionable and constitute an unacceptable water source over which the City has no sanitary control.

3.05 Backflow. The undesirable flow of water or other liquids, gases, or solid substances under pressure into the distributing pipes of the public water system or recycled water system from any outside source.

3.06 Backflow Prevention Assembly. A generic term referencing multiple types of mechanical assembly designed and constructed to prevent backflow, such that while in-line it is accessible, can be repaired and its ability to prevent backflow, as designed, can be field-tested, inspected, and evaluated. The assembly must have passed laboratory and field evaluation tests performed by a recognized testing organization that has demonstrated its competency to the State Water Resource Control Board, Division of Drinking Water. A backflow prevention assembly is referred to herein also

by the abbreviated term “assembly.”

3.06-1 Double Check Detector Backflow Prevention Assembly (DCDA). An assembly that includes a bypass with a water meter and double check backflow prevention assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may only be used for protection from back siphonage and backpressure events (low hazard connection).

3.06-2 Double Check Detector Backflow Prevention Assembly – Type II (DCDA II). An assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may only be used for protection from back siphonage and backpressure events (low hazard cross-connection).

3.06-3 Double Check Valve Backflow Prevention Assembly (DC). An assembly consisting of two independently acting internally loaded check valves, with tightly closing shut-off valves located at each end of the assembly (upstream and downstream of the two check valves) and fitted with test cocks that enable accurate field testing of the assembly. This type of assembly may only be used for protection from back siphonage and backpressure events (low hazard cross-connection).

3.06-4 Pressure Vacuum Breaker Backflow Prevention Assembly (PVB). An assembly with an independently acting internally loaded check valve and an independently acting loaded air inlet valve located on the discharge side of the check valve; with test cocks and tightly closing shutoff valves located at each end of the assembly that enable accurate field testing of the assembly. This type of assembly may only be used for protection from back siphonage (low hazard and high hazard cross-connection) events and is not to be used to protect from backpressure events.

3.06-5 Reduced Pressure Principle Backflow Prevention Assembly (RP). An assembly that includes two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shutoff valves, plus properly located test cocks for the testing of the check and relief valves. The entire assembly shall meet the design and performance specifications and approval of a recognized and City-approved testing agency for backflow prevention. The device shall operate to maintain the pressure in the zone between the two check valves at a level less than the pressure on the public water system side of the device. At cessation of normal flow, the pressure between the two check valves shall be less than the pressure on the public water system side of the device. In case of leakage of either of the check valves, the differential relief valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. This type of assembly may

be used for protection from back siphonage and backpressure events (low hazard and high hazard cross-connections).

3.06-6 Reduced Pressure Principle Detector Backflow Prevention Assembly (RPDA). An assembly that includes a bypass with a water meter and reduced pressure principle backflow prevention assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. Includes two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shutoff valves, plus properly located test cocks for the testing of the check and relief valves. The device shall operate to maintain the pressure in the zone between the two check valves at a level less than the pressure on the public water system side of the device. At cessation of normal flow, the pressure between the two check valves shall be less than the pressure on the public water system side of the device. In case of leakage from either check valves, the differential relief valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. This type of assembly may be used for protection from back siphonage and backpressure events (low hazard and high hazard cross-connections).

3.06-7 Reduced Pressure Principle Detector Backflow Prevention Assembly – Type II (RPDA II). An assembly that includes a bypass around the second check, with the bypass having a single check valve and a water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may be used for protection from back siphonage and backpressure events (low hazard and high hazard cross-connections).

3.06-8 Single Check Backflow Prevention Assembly (SC). A basic mechanical device with one spring-loaded check valve that allows water to flow in only one direction. Refer to Section 4.05 for use.

3.06-9 Spill Resistant Pressure Vacuum Breaker Back-siphonage Prevention Assembly (SVB). An assembly with an independently acting internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve; with shutoff valves at each end and a test cock and bleed/vent port, to enable accurate field testing of the assembly. This type of assembly may only be used for protection from back-siphonage events (low hazard cross-connection) and is not to be used to protect from backpressure events.

3.06-10 Swivel-Ell Backflow Prevention Assembly (Swivel-Ell). An assembly consisting of a reduced pressure principle backflow prevention assembly combined with a changeover piping configuration (swivel-ell connection).

3.07 Back Pressure. When the pressure in a customer's water system is higher than public

water system pressure or recycled water system, forcing either non-potable, "used water" back into the public water system or contaminated "used water" back into the recycled water system.

3.08 Backflow Prevention Assembly Tester. A person certified per the requirements of the Cross Connection Control Policy Handbook and when qualified by the City, is authorized to test backflow prevention assemblies within the City.

3.09 Back-Siphonage. The flow of water or other liquids, gases, or solid substances into the distribution pipes of the public water system or recycled water system from any outside source caused by the sudden reduction of pressure in the public water system or recycled water system.

3.10 City Engineer. The City Engineer for the City of Milpitas, or designee.

3.11 City Standard Drawings and Specifications. Latest edition documents prepared by the Public Works Department of the City.

3.12 Contamination. Any impairment of the quality of the potable water or recycled water by sewage, industrial fluids or waste liquids, compounds or other materials to a degree which creates an actual hazard to public health through poisoning or through the spread of disease.

3.13 Cross-Connection. Any physical connection or arrangement of piping or fixtures where backflow or back-siphonage might occur between any part of a water system, used or intended to supply water for drinking purposes, and water or any source or system containing substance that is not or cannot be approved as safe, wholesome, or potable for human consumption. Includes similar connection or arrangement of piping or fixtures where backflow or back-siphonage might occur to the recycled water system.

3.14 Cross-Connection Control Plan (CCCP). A City plan that describes how the City manages and administers the City Cross-Connection Control Program.

3.15 Cross-Connection Control Policy Handbook (CCCPH). The most recent edition of the California Environmental Protection Agency - State Water Resources Control Board (SWRCB), "Cross-Connection Control Policy Handbook – Standards and Principles for California's Public Water Systems," first adopted on December 19, 2023, and made effective on July 1, 2024, as most currently amended or superseded.

3.16 Cross-Connection Control Specialist. A person certified per the requirements of the CCCPH and when qualified by the City, is authorized to assess the hazard level present at customer premises. A specialist certified per the requirements of the CCCPH to test may also be authorized by the City to be a Backflow Prevention Assembly Tester.

3.17 Customer. A customer is all industrial, commercial, multi-family, and single-family premises with a connection to the public water system intended for potable consumption, irrigation use, or for fire protection use or a connection to the recycled water system intended for irrigation use or other non-potable uses. A customer is the owner of any premises served by either the public water system or the recycled water system. A customer may include any person or entity in possession of the premises, or those persons or entities

responsible for water service charges. A customer is referred to herein also by the term "Water Customer".

3.18 Customer's Water System. All privately-owned facilities and parts beyond the service connection of the public water system or recycled water system for distributing water.

3.19 Industrial Fluid System. Any system containing a fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration such as would constitute a health, or system hazard if introduced into the public water system or recycled water system. This may include, but not be limited to: polluted or contaminated waters; all types of process waters and "used waters" originating from the customer's water system which may have deteriorated in sanitary quality; chemicals in fluid form; plating acids and alkalis, circulated cooling waters connected to an open cooling water or cooling towers that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters such as from wells. springs, streams, rivers, bays, harbors, seas, irrigation canals or systems, etc.; oils, gases, glycerine, paraffins, caustic and acid solutions and other liquid and gaseous fluids used in industrial or other purposes or for fire-fighting purposes.

3.20 List of Approved Backflow Prevention Assemblies. The approved backflow prevention assemblies as noted in the City Standard Details and Specifications.

3.21 Pollution. The presence of any foreign substance (organic, inorganic, or biological) in water, which tends to degrade its quality and constitutes a hazard or impairs the usefulness or quality of the water to a degree which does not create an actual hazard to the public health, but which does adversely and unreasonably affect such waters for domestic use and/or recycled use.

3.22 Potable Water. Water that is safe for human consumption.

3.23 Premises. All areas on a customer's property that are served or have the potential to be served by the public water system or recycled water system.

3.24 Public Water System. System of potable water distribution lines under the complete control of the City using approved water supplies up to the service connection of the customer.

3.25 Recycled Water. Water which, because of treatment of waste, is suitable for direct beneficial use or a controlled use, other than potable use, that would not otherwise occur due to appropriate levels of treatment, as defined by California Water Code section 13050(n). Wastewater suitable for uses other than potable use due to appropriate levels of treatment.

3.26 Recycled Water System. System of recycled water distribution lines up to the service connection of the customer.

3.27 Service Connection. The terminal end of the public water system or recycled water system, i.e., where the City loses jurisdiction and sanitary control over the water at its point of delivery to the customer's water system(s). If a meter is installed at the end of the service connection, then the service connection shall mean the downstream end of

the customer's meter. There shall be no unprotected takeoffs from the service line on the City's side of the meter or backflow prevention assembly located at the point of delivery to the customer's system. Service connection shall also include water service connection from a fire hydrant and all other temporary or emergency water service connections from the public water system.

3.28 Used Water. Any water supplied by the City from the public water system or recycled water system to a customer's water system after it has passed through the service connection and is no longer under the sanitary control of the City.

VIII-3-4.00 Policy

4.01 Water Service. No water service connection to any premises shall be installed or maintained by the City unless the public water system or recycled water system is protected from, including but not limited to, back pressure that may result in contamination and pollution, as required by this Chapter, the CCCPH, and other applicable laws and regulations. Refer to Section 6.00. Temporary, intermittent, or emergency users of the public water system or recycled water system, including those outside of the City's jurisdictional boundary, will be considered as consumers on premises for the purposes of this Chapter and will be subject to the same cross-connection control requirements as water service connections to any premises.

4.02 Cross-Connection Control Plan (CCCP). The City Engineer shall submit and periodically update the CCCP to the most recent CCCPH requirements. The CCCP shall be accessible for public review on the City's webpage.

4.03 Open for Inspection. City Engineer has the authority to conduct inspections, including sampling, related to the purpose of implementing this Chapter on private or public property. The customer's water system(s) shall be open for inspection at all times to authorized representatives of the City Engineer to determine whether cross-connections, hazards , or violations of this Chapter or applicable laws and regulations exist. When an imminent hazard to public health or safety becomes known, the City Engineer may deny or immediately discontinue water service to the premises until the customer has opened the premises and assemblies to inspect and correct the condition to the satisfaction of the City Engineer.

4.04 New Assembly Installation. Only assemblies in the list of assemblies in City Standard Details & Specifications are allowed, unless approved in writing by the City Engineer.

4.05 Existing Premises – With an Unapproved Assembly Type. Existing premises that have been installed with an assembly not meeting minimum backflow types as specified in Section 6.01 may continue to use that assembly if the City Engineer determines in writing:

4.05.1 The assembly will satisfactorily protect the public water system, including based on CCCPH requirements and the requirements of this Chapter; and

4.05.2 The premises upon which the assembly is installed is not of a type requiring an RP or other assembly prescribed by the CCCPH, including as listed in Appendix D of the CCCPH; and

4.05.3 An assessment of hazard has been completed per Section 5.00; and

4.05.4 The assembly is accessible for in line maintenance; and

4.05.5 The assembly has been successfully tested and maintained as described in Section 8.00.

This Section does not apply to assemblies for existing fire services. For existing fire services, refer to Section 4.07.

Whenever an existing assembly is moved from its present location or requires major repair, the assembly shall be replaced by an assembly as specified in Section 6.00.

If the assessment of hazard results in, or the City Engineer determines that the replacement of an assembly is required, the customer is provided up to one hundred eighty (180) calendar days to install an assembly as specified in Section 6.00 and Section 7.00.

4.06 Existing Premises—Without an Assembly. If it is determined that backflow protection is needed per the requirements described in Section 6.00, the customer shall complete an assessment of hazard per Section 5.00 and install an assembly as specified in Section 6.00 and Section 7.00 within thirty (30) calendar days of being provided with written notice by the City Engineer.

4.07 Existing Fire Services. Existing fire services with non-testable, below grade, single check assemblies shall be replaced with an above grade RPDA no later than June 1, 2034, or as may be specified in an amended CCCPH, whichever is later.

4.08 Single-Family Residential Fire Protection Systems. New single-family residential premises require an assembly as specified in Section 6.00 prior to occupancy. Existing premises require the installation of an assembly by June 1, 2034, or as may be specified in an amended CCCPH, whichever is later. Both new and existing premises are exempted from the requirements in Section 6.00 to install an assembly if all the following criteria are met:

4.08-1. The customer premises have only one service connection to the public water system; and

4.08-2. A single service line onto the customer premises exists that subsequently splits on the property for domestic flow and fire protection system flow, such that the fire protection system may be isolated from the rest of the customer premises; and

4.08-3 A single, water industry standard, water meter is provided to measure combined domestic flow and fire protection system flow; and

4.08-4 The fire protection system is constructed of piping materials certified as meeting National Sanitation Foundation / American National Standards Institute Standard 61; and

4.08-5 The fire protection system's piping is looped within the structure and is connected to one or more routinely used fixtures (such as a water closet) to prevent stagnant water.

4.09 Recycled Water Customers. New recycled water service customers are required to have an assembly type as specified in Section 6.00 for the recycled water system and an RP to protect the public water system. Existing recycled water customers are required to have an RP assembly to protect the public water service. Existing recycled water customers without an assembly on the recycled water system are required to install an assembly no later than June 1, 2034.

4.10 Discontinue Water Service. Service of water to any premises may be discontinued by the City Engineer if an assembly commensurate to the hazard level identified in the assessment of hazard and as required by this Chapter is not installed, tested and maintained, or if it is found that an assembly has been removed, by-passed, or if any unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected to the satisfaction of the City Engineer.

VIII-3-5.00 Assessment of Hazard

5.01 Completed at Customer Expense. Assessment of hazards are to be completed at the expense of the customer and only by a customer retained, City authorized cross-connection control specialist.

5.02 Submission of Assessment. Assessment findings are to be submitted to the City in electronic format, via the City's online platform.

5.03 New Premises or Connections. New premises must have an assessment of hazard performed and have installed an assembly per the requirements described in Section 6.00. Assessment of hazard is to be completed prior to installation of an assembly if customer's premises are newly connected to the public water system.

5.04 Existing Premises – With Any Assembly Type. Upon adoption of this Chapter, existing premises must have an assessment of hazard performed by June 30, 2027. Premises are required to have an assessment immediately if evidence exists of potential changes in the activities or materials on a customer's premises; if a backflow from a customer's premises occurs; if the State Water Resource Control Board requests an assessment; if the City Engineer concludes an existing assessment may no longer be correct. Refer to Section 6.00. For customer ownership changes at existing premises, an assessment of hazard is to be completed (excludes single-family homes).

5.05 Recycled Water Customers. An assessment of hazard is not required.

5.06 Discontinue Water Service. If a customer does not complete an assessment of hazard as noted in Section 6.01 based on their customer type, the City Engineer may discontinue water service to the premises or have the assessment completed at the expense of the customer.

VIII-3-6.00 Determination of Backflow Prevention Assembly and Assessment of

Hazard Requirements

6.01 Assembly and Assessment of Hazard Requirements for Customer with New Premise or Service Connection, Without an Assembly, or Deficient Assembly. Assembly requirement types for new customers with new premise or service connection, without an assembly, or a deficient assembly and the corresponding requirement to assess hazard effective upon adoption of this Chapter is as follows:

Customer Type	Minimum Backflow Assembly Type*	Assessment of Hazard Required
Industrial and Commercial Potable Irrigation Services	RP	Yes, refer to Section 5.00
Industrial and Commercial Potable Systems	RP	Yes, refer to Section 5.00
Industrial and Commercial Fire Protection Systems	RPDA, refer to Section 4.07	Yes, refer to Section 5.00
Hillside Residences where Customer system is Higher than Public Water System.	RP	Yes, refer to Section 5.00
Multi-Family Residential Properties with Two or more Units** (includes fire, irrigation and potable systems)	RP	Yes, refer to Section 5.00
Low Hazard Fire Services	RP	Yes, refer to Section 5.00
Single-Family Homes with Fire Protection Systems	RP, refer to Section 4.08	Yes, refer to Section 5.00. Not required with ownership change.
Single-Family Residence	None Required	None Required
Construction Meters	RP	Not Applicable
Recycled Water Services	RP, refer to Section 4.09	None Required

**When an RP is required, an RPDA or RPDA-II may be substituted if appropriate.*
***Include Accessory Dwelling Units*

6.02 Additional Assembly Requirements for All Customers. Installation of an RP, RPDA or RPDA-II assembly is required wherever the following conditions exist:

6.02-1 In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional potable source.

6.02-2 In case of the premises which any industrial fluid or any other objectionable substance is handled in a manner that could permit the fluid or substance to enter the water system(s). This shall include the handling of processed waters and waters originating from the public water system or recycled water system which have been subject to a degradation in quality.

6.02-3 In the case of premises having internal cross-connection that cannot be permanently corrected.

6.02-4 In the case of premises having intricate piping arrangements or where entry to all portions of the premises is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that no cross-connections exist.

6.02-5 In the case of premises having a repeated history of cross-connections being established, or re-established.

6.02-6 In the case of premises with assemblies required in the CCCPH, including as listed in Appendix D of the CCCPH.

6.02-7 In the case of premises where both recycled water and potable water are present in separate piping systems with no interconnection.

6.03 Customer Premises with Existing Unapproved Assemblies. Customers with existing assemblies in service prior to the adoption of this Chapter that do not meet minimum assembly types as specified in Section 6.01, refer to Section 4.05.

VIII-3-7.00 Installation of Assembly

7.01 Accessibility. All assemblies are to be readily accessible for in line maintenance, testing and repair.

7.02 Location of Assembly. Assemblies on each service line to a customer's water system are to be installed at or near the property line and before the first branch line leading off the service line.

7.03 Construction. Assemblies shall be designed and installed consistent with City Standard Details & Specifications.

7.04 Permit Required. All new assemblies require a City Building Department issued permit prior to final occupancy. All replaced assemblies require a City Building Department issued permit.

VIII-3-8.00 Testing and Maintenance

8.01 Completed at Customer Expense. Testing of an assembly is to be completed at the expense of the customer and only by a customer retained City authorized backflow prevention assembly tester or cross-connection control specialists.

8.02 Submission of Testing Results. Testing results are to be submitted to the City in electronic format, via the City's online platform.

8.03 Testing Results Due. Testing results are due immediately upon initial installation and then no later than one hundred eighty (180) calendar days upon receipt of annual notice from the City. In instances where the City Engineer deems the hazard to be significant,

more frequent testing intervals and submission results may be required.

8.04 Maintenance. Customers are to provide maintenance to their assembly as needed, to ensure uninterrupted protection of the public water system and recycled water system and to achieve annual passing test results. If assemblies are found by the customer or the City Engineer to be deficient, any defective assembly shall be immediately repaired, overhauled or replaced within thirty (30) calendar days per the requirements of the CCCP by and at the expense of the customer. All modified or replaced assemblies shall be promptly retested by the customer at their own expense.

8.05 Cross-Connection Control Plan. Backflow prevention assembly tester or cross-connection control specialists providing cross-connection services to customers shall be familiar with and comply with the detailed CCCP information that supports this Chapter.

8.06 Discontinue Water Service. If a customer does not complete required testing with passing results, the City Engineer may have the testing completed at the expense of the customer or have the water to the premises discontinued.

VIII-3-9.00 Notifications

9.01 Failing Test Result. Customers, backflow prevention assembly testers and/or cross-connection control specialists are required to notify the City Engineer within five (5) calendar days if an assembly fails an annual test.

9.02 Backflow or Cross-Connection Incident. Customers with an assembly, backflow prevention assembly testers and/or cross-connection control specialists are required to notify the City Engineer within twenty-four (24) hours of determining a known backflow or cross-connection incident.

VIll-3-10.00 Appeals

Except as otherwise provided by this Chapter and where a hearing on the matter is not otherwise required to be had by the City Council, any person aggrieved by a decision of any officer or department of City may appeal to the City Council in accordance with provisions of Section 5, Chapter 20, Title I of the Milpitas Municipal Code.

VIII-3-11.00 Penalties

The City may discontinue water service to any premises served if a required assembly is removed, or if the City finds evidence that an installed assembly has been bypassed, or allowed to remain ineffective or inoperative.

Any person or persons, company, corporation or association, who shall violate any of the provisions of this Chapter or fail to comply therewith, or who shall violate or fail to comply with any order made thereunder, shall severally for each and every violation and non-compliance respectively, be guilty of an infraction, punishable in accordance with the provisions of 1-1-4.09-1 of the Milpitas Municipal Code. The imposition of one fine for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not

otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense.

The application of the above fine shall not be held to prevent the enforced removal of prohibited conditions.

SECTION 3. CALIFORNIA ENVIROMENTAL QUALITY ACT (CEQA)

The adoption of this ordinance 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.

SECTION 4. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) calendar days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Introduce and Waive First Reading Beyond Title of an Ordinance Repealing and Replacing Title I, Chapter 310 of the Milpitas Municipal Code Regarding Open Governance (Staff Contact: Christian Curtis, City Attorney, 408-586-3040)**
Category:	Leadership and Support Services
Meeting Date:	6/9/2026
Recommendation:	Introduce and waive first reading beyond the title of an ordinance repealing and replacing Title I, Chapter 310 of the Milpitas Municipal Code regarding open governance.

BACKGROUND:

In April 2004, the Milpitas City Council adopted an "Open Government Ordinance" governing the conduct of public meetings and access to public records. These rules were subsequently amended in 2006, 2007, 2009 and 2021, and the current version resides in Title I, Chapter 310, Sections 1 and 2 of the Milpitas Municipal Code. These rules largely repeated requirements as they existed in the Brown Act and Public Records Act at that time, but they also created certain additional requirements specific to the City of Milpitas. The current language and structure, however, have not kept up with changes in state law, interpretive guidance from the California Attorney General, published caselaw from the California Supreme Court and various California Courts of Appeals, technological advancements, changes in the structure of the Milpitas City Government, and various other legal and practical changes over the last two decades. As a result, the ordinance is presently a source of significant confusion and ambiguity. Additionally, some of the substantive requirements appear to be out of alignment with the City's current structure, practices, and policies. Most notably, the ordinance contemplates the existence of a "Rules Committee," that has not met since early 2020.

ANALYSIS:

The City Attorney is proposing a structural change to the Open Government Ordinance as well as some substantive modifications to better reflect both the City's current practices and the intent of the current City Council. Because the current ordinance duplicates large portions of the Brown Act and Public Records Act, it has contributed to a substantial amount of confusion and inefficiency in the City. In particular, the Open Government Ordinance has not kept up with various amendments to those statutes over the last twenty (20) years, many of which were adopted to adapt to changes in technology.

The proposed ordinance before the Council would address these issues by removing all language that is duplicative of the Brown Act or the Public Records Act. Instead, the ordinance will state that the City follows those statutes and concisely provide for those additional requirements that are unique to Milpitas. This will address the conflicts and ambiguities that have been created over time, and it will minimize the need for the Council to amend the ordinance each time the Brown Act or Public Records Act is amended.

To accomplish this new structure, the City Attorney has attempted to concisely restate those requirements of the Open Government Ordinance that appear to match the current City Council's practices, goals, and policy preferences. The proposed ordinance before the Council is written to allow for adoption in its current form, but the Council can also direct the City Attorney to make any changes that are desired. Additionally, the new structure is intended to minimize the work necessary for the addition or removal or any requirements in the future.

Notable Substantive Changes

While the largest differences with the new ordinance are structural, this proposed ordinance does have some substantive changes as well. These changes address requirements that no longer match the City's structure, provisions that are duplicative of other City processes, ordinance language that conflicts with state law, adjustments that the City Attorney believes will better match this Council's preferred meeting style, and recommended best practices.

Below is a summary of some of the more notable substantive changes the proposed ordinance would make. Please note, however, that this list is not exhaustive. In particular, the current Open Government Ordinance contains a substantial number of unresolved ambiguities that make it difficult to say with certainty what is and is not presently required. Moreover, the structure of the ordinance means that some of its requirements may be difficult to discern and thus may not have yet been identified.

Sections of the ordinance which were removed because they duplicated or contained only trivial deviations from state law are not included on this list.

Deletion of City Council Rules Subcommittee

The Open Government Ordinance assigns a range of responsibilities to a "Rules Subcommittee," including advising the Council on how to implement the ordinance and "assertively" lobbying other public agencies to enact their own open government rules.[1] More importantly, the Rules Subcommittee is responsible for hearing appeals of denials of public records requests.[2] This subcommittee, however, does not currently have any members and has not met since early 2020. The proposed ordinance removes reference to the Rules Subcommittee and allows the City Manager or their designee to hear appeals of records requests, which will help facilitate faster resolution of those claims.

Removal of Time Limit for Councilmember Announcements

The current version of the ordinance limits councilmembers' time to speak to no more than what members of the public are allowed during public comment.[3] This limitation may prove impractical or infeasible in various situations. The proposed ordinance would remove this limitation.

Allowance for Ceremonial Events

Both the Brown Act and the Open Government Ordinance specify that purely ceremonial events are not considered "meetings" requiring formal notice, agendas, etc., so long as a majority of the City Council members do not discuss City business among themselves. The Ordinance, however, treats ceremonial events as formal meetings of the Council anytime an event is organized or sponsored by or for the Council.[4] As a result, Council-sponsored ceremonial events, such as flag raising, Black April and others, are required to be noticed as formal meetings of the Council. Additionally, this provision may prevent a majority of the members from attending certain non-public ceremonial events, such as employee awards.

The proposed ordinance would remove this Milpitas-specific language and clarifies that the City follows the rules for ceremonial events contained in the Brown Act.

Allowance for Ad Hoc Committees

Under both the Brown Act and the Open Government Ordinance, a councilmember is allowed to speak to no more than one other member of the City Council on a discrete topic in the Council's jurisdiction.[5]

[1] MMC § I-310-4.10 et seq.
[2] MMC § I-310-3.20(e).
[3] MMC § I-310-2.40(f).
[4] MMC § I-310-2.10(b)(4)(C).
[5] See Gov. Code § 54952.2.

Having done so, those members are forbidden from speaking to any of the other members outside of a noticed, public meeting.[6] To help avoid accidental violations, the Brown Act further allows the City Council to designate two members as an 'ad hoc' committee, who can work together on a discrete topic and report back to the full Council.[7] This helps coordinate the Council by letting the legislative body decide which two members will work on a discrete item without creating an unlawful serial meeting.

Currently, the Open Government Ordinance does not allow for the creation of ad hoc committees in this way. Instead, the ordinance's definitions require that all ad hoc committees are treated the same as standing committees and communicate only during open, noticed meetings. The proposed ordinance would remove this limitation and allow the Council to utilize ad hoc committees pursuant to the Brown Act.

Removal of Meal Gathering Requirement

The proposed ordinance would remove the current requirement that meals eaten by the Council before, during, or after a City Council meeting be observable by the public.[8] Current practice is to provide city councilmembers meals during closed session in order to allow for a quicker and more efficient meeting. The language in the current ordinance, however, would not allow the Council to eat together in the closed session chambers after consideration of all closed session items is concluded. Instead, members are required to separate into groups of no more than two (2) to finish their meals before returning to open session.

The proposed ordinance would remove this requirement and allow councilmembers to finish eating together before returning to open session. Nothing in the proposed ordinance would allow the Council to discuss any items on the open session agenda or otherwise in the Council's jurisdiction before resuming the meeting in open session.

Removal of Purported Attorney-Client Privilege Waiver

The proposed ordinance would remove the purported waiver of attorney-client privilege currently found at Milpitas Municipal Code Section I-310-3.70(b)(3). This section requires the City to disclose any records of "[a]dvice on compliance with, analysis of, an opinion concerning liability under, or any communication otherwise concerning the California Public Records Act, the Ralph M. Brown Act, the Political Reform Act, any Milpitas governmental ethics code, or this Chapter." A functionally identical ordinance was invalidated in San Francisco because of inconsistency with City Charter.[9] Its validity in a general law city like Milpitas remains unsettled.

Removal of this provision is recommended for a few reasons. As noted above, there is some uncertainty about whether provisions like this are consistent with state law. More importantly, advance waivers of privilege create a few significant policy concerns in a governmental setting. First, it creates an ethically difficult situation for the attorney, who is required to assure that the agency has provided "informed consent" to waive the privilege.[10] Since the waiver is prospective and ongoing, however, ensuring that the elected City Council continuously understands the full ramifications of the waiver presents unique difficulties, especially as it applies to reports or analyses that have not yet been written. Second, the prospective waiver of attorney-client privilege impairs the ability of the City Attorney to properly advise on transparency laws.

This second factor is especially important. "[C]ourts recognize that public entities need confidential legal advice to the same extent as do private clients . . ."[11] Confidentiality helps encourage city officials to

[6] Gov. Code § 54952.2(a).
[7] Gov. Code § 54952(b).
[8] MMC § I-310-2.10(4)(C).
[9] *St. Croix v. Superior Ct.*, 228 Cal. App. 4th 434 (2014).
[10] Rules of Professional Conduct, Rule 1.6; Bus. and Prof. Code § 6068(e)(1).
[11] *Roberts v. City of Palmdale*, 5 Cal. 4th 363, 374 (1993).

seek legal advice early and discourages withholding of relevant details. It also allows the City Attorney to provide a blunt assessment of liability risks without a need to 'pull punches' to protect the City in potential litigation. Although the City Council always retains the ability to waive privilege on a document after it has been written, waiving privilege in advance significantly reduces the likelihood that useful memo will be created in the first place, which in turn impairs the City's ability to effectively comply with its legal obligations.

Removal of Certain Administrative Tasks

The proposed ordinance deletes two sections that require the City Attorney to (1) monitor the transition of public officials to ensure that records are not removed[12] and (2) review all completed Form 700s by designated officials and staff. [13] It is recommended that the specific assignment of these tasks be done by resolution or direction rather by ordinance. This gives the City Council greater flexibility to reprioritize resources or reassign tasks as organizational needs evolve.

Removal of Closed Session Recording Requirement

The proposed ordinance would remove the requirement that the City Council record its closed session conversations.[14] The City Attorney's Office does not consider the current ordinance to be best practice, as a requirement for recording may create unnecessary security vulnerabilities and impair the Council's ability to proceed with an item when technological difficulties arise. Removal of this section would provide the Council discretion to determine whether to record closed sessions, utilize a closed session minute book under Government Code section 94957.2, or generate such other records as may be appropriate for individual items. The Brown Act generally contemplates and allows for this more nuanced approach to closed sessions.

Removal of Local Enforcement Provisions / Conflict with State Law

The proposed ordinance would remove certain provisions that purport to set forth legal remedies for violation of the ordinance. The method of enforcement of local ordinances is already set forth by state law, and much of the language contained in this section is of dubious validity. Removal of this language makes clear that state law controls the legal mechanisms for enforcement of the ordinance.

Removal of Record Retention Requirements

The proposed ordinance removes certain records retention rules in order to avoid conflict with the City's records retention schedule. Best practice is to minimize the extent to which the same requirement is located in several different places, in order to avoid the risk that the rules diverge in the future and staff unwittingly commit an error by following only one rule. Existing retention requirements have been deleted or reworded to reference the City's record retention schedule.

Restoration of Specified Public Records Act Exemptions

The current language in the Open Government ordinance requires the disclosure of certain records notwithstanding the fact that they may be exempt under the Public Records Act.[15] Unfortunately, the structure of this section contains a number of ambiguities, including a lack of clarity as to how the ordinance is to be applied when a record may be exempt from disclosure pursuant to multiple different provisions. Because of the problems that this language creates, and because the intent is too unclear to readily fix, it has been removed. If Council wishes to require disclosure of exempt public records, it is possible to craft language doing so, but the City Attorney will first need specific guidance as to the Council's intended policy to properly craft such a requirement.

[12] MMC § I-310-3.140
[13] MMC § I-310-3.210(a).
[14] MMC § I-310-3.270(a).
[15] MMC § I-310-3.170; I-310-3.110.

Removal of Public Records Fees Provisions

The proposed ordinance would remove the current provisions setting fees for public records fees,[16] with the expectation that they will instead be addressed through the City's regular fee hearing process pursuant to Government Code Section 66000 et seq. This will increase transparency as to the methodology for calculating the fees, ensure that the fees are regularly revisited to avoid overcharging and address new structure that might be needed as technology changes. This also helps ensure consistency by making sure that all fee requirements are addressed through the same process.

Removal of Minimum Timelines for Records Responses

The proposed ordinance would also remove a requirement that City staff respond to certain public records requests within one (1) business day.[17] This requirement appears to be internally inconsistent, as a separate provision of the same ordinance allows ten (10) days to respond.[18] Additionally, this one business day requirement is not proving to be feasible given the increasing volume of records to be searched given the proliferation of electronic media. Removing this requirement would establish that the City follows the rules in the Public Records Act that records be provided "promptly" and that responses be made with ten (10) days, barring certain exceptions.[19]

POLICY ALTERNATIVE(S):

Alternative 1: Provide direction to the City Attorney about changes to the proposed ordinance, including addition, deletion, or modification of any local requirements.

Pros: Providing direction to the City Attorney would allow the ordinance to be adjusted to meet any additional policy goals that the City Council may have.

Cons: Modifying the ordinance would delay adoption.

Reason for Not Recommending: This only reason that this option was not recommended was to allow it to be agendized in a manner that would allow it to go forward should the Council have no changes. If the Council would like to see any modification to the proposed ordinance, this option is appropriate.

Alternative 2: Leave the current ordinance in place and make no changes.
Pros: This approach would preserve any desired policy directives furthered by the current ordinance.

Cons: The current ordinance has not kept up with changes to the Brown Act and Public Records Act, leaving significant ambiguities regarding what is allowed. Interpretation and update of the current ordinance is inefficient, requiring an unusually large amount of staff time and an elevated likelihood of errors. The current ordinance does not appear to match the City's current organizational structure and practices, and it has not been crafted to reflect the policy goals of this Council.

Reason for Not Recommending: The current ordinance is sufficiently out of date that a major update is necessary to address current statutory requirements, clarify the role of new technology, and align with the City's current structure and the current City Council's policy goals. Leaving the current ordinance in place would also leave a significant risk of conflicting requirements, confusion by staff and the public, and inadvertent errors by staff.

FISCAL IMPACT:

There is no specific fiscal impact to adoption of this ordinance, however adoption is expected to simplify administrative processes and alleviate challenges to City staff.

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[16] MMC § I-310-3.120.
[17] MMC § I-310-3.80.
[18] Compare MMC § 310-3.20.
[19] Gov. Code §§ 7922.530; 7922.535.

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. 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) Draft Ordinance

REGULAR

NUMBER: ___.__

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS REPEALING AND REPLACING MILPITAS MUNICIPAL CODE TITLE I, CHAPTER 310 RELATING TO THE OPEN GOVERNMENT ORDINANCE

HISTORY: This Ordinance was introduced (first reading) by the City Council at its meeting of _____, upon motion by_____ and was adopted (second reading) by the City Council at its meeting of _____, upon motion by _____. The Ordinance was duly passed and ordered published in accordance with law by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Suzanne Guzzetta, City Clerk

APPROVED:

_____
Carmen Montano, Mayor

APPROVED AS TO FORM:

_____
Christian Curtis, City Attorney

RECITALS AND FINDINGS:

WHEREAS, in 2005 the Milpitas City Council adopted Title I, Chapter 310 of the Milpitas Municipal Code, commonly known as the Milpitas Open Governance Ordinance; and

WHEREAS, the Milpitas Open Governance Ordinance sets forth local rules for such topics as the conduct of public meetings and the provision of public records, and was modeled upon and contained provisions of the Ralph M. Brown Act and the California Public Records Act, as they existed at that time; and

WHEREAS, the Open Governance Ordinance has been amended several times since its enactment but has not kept pace with the numerous changes Ralph M. Brown Act and the California Public Records Act, interpretive guidance from the California Attorney General, published caselaw from the California Supreme Court and various California Courts of Appeals, technological advancements, changes in the structure of the Milpitas City Government, and a bevy of other legal and practical changes over the last two decades; and

WHEREAS, the outdated structure of the Open Governance Ordinance has contributed to confusion and a lack of awareness of the ordinance's requirements by members of the public, city staff, and the officials that the ordinance is intended to govern; and

WHEREAS, the Milpitas City Council believes that the Open Governance Ordinance's goals of transparency, public participation, and government accountability are better served by a simplified and revised ordinance that clearly articulates local requirements that go beyond existing state law; and

WHEREAS, the City Council, consistent with California Government Code sections 7920.000-7931.000 and 54950-54963, wishes to replace Title I, Chapter 310 of the Milpitas Municipal code to update the Open Government Ordinance to provide greater clarity of the intent and purpose of the Ordinance in the interest of the City Council and residents of the City of Milpitas.

NOW, THEREFORE, the City Council of the City of Milpitas does ordain as follows:

SECTION 1. RECORD AND BASIS FOR ACTION

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. REPEAL OF EXISTING ORDINANCE

Title I, Chapter 310 of the Milpitas Municipal Code, as it currently exists, is hereby repealed in its entirety.

SECTION 3. ENACTMENT OF MILPITAS MUNICIPAL CODE TITLE I, CHAPTER 310

A new Title I, Chapter 310 of the Milpitas Municipal Code is hereby enacted to read as follows:

Chapter 310 OPEN GOVERNMENT ORDINANCE

Section 1 Title

I-310-1.10 Citation

This Chapter may be cited as the Milpitas Open Government Ordinance.

Section 2 Public Access to Meetings

I-310-2.10 Meetings to be Open and Public; Application of Brown Act

The City of Milpitas is governed by the provisions of the Ralph M. Brown Act (Government Code Sections 54950 et. seq.), and the City Council, along with all of the City's boards, commissions, standing committees, or other bodies shall comply with all requirements contained therein. Additionally, the City Council and any other "legislative body" of the City (as that term is defined in Government Code section 54952), shall comply with all additional requirements set forth is this Chapter.

I-310-2.20 Agenda Requirements; Regular Meetings

(a) At least six (6) calendar days before a regular City Council meeting, a preliminary agenda shall be posted in the same manner as the final agenda, except that the purpose of the preliminary agenda is to provide only a list of items tentatively scheduled for consideration at the next regular meeting. Preliminary agendas are "pre-agendas" subject to change that are posted the Wednesday the week preceding the regular City Council meeting and are not the agenda posted in compliance with the Brown Act at least 72 hours before a regular meeting. A preliminary agenda may be amended to include additional items, delete items or may be amended in any other manner prior to the final posting of the agenda at least 72 hours before a regular meeting.

(b) Each legislative body shall ensure that notices and agendas for regular and special meetings shall include the following notice:

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, boards, councils and other agencies of the City exist to conduct the people's business. The Open Government Ordinance assures that deliberations are conducted before the people and that 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 OF THE ORDINANCE, CONTACT THE CITY ATTORNEY'S OFFICE

(c) Each agenda of a legislative body shall include the contact name, address, phone number, and e-mail address for the City Attorney's Office. Information on how to obtain a free copy of the Open Government Ordinance shall be included on each agenda.

I-310-2.30 Additional Public Statements and Comments

Members of the public may submit written statements and/or comments regarding any item on a legislative body's meeting agenda to the City Clerk, who shall transmit those writings to the body. Those statements or comments, while not read aloud at the public meeting, shall become public record, regardless of whether their authors are present when the item at issue is discussed. Written statements and/or comments shall be subject to review and consideration by those bodies if submitted before or during the hearing on the item.

I-310-2.40 Public Participation

Whenever the City Council, a board or commission, or any committee thereof anticipates that the number of persons attending the meeting will exceed the legal capacity of the meeting room, any public address system used to amplify sound in the meeting room shall be extended by supplementary speakers to permit the overflow audience to listen to the proceedings in an adjacent room or passageway, unless such supplementary speakers would disrupt the operation of a City office.

Each legislative body shall provide that each person wishing to speak on an item before the body at a regular or special meeting shall be permitted to be heard once for a maximum of three minutes. However, the Chair of the meeting has discretion to reduce the speaking time as required for orderly and efficient administration of the meeting. The Chair of the policy body shall accept public testimony in a fair and even-handed way, and time limits shall be applied as uniformly as practicable.

I-310-2.50 Minutes

(a) The clerk or secretary of policy bodies shall record the minutes for each regular and special meeting of those bodies.

(b) To the extent feasible, the draft minutes of each meeting are to be made available and approved at the next regularly scheduled meeting of the policy body and be available for inspection and copying upon request after the minutes have been approved.

I-310-2.60 Public Comment by Members of Policy Bodies

Every member of a legislative body retains the full constitutional rights of a citizen to comment publicly on the wisdom or propriety of government actions, including those of the policy body of which he or she is a member. Policy bodies shall not sanction, reprove or deprive members of their rights as elected or appointed officials for expressing their judgments or opinions, including those which deal with the perceived inconsistency of non-public discussions, communications or actions with the requirements of state or federal law or of this chapter. The release of specific factual information made confidential by state or federal law including, but not limited to, closed session discussions or the privilege for confidential attorney-client communications, may be the basis for a request for injunctive or declaratory relief, seeking an accusation of misconduct, or both.

I-310-2.70 Role of City Attorney on Items Before Council

The Milpitas Municipal Code and state law do not explicitly bar the City Attorney from offering unsolicited legal advice either verbally or in writing on matters before the Council. This chapter should be interpreted as such that the City Attorney, in addition to regular duties, should be outspoken in giving advice on the validity of legal compliance on all matters.

I-310-2.80 Conflict Disclosures Required at City Council Meetings

At the beginning of each City Council meeting or upon the arrival of the Mayor or Councilmember, the City Attorney shall ask the Mayor and each member of the City Council to disclose any financial or personal conflict with any item on the City Council's agenda. In addition, pursuant to Government Code section 87105, if the Mayor or a Councilmember discloses that a financial interest is present, immediately prior to consideration of that matter, he or she shall publicly identify the conflict or potential conflict in detail sufficient to be understood by the public, and shall then recuse him or herself in the manner required by law.

I-310-2.90 Compliance Does Not Affect Validity of Action

The provisions of this Chapter are intended to be directory. Failure to follow the requirements of this ordinance shall not invalidate any action taken by the City Council or other legislative body, unless the facts constituting such failure would independently invalidate that action under the Brown Act or other applicable law.

Section 3 Public Information and Public Records

I-310-3.10 Definitions

Whenever in this chapter the following words or phrases are used, they shall mean:

(a) "Public Information" shall mean the content of "public records" as defined in the California Public Records Act, whether provided in documentary form or in oral communication. "Public Information" shall not include "computer software" developed by the City of Milpitas as defined in the California Public Records Act or information that is exemption from disclosure under the Public Records Act.

(b) "Lobbyist" means a person or business entity that receives $250 or more in a calendar year for communicating, using any means, with City officials or employees to influence current or future City legislation, administrative decisions, or City Council elections or local initiative measures. Officials or employees of other government agencies shall not be deemed lobbyists for purposes of this ordinance when communicating with City officials or employees on behalf of such other government agency.

I-310-3.20 Access to Public Records

Release of documentary public information, whether for inspection of the original or by providing a copy, shall be governed by the California Public Records Act. The City of Milpitas shall also comply with those additional requirements set forth in this chapter.

I-310-3.30 Administrative Appeals

(a) Any person requesting public records who believes that their request was improperly denied, was responded to in an incomplete manner, or that some or all records were improperly withheld may within thirty (30) days of the City's final response to the request file a written petition with the City Clerk seeking a determination whether the records requested are public. The petition must specify the basis for the petition, including by clearly stating how the City's response was incomplete, and identify the corrective action requested. Said petition shall be heard by the City Manager or their designee, in consultation with the City Attorney. The City Manager or their designee shall then inform the petitioner, as soon as possible and within ten (10) days, of their determination. If the determination is that the City's response to the request was in any way deficient, the City Manager shall take appropriate action to ensure that a corrected response be provided at the earliest opportunity. Where requested by the petition, and where otherwise desirable, this determination shall be in writing.

(b) The administrative remedy provided under this chapter shall in no way limit the availability of other administrative remedies provided to any person with respect to any officer or employee of any agency, executive office, department or board; nor shall the administrative remedy provided by this section in any way limit the availability of judicial remedies otherwise available to any person requesting a public record.

I-310-3.50 Oral Release of Public Information

Oral release of public information shall be accomplished as follows:

(a) Every department head shall designate a person or persons knowledgeable about the affairs of the department, to provide information, including oral information, to the public about the department's operations, plans, policies and positions. The department head may designate himself or herself for this assignment, but in any event shall arrange that an alternate be available for this function during the absence of the person assigned primary responsibility.

(b) The role of the person or persons so designated shall be to provide information on as timely and responsive a basis as possible to those members of the public who are not requesting information from a specific person. This section shall not be interpreted to curtail existing informal contacts between employees and members of the public when these contacts are occasional, acceptable to the employee and the department, not disruptive of his or her operational duties and confined to accurate information not confidential.

(c) If it would take an employee more than fifteen minutes to obtain the information responsive to an inquiry or inquiries from a member of the public, the employee may instead notify the requestor of the procedures for obtaining public records.

(d) Public employees shall not be discouraged from or disciplined for the expression of their personal opinions on any matter of public concern while not on duty, so long as the opinion (1) is not represented as that of the department and does not misrepresent the department position; and (2) does not disrupt coworker relations, impair discipline or control by superiors, erode a close working relationship premised on personal loyalty and confidentiality, interfere with the employee's performance of his or her duties or obstruct the routine operation of the office in a manner that outweighs the employee's interests in expressing that opinion. In adopting this subsection, the City Council intends merely to restate and affirm court decisions recognizing the First Amendment rights enjoyed by public employees. Nothing in this section shall be construed to provide rights to City employees beyond those recognized by courts, now or in the future, under the First Amendment, or to create any new private cause of action or defense to disciplinary action.

(e) Notwithstanding any other provisions of this chapter, public employees shall not be discouraged from or disciplined for disclosing any information that is public information or a public record to any journalist or any member of the public. Any public employee who is disciplined for disclosing public information or a public record shall have a cause of action against the City and the supervisor imposing the discipline.

I-310-3.100 Withholding Kept to a Minimum

Information that is exempt from disclosure shall be masked, deleted or otherwise segregated so that the nonexempt portion of a requested record may be released and keyed by footnote or other clear reference to the appropriate justification for withholding.

I-310-3.110 Justification of Withholding

Any withholding of information shall be justified, in writing, in the manner required by the Public Records Act. That written justification shall also include the following additional information:

(a) A withholding under a specific permissive exemption in the California Public Records Act, shall cite that authority.

(b) A withholding on the basis that disclosure is prohibited by law shall cite the specific statutory authority, caselaw, or other relevant authority.

(c) A withholding on the basis that disclosure would incur civil or criminal liability shall cite any specific statutory or case law, or any other public agency's litigation experience, supporting that position.

I-310-3.150 Compilation of Records Available On-line

The City shall display in a convenient location on the internet, a compilation of on-line document resources. To the extent it is reasonable, records not available on-line, but otherwise available from the City from other sources, shall be identified on the City's website together with the location where they may be accessed.

I-310-3.160 Internet Access/World Wide Web Minimum Standards

The City shall maintain on a website, or on a comparable, readily accessible location on the Internet, information that it is required to make publicly available, to the extent it is practical to do so and considering whether such information is otherwise available in a different form from the City. To the extent it is reasonable, records not available on-line, but otherwise available from the City from other sources, shall be identified on the Website together with the location where they may be accessed.

Each department is encouraged to make publicly available through its website as much information and as many documents as possible concerning its activities. These include, but are not limited to, campaign report forms, statements of economic interest, operating and capital budgets, meeting agenda, meeting minutes, public notices and, when feasible, staff meeting reports. Each department shall post on its website all meeting notices required under this ordinance, all agendas and the minutes of all previous meetings of its policy bodies for the last three years. Notices and agendas shall be posted no later than the time that the department otherwise distributes this information to the public, allowing reasonable time for posting. Minutes of meetings shall be posted as soon as possible, but in any event within 48 hours after they have been approved. The City shall make reasonable efforts to ensure that its website is regularly reviewed for timeliness and updated on at least a weekly basis. The City shall also make available on a readily accessible location on the Internet, a current copy of the Municipal Code.

The City shall also webcast all City Council and Planning Commission meetings and archive the webcasts of such meetings for a period established by the City's record retention schedule.

I-310-3.200 Calendars of Officials

Members of the City Council (including the Mayor), Planning Commission and the City Manager shall maintain a monthly City Calendar form which includes all City-related appointments, meetings, including regular and special City Council and Planning Commission meetings, public events or speaking engagements, meetings with developers, meetings with consultants, meetings with lobbyists, regional meetings, and meetings of subcommittees or task forces, but not to include social and personal events. The description shall include the meeting's duration and shall include a listing of all principal individuals present at meetings with developers, meetings with consultants, and meetings with lobbyists. The Mayor, City Council, City Manager and Planning

Commission members shall submit the updated calendar forms for the prior month onto their individual on-line calendars which shall be maintained and available to the public on the City website. Councilmembers and Commissioners shall be trained in the operation and procedures for entering or re-entering data into an automated calendaring system maintained on the City's website.

I-310-3.210 Solicitation of Donations by Elected Officials

Solicitation of donations by elected officials for charitable purposes and third-party political campaigns is permitted. Contributions over $100 made at the behest of an elected official must be reported to the City Clerk quarterly by the elected official making such requests. Such report is a public record. Reports must contain the following information:

1. Name of payer.
2. Address of payer.
3. Amount of payment.
4. Date or dates the payment or payments were made.
5. Name and address of the payee.
6. A brief description of the goods or services provided or purchased, if any.
7. A description of the specific purposes or event for which the payment or payments were made

I-310-3.220 Restriction and Prohibition on Certain Activities of Former Elected and Former Appointed Officials

For a period of two years following the expiration of their term, the Mayor and all members of the City Council and Planning Commission shall be prohibited from using the experience or contacts arising from their former office to assist any applicant through the permitting process. This provision is intended to supplement additional restrictions contained in Chapter 300, "Regulations of Certain Activities of Former City Officials."

Section 3.5 Regulation of Lobbying Activities

I-310-3.5.10 Purpose

The purpose of this chapter is to impose registration and disclosure requirements on those engaged in efforts to influence the decisions of City policy makers for compensation. Disclosure of lobbyists' identities and activities fosters public confidence in government officials by making government decision-making more transparent to the public. Additionally, the disclosure and registration requirements ensure that City officials are made aware of the interests that lobbyists represent when the officials are lobbied.

I-310-3.5.20 Interpretation

Unless the term is specifically defined in this chapter or the contrary is stated or clearly appears from the context, the definitions set forth in Government Code section 81000 et seq., shall govern the interpretation of this chapter.

I-310-3.5.30 Definitions

For the purposes of this chapter, the following definitions shall be applicable:

(a) "Activity expense" means any payment made by a lobbyist to or directly benefiting any City official, City official-elect or member of his or her immediate family. Activity expenses include gifts, honoraria, consulting fees, salaries and any other form of compensation, but do not include campaign contributions.

(b) "Administrative action" means the proposal, drafting, development, consideration, advocacy or recommendation of any rule, regulation, agreement or contract, permit, license or hiring action.

(c) "At the behest" means at the specific direction of, or at the personal request or suggestion of, or with the express prior consent of, any elective City official, City official-elect or candidate for elective City office.

(d) "City official" means any public official, or City employee who participates in the consideration of any legislative action or administrative action other than in a purely clerical, secretarial or ministerial capacity. It shall also include any City board or commission member, or City representative to any joint powers authority to which the City is a party, and any consultant to the City.

(e) "Client" means a person who is represented by a lobbyist.

(f) "Compensation" includes, but is not limited to, money of any denomination or origin; goods or services or anything of value, delivered or rendered; commissions related to the purchase or sale of real property, or a contract or promise therefor; or promises to perform or provide services or contractual arrangements or awards.

(g) "Contact" means attendance at a meeting with a City official or City official-elect, or any direct communication with a City official or City official-elect, whether oral, electronic or in writing, including, but not limited to communication through an agent, associate or employee, for the purpose of engaging in lobbying activity.

(h) "Fundraising activity" means soliciting a contribution; hosting or sponsoring a fundraising event; or hiring a fundraiser or contractor to conduct any event designed for political fundraising at which contributions for any City official, candidate for elective City office or any controlled committee of an elected City official or candidate for City office or for any political action committee, political party or candidate for elective office of a governmental organization are solicited, delivered or made.

(i) "Gift" means gift as defined in the California Political Reform Act, Government Code Section 81000 et seq., as amended from time to time.

(j) "Independent expenditure" means an expenditure made by any person, including a payment of public moneys by a state or local governmental agency, in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to or at the behest of the affected candidate or committee.

(k) "Influencing" means the purposeful communication, either directly or through agents, promoting, supporting, modifying, opposing, causing the delay or abandonment of conduct, or otherwise intentionally affecting the behavior of a City official or official-

elect, by any means, including, but not limited to, providing or using persuasion, information, incentives, statistics, studies or analyses.

(l) "Intermediary" means a person who makes a campaign or officeholder contribution on behalf of another person. A person is an intermediary for a contribution if the recipient of the contribution would consider that person to be the contributor without the disclosure of the identity of the true source of the contribution. A lobbyist acts as an intermediary if the lobbyist makes a contribution on behalf of another person, and that other person is acknowledged as the contributor, and the lobbyist is reimbursed for the contribution.

(m) "Legislative action" means the drafting, introduction, consideration, modification, enactment or defeat of any resolution, ordinance, amendment thereto, report, nomination, or other action of the Mayor, City Council, any City board, committee, or commission or any joint powers authority of which the City is a party, acting in its official capacity, or the granting, approval, or amendment of contracts or agreements to which the City is a party by any of the foregoing.

(n) "Lobbying" is the influencing or attempting to influence a legislative action or administrative action of the City.

(o) "Lobbyist," unless exempt under subsection (p) of this section, means:

(1) Contract lobbyist: A person who engages in lobbying on behalf of one or more clients (acting individually or through agents, associates, employees or contractors) and who has received or has entered into an agreement for compensation of $1,000.00 or more, or equivalent nonmonetary compensation ("threshold Compensation") for engaging in lobbying during any consecutive three-month period;

(2) Business or organization lobbyist: Any business or organization, whose owner(s), officer(s) or employee(s) carry out lobbying on its behalf, in an aggregate amount of ten hours or more within any consecutive 12-month period, whether or not such officers or employees are specifically compensated to engage in lobbying; provided, that the activities of officers shall be considered lobbying only if those officers receive compensation by the business or organization beyond reimbursement for their reasonable travel, meals or incidental expenses; or

(3) Expenditure lobbyist: A person who makes payments or incurs expenditures of $5,000.00 or more during any calendar year in connection with carrying out public relations, advertising or similar activities with the intent of soliciting or urging, directly or indirectly, other persons to communicate directly with any City official in order to attempt to influence legislative action or administrative action. The $5,000.00 threshold shall not include: (A) Compensation paid to contract lobbyists or employees for lobbying; or (B) dues payments, donations, or other economic consideration paid to an organization, regardless of whether the dues payments, donations or other economic consideration are used in whole or in part to lobby.

(p) Exemptions to "lobbyist" include:

(1) Any public official acting in his or her official capacity or acting within the scope of his or her employment or appointment;

(2) The media, when limiting its action to the ordinary course of news gathering or editorial activity, as carried out by members of the press. "Media" shall mean newspapers or any other regularly published periodical, radio or television station or network or information published on the Internet. This exemption does not apply to

individuals conducting media activities when that individual would otherwise qualify as a contract lobbyist under this chapter;

(3) Persons reimbursed for only their reasonable travel, meals or incidental expenses, including, but not limited to, uncompensated members or directors of nonprofit organizations, such as chambers of commerce;

(4) Persons whose communications regarding any legislative action or administrative action are solely limited to appearing at or submitting testimony for any public meeting held by the City or any of its agencies, offices, or departments, as long as the communications thereto are public records available for public review. Persons who appear or testify at public meetings and who otherwise qualify as lobbyists due to other activities must register and disclose their lobbying activities directed toward City officials, and must identify themselves and their clients at public meetings, in the same manner and to the same extent such registration, disclosure, and identification is required of all other lobbyists;

(5) Persons submitting bids or responding to requests for proposals, provided the provision of such information is limited to direct conversation or correspondence with the official or department specifically designated to receive such information;

(6) Persons providing oral or written information pursuant to a subpoena or otherwise compelled by law or regulation, or in response to an official request; provided, that the request and response thereto are public records available for public review;

(7) Designated representatives of a recognized employee organization whose activities are limited to communicating with City officials or their representatives regarding (A) wages, hours and other terms or conditions of employment, or (B) the administration, implementation or interpretation of an existing employment agreement;

(8) Persons who are professionally licensed by a State licensing organization pursuant to the California Business and Professions Code, including, but not limited to, attorneys, architects and engineers; provided however, the exemption for attorneys shall only be applicable if the attorney is engaged in the practice of law with respect to the subject of the employment;

(9) Board members or employees of nonprofit 501(c)(3) corporations, unless the nonprofit organization is lobbying for a specific project, issue or person for which the organization has received compensation or a contribution to lobby for or against a specific project, issue or person;

(10) Members of neighborhood associations;

(11) A person hired by the City for work performed on behalf of the City, or a person who prepares documents for consideration by the City under the California Environmental Quality Act;

(12) The owner of a business whose attempts to influence governmental action are on behalf of the business and:

(i) The owner or business has not retained a person to engage in lobbying activity on behalf of the owner or business; or

(ii) Officers or employees of the business (not including the owner) have not engaged in lobbying activity on behalf of the owner or business.

(iii) This exemption applies only to the threshold for becoming a business or organization lobbyist as defined under section I-310-3.5.30(o), subsection (2). An owner of a business who meets this exemption is subject to the requirements of this chapter if he or she meets the definition of contract lobbyist or expenditure lobbyist as defined under subsections (1) and (3) of section I-310-3.5.30(o), respectively;

(13) Persons who meet with City officials solely to lodge "whistleblower" complaints relating to alleged improper governmental activity such as mismanagement, waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

(14) Persons whose communications with City officials are solely in connection with the administration of an existing contract or agreement between the person and the City; or

(15) Persons who meet with the City Attorney, or City staff regarding any claim or litigation matter, negotiation of any agreements or contracts where the City is a party, or the requirements or interpretation of this chapter.

(q) "Organization" means any person that is not an individual.

(r) "Person" means any individual, domestic or foreign corporation, for-profit or nonprofit entity, firm, association, syndicate, union, chamber of commerce, joint-stock company, partnership of any kind, limited liability company, common-law trust, society, or any other group of persons acting in concert.

I-310-3.5.40 Registration

Lobbyists shall register with the City Clerk within 15 days after qualifying as a lobbyist under Milpitas Municipal Code section I-310-3.5.30. Should a lobbyist have a change to its registration information, including, but not limited to, the city legislative action or administrative action as to which the lobbyist has been engaged, after the annual registration period, such lobbyist shall file an amended registration with the City Clerk within 15 days of such change with the changed information.

I-310-3.5.50 Annual Registration Renewal

A lobbyist shall renew his or her registration by January 15 of each year unless he or she has terminated their status as a lobbyist pursuant to Milpitas Municipal Code section I-310-3.5.60 by such date.

I-310-3.5.60 Termination of Lobbyist Status

After initial registration, annual registration renewal will not be required if a declaration attesting to the termination of lobbying services within the City has been filed with the City Clerk no later than January 15.

I-310-3.5.70 Active Status

All registrations, renewals and terminations will be deemed filed on the date received by the City Clerk. A lobbyist shall be deemed active for the duration of the year of registration ending December 31, unless a declaration attesting to termination of lobbying services within the City is filed.

I-310-3.5.80 Registration Fees

Persons subject to the registration requirements of this ordinance shall pay an annual fee set by resolution of the City Council.

(a) The applicable registration fee is due at the time of registration or registration renewal. Payment will be deemed delinquent thereafter. Delinquency fees may be assessed as specified in subsection (c) below, if payment occurs after the due date.

(b) In addition to the annual fee, each registrant shall pay a fee set by resolution of the City Council per client for whom lobbying is undertaken for compensation in excess of $500.00. The fees for clients as of the date of initial registration shall be submitted with the registration. The fees for subsequent clients shall be due and submitted within 15 days of such change with the changed information pursuant to section I-310-3.5.30.

(c) A fine of $25.00 per day for delinquent fees, up to a maximum of $500.00, will be assessed until in compliance with the registration provisions herein.

I-310-3.5.90 Required Registration Information

The initial registration shall contain the name, business address, telephone, email addresses and if applicable, business license of all persons required to register pursuant to this Chapter, including the names of all owners of sole proprietorships and partnerships of fewer than ten persons. If the registrant is a corporation, limited liability company, or limited liability partnership, it shall also include the names of the president, secretary, chief financial officer, managing members, and agent for service of process, if any. Any business or organization registering under this act shall also briefly describe the nature of its business or organization and contact individual. In addition to this information, the report shall contain the following:

(a) Contract lobbyists: The name, business address, telephone number of each client, the nature of each client's business and the item(s) of legislative action or administrative action the lobbyist is seeking to influence on behalf of the client; and the name of each person employed or retained by the lobbyist to lobby on behalf of each client.

(b) Business or organization lobbyists: The names of owners, officers or employees conducting lobbying activities and the item(s) of legislative action or administrative action the lobbyist is seeking to influence.

(c) Expenditure lobbyists: The item(s) of municipal legislative action or administrative action the lobbyist is seeking to influence.

(d) Payment received by the reporting lobbyist for services as a consultant or in any other capacity for services rendered to a City agency, any City official or any City official-elect or their controlled committees, or ballot measure committee within the previous calendar year. The dates of payment and name of each payer shall be included.

(e) Campaign and officeholder contributions that a lobbyist made, delivered or acted as an intermediary for, to an elected City official or candidate for City office made during the preceding calendar year. A person is an intermediary for a contribution if the recipient of the contribution would consider that person to be the contributor without the disclosure of the identity of the true source of the contribution. Also, a lobbyist acts as an intermediary if the lobbyist makes a contribution on behalf of another person, and that

other person is acknowledged as the contributor, and the lobbyist is reimbursed for the contribution.

(f) Campaign and officeholder contributions made at the behest of an elected City official or candidate to any other elected public official or candidate for public office during the preceding calendar year.

(g) All independent expenditures made for or on behalf of a City official or candidate for City office made during the preceding calendar year.

(h) Fundraising activity for any City official, candidate for elective City office or any controlled committee of the elected City official or candidate for City office or for any political action committee, political party or candidate for elective office of a governmental organization made at the behest of a City official during the preceding calendar year. Required information and disclosures must include the name of the City official, candidate, committee or party on whose behalf the lobbyist engaged in fundraising activities, or delivered or acted as intermediary for one or more contributions. The information and disclosures must also include the name of the City official requesting the fundraising activity, the date of the fundraising activity, the name of the contributors and the amount of contributions raised, delivered and/or made in connection with which the lobbyist acted as an intermediary.

(i) Donations to for-profit or nonprofit organizations made at the behest of a City official or candidate for elective City office of any contribution or payment of more than $1,000.00 in the aggregate made during the preceding calendar year.

(j) Contacts made with City officials or City officials-elect during the preceding calendar year for the purpose of influencing or attempting to influence legislative action or administrative action. Contact information must include a brief description of the item(s) of legislative action or administrative action the lobbyist is seeking to influence, the date(s) of contact, the method(s) of contact, and the number of contacts in the following ranges: (one), (two to five), (six to ten) or (11 or more).

(k) Activity expenses such as payments that directly benefit any City official, City official-elect or member of his or her immediate family or domestic partner made during the preceding calendar year. Activity expenses include gifts, honoraria, consulting fees, salaries and other forms of compensation, but do not include campaign contributions.

(l) The name, address, title and telephone number of the person responsible for preparing the report, together with that individual's signature attesting to the authority of the signatory and the accuracy and truthfulness of the information submitted.

I-310-3.5.100 Quarterly Reports

Quarterly reports for the prior three-month period are to be filed with the City Clerk on or before July 15, October 15, January 15, and April 15 of each year, whether or not any lobbying activities have occurred during such period. Electronic reporting may also be permitted by the City Clerk. Each quarterly report shall contain the same information as required to be disclosed in the initial registration, for those activities occurring in that period. If a lobbyist has terminated all lobbying activities during such period, the lobbyist may file a declaration of termination with the quarterly report. The final quarterly report shall include disclosure of any lobbying activities during the period of termination.

I-310-3.5.110 Records Retention

All information, reports and statements required to be filed under the provisions of this chapter shall be compiled and preserved by the City pursuant to the City's records retention schedule and shall be open to public inspection. Copies of the records pertaining to the above-required reports shall be preserved by the lobbyist for inspection and audit for a period of four years from date of production.

I-310-3.5.120 Lobbyist Identification

When appearing in a lobbying capacity at any meeting with a City official or at a public meeting of the City Council or any other City board, commission or hearing, a contract lobbyist shall identify himself/herself and the client(s) on whose behalf he/she is appearing, and a business or organization lobbyist shall identify himself/herself and the business or organization he/she represents.

I-310-3.5.130 Prohibitions

It shall be unlawful for any lobbyist to commit any of the following acts:

(a) Unregistered lobbying: Acting as a lobbyist in the City without having registered in compliance with this chapter, or knowingly to employ a person or entity to serve as a lobbyist when such person is not registered pursuant to this chapter.

(b) Unauthorized communications: Sending or causing any communication to be sent to any City official in the name of any nonexistent person or in the name of an existing person without the express or implied consent of such person.

(c) Indirect violations: Attempting to evade the requirements of this chapter through indirect efforts or through the use of agents, associates, intermediaries or employees.

(d) Creation of obligations: Performing or sponsoring any act with the purpose and intent of placing any City official under personal obligation to the lobbyist.

I-310-3.5.140 Gifts

It shall be unlawful for any lobbyist to deliver or cause to be delivered any gift to any City official, and for any City official to accept any gift from a lobbyist.

I-310-3.5.150 Enforcement

Persons or entities that violate this chapter may be subject to penalties as set forth in Milpitas Municipal Code sections I-1-4.09-1 to I-1-4.09-11.

I-310-3.5.160 Injunction

The City Attorney or his designee may seek injunctive relief in the courts to enjoin violations of or to compel compliance with the provisions of this chapter.

I-310-3.5.170 Practice Restrictions

No person who the City finds to have violated this chapter may act as a lobbyist or otherwise attempt to influence municipal legislative actions or administrative actions for compensation for one year after such finding of violation.

I-310-3.5.180 Exemptions

Any person who in good faith and on reasonable grounds believes that he or she is not required to comply with the provisions of Milpitas Municipal Code section I-310-3.5.40 by reason of his or her being exempt under Milpitas Municipal Code section I-310-3.5.30(p) shall not be deemed to have violated the provisions of Milpitas Municipal Code section I-310-3.5.40 if, within 15 days after notice from the City, he or she either complies or furnishes satisfactory evidence to the City that he or she is exempt from registration.

I-310-3.5.190 Lobbyists on Behalf of the City

(a) Any lobbyist who contracts for economic consideration with the City of Milpitas to represent the City in matters before any local, regional, state, or federal administrative or legislative body shall file a public records report of their activities on a quarterly basis with the City Clerk's office. This report shall be maintained by the City Clerk's office and not be exempt from disclosure. Each quarterly report shall identify all financial expenditures by the lobbyist, the individual or entity to which each expenditure was made, the date the expenditure was made, and specifically identify the local, state, regional or national legislative or administrative action the lobbyist supported or opposed in making the expenditure. The failure to file a quarterly report with the required disclosures shall be a violation of this chapter.

(b) No person shall be deemed a lobbyist on behalf of the City under subsection (a) of this section, unless that person receives or becomes entitled to receive at least $250.00 total compensation in any month for influencing legislative or administrative action on behalf of the City of Milpitas. No business or organization shall be deemed as a lobbyist under subsection (a) of this section unless it compensates its employees or members for their lobbying activities on behalf of the City of Milpitas, and the compensated employees or members have at least 25 separate contacts with local, state, regional or national officials for the purpose of influencing legislative or administrative action within any two consecutive months. "Total compensation" shall be calculated by combining all compensation received from the City of Milpitas during a month of lobbying activities on matters at the local, state, regional or national level. "Total number of contacts" shall be calculated by combining all contacts made during a two-month period on behalf of the City of Milpitas for all lobbying activities on matters at the local, state, regional or national level.

(c) Funds of the City of Milpitas shall not be used to support any lobbying efforts to restrict public access to records, information, or meetings, except where such effort is solely for the purpose of protecting the identity and privacy rights of private citizens.

SECTION 4. SEVERABILITY

The provisions of this Ordinance are separable, and the invalidity of any phrase, clause, provision or part shall not affect the validity of the remainder.

SECTION 5. EFFECTIVE DATE AND POSTING

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance shall take effect thirty (30) days from and after the date of its passage. The City Clerk of the City of Milpitas shall cause this Ordinance or a summary thereof to be published in accordance with Section 36933 of the Government Code of the State of California.