



CITY COUNCIL REGULAR MEETING AGENDA PACKET

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA
95020

MAYOR

Marie Blankley

COUNCIL MEMBERS

Rebeca Armendariz

Dion Bracco

Tom Cline

Zach Hilton

Carol Marques

Fred Tovar

MONDAY, AUGUST 21, 2023 | 6:00 PM

CITY COUNCIL PACKET MATERIALS ARE AVAILABLE ONLINE AT www.cityofgilroy.org
AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

PUBLIC COMMENTS ON AGENDA ITEMS ARE TAKEN BEFORE THE CITY COUNCIL TAKES ACTION. [Please keep your comments to 3 minutes](#). Time restrictions may vary based on the Mayor's discretion.

Send written comments on any agenda item to publiccomment@cityofgilroy.org or City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by 1 p.m. on the meeting day will be distributed to the City Council before the meeting. Comments are also available at bit.ly/3NuS1IN.



In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need assistance, contact the City Clerk's Office 72 hours before the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org.



If you dispute any planning or land use decision from this meeting in court, you may only raise issues you or someone else presented at this meeting's public hearing or in written letters to the City Council before the hearing. Be aware that the time to seek a judicial review of any final decision made at this meeting is defined by Section 1094.6 of the California Code of Civil Procedure.

During this meeting, a Closed Session may be called under Government Code Section 54956.9 (d)(2). This will happen if, in the City's legislative body's opinion (based on current facts, circumstances, and legal advice), there's a significant risk of a lawsuit against the City.

Additional materials submitted after agenda distribution are available on www.cityofgilroy.org as soon as possible.

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This 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, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204.

If you need translation assistance, contact the City Clerk 72 hours before the meeting at 408-846-0204 or cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.

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The agenda for this meeting is outlined as follows:

1. OPENING

- 1.1. Call to Order
- 1.2. Pledge of Allegiance
- 1.3. Invocation
- 1.4. City Clerk's Report on Posting the Agenda
- 1.5. Roll Call
- 1.6. Orders of the Day
- 1.7. Employee Introductions

2. CEREMONIAL ITEMS - Proclamations and Awards (NONE)

3. PRESENTATIONS TO THE COUNCIL

- 3.1. Presentation from the League of California Cities
- 3.2. **PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL**

This part of the meeting allows public address on non-agenda topics within the Council's jurisdiction. To speak, complete a Speaker's Card from the entrances and give it to the City Clerk. **Speaking time ranges from 1-3 minutes based on the Mayor's discretion.** Extended discussions or actions on non-agenda items are restricted by law. For Council

action, the topic may be listed on a future agenda.

Email written comments on non-agenda topics to publiccomment@cityofgilroy.org or mail to City Hall, 7351 Rosanna Street, Gilroy, CA 95020, by 1:00 pm on the meeting day. These comments, available at City Hall, will be shared with the Council and included in the meeting record. Late submissions will be shared as soon as possible. A 10-page limit applies to hard-copy materials, but electronic submissions are unlimited.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Downtown Committee, Santa Clara County Library Joint Powers Authority, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Armendariz – Downtown Committee, Santa Clara County Library Joint Powers Authority (*alternate*), Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, Silicon Valley Clean Energy Authority JPA Board (*alternate*), South County United for Health

Council Member Marques – ABAG, Downtown Committee, Gilroy Gardens Board of Directors, Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (*alternate*)

Council Member Hilton – CalTrain Policy Group (*alternate*), Silicon Valley Clean Energy Authority JPA Board, South County United for Health (*alternate*), VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership (*alternate*), Gilroy Sister Cities Association, Gilroy Youth Task Force, Silicon Valley Regional Interoperability Authority Board, VTA Policy Advisory Committee (*alternate*), Visit Gilroy California Welcome Center Board, VTA Mobility Partnership Committee

Council Member Tovar – Downtown Committee, Gilroy Youth Task Force (*alternate*), Santa Clara County Expressway Plan 2040 Advisory Board, Santa Clara Valley Water Commission, SCRWA, South County Youth Task Force Policy Team

Mayor Blankley – ABAG (*alternate*), CalTrain Policy Group, Downtown Committee, Gilroy Economic Development Partnership, Gilroy Sister Cities Association (*alternate*), Gilroy Youth Task Force, Santa Clara Valley Water Joint Water Resources Committee, SCRWA, South County Youth Task Force Policy Team, VTA Board of Directors, VTA Mobility Partnership Committee

5. COUNCIL CORRESPONDENCE (NONE)

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

7. CONSENT CALENDAR

Items under the Consent Calendar are deemed routine and approved with one motion. If a Council member or a member of the public wishes for a separate discussion on an item, it must be requested for removal before the Council's approval vote. If removed, the item will be discussed in its original order.

7.1. Approval of the Action Minutes of the August 7, 2023 City Council Regular Meeting

- 7.2. **Accept and File Quarterly Cash and Investment Report as of June 30, 2023**
- 7.3. **Approval of the Annual Evaluation Report for the Santa Clara County Multi-Jurisdictional Program for Public Information Associated with the Community Rating System of the National Flood Insurance Program**
- 7.4. **Authorization to Approve Application to Receive Grant Funds from the California Youth Community Access Grant Program**
- 7.5. **Adoption of an Ordinance Adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code**

8. BIDS AND PROPOSALS

8.1. Award of Contract to Perkins & Will for the Preparation of 'Basis of Design' Documents for the Gilroy Ice Center and Approve a Contract Expenditure of \$275,000

1. Staff Report: Karl Bjarke, Interim Public Works Director
2. Public Comment
3. Possible Action:
 - a) Award a contract to Perkins & Will in the amount of \$250,000 and approve an additional project contingency of \$25,000 (10%) for a total amount of \$275,000 for the preparation of 'Basis of Design' documents related to the Gilroy Ice Center project; and
 - b) Authorize the City Administrator to execute the contract and associated documents.

9. PUBLIC HEARINGS (NONE)

10. UNFINISHED BUSINESS

10.1. Selection and Appointment of Youth Commission Members

1. Staff Report: Thai Nam Pham, City Clerk
2. Public Comment
3. Possible Action:

Review the applications and interviews from the candidates and proceed with the formal appointment of suitable candidates to the vacant positions within the Youth Commission.

10.2. Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

1. Staff Report: Thai Nam Pham, City Clerk
2. Public Comment
3. Possible Action:

1. Motion to read the ordinance by title only and waive further reading of the ordinance; and

2. Introduce an ordinance of the City Council of the City of Gilroy amending Chapter 2 relating to the Regular Meeting Schedule of the City Council.

11. INTRODUCTION OF NEW BUSINESS

11.1. Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

1. Staff Report: Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:
 - a) Receive report; and
 - b) Adopt a resolution:
 1. Declaring intent to adjust water and wastewater rates;
 2. Commencing the Proposition 218 noticing process; and
 3. Setting October 16, 2023, as the date for the Public Hearing to adopt the new proposed water and wastewater rates.

11.2. Extension of Temporary Outdoor Dining Program

1. Staff Report: Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:

Adopt a resolution extending the temporary outdoor dining program through December 31, 2023.

11.3. Adopt a Resolution of Intention to Reimburse Expenditures for Costs Incurred in Connection with the Gilroy Ice Center Project

1. Staff Report: Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:

Adopt a Resolution of Intention to Reimburse Expenditures for Costs Incurred in Connection with the Gilroy Ice Center Project (the "Project").

12. CITY ADMINISTRATOR'S REPORTS

12.1. Gilroy 2023-2031 Housing Element Update

12.2. Santa Teresa Interim Fire Station Update

13. CITY ATTORNEY'S REPORTS

14. ADJOURNMENT

FUTURE MEETING DATES

September 2023

11 Regular Meeting - 6:00 p.m
18 Regular Meeting - 6:00 p.m

October 2023

2 Regular Meeting - 6:00 p.m
16 Regular Meeting - 6:00 p.m

November 2023

6 Regular Meeting - 6:00 p.m
20 Regular Meeting - 6:00 p.m

December 2023

4 Regular Meeting - 6:00 p.m
11 Special Meeting - 6:00 p.m
~~18 Regular Meeting - 6:00 p.m -CANCELED-~~

Meetings are webstreamed on the City of Gilroy's website at gilroy.city/meetings.

City of Gilroy
City Council Regular Meeting Minutes
Monday, August 7, 2023 | 6:00 PM

1. OPENING

1.1 Call to Order

The meeting was called to order by Mayor Blankley at 6:00 PM.

1.2. Pledge of Allegiance

Council Member Cline led the Pledge of Allegiance.

1.3. Invocation

South Valley Community Church Pastor Greg Quirke led the Invocation.

1.4. City Clerk's Report on Posting the Agenda

City Clerk Pham reported on the Posting of the Agenda.

1.5. Roll Call

Attendance	Attendee Name
Present	Rebeca Armendariz, Council Member Dion Bracco, Mayor Pro Tempore Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Marie Blankley, Mayor
Absent	Fred Tovar, Council Member

1.6. Orders of the Day

There were none.

1.7. Employee Introductions

There were none.

2. CEREMONIAL ITEMS - Proclamations and Awards

There were none.

3. PRESENTATIONS TO THE COUNCIL

3.1. Parks and Recreation Commission Annual Presentation

Parks and Recreation Chair Luis Ramirez provided staff presentation and responded to Council Member questions.

3.2. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

Mayor Blankley opened Public Comment.

The following members spoke on items that were not on the agenda:

Ron Kirkish expressed appreciation for the outcome of the last LAFCO hearing, commending specific individuals, including Customer Service Manager Cindy McCormick, City Attorney Andy Faber, Santa Clara Board Supervisor Sylvia Arenas, Morgan Hill Mayor Mark Turner, and others, for their advocacy and efforts in supporting the community's interests, emphasizing the importance of the territory for future expansion.

Robert Zepeda discussed the movie 'Sound of Freedom,' stressing California's alarming human trafficking statistics and emphasizing the need for awareness and action.

There being no further speakers, Mayor Blankley closed Public Comment.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco had no report.

Council Member Armendariz had no report.

Council Member Marques had no report.

Council Member Hilton reported on VTA Policy Advisory Committee and Silicon Clean Energy Authority JPA Board.

Council Member Cline had no report.

Mayor Blankley reported on CalTrain Policy Group.

5. COUNCIL CORRESPONDENCE

There were none.

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

There were none.

7. BOARD AND COMMISSION INTERVIEWS

7.1. Interviews for Open Seats on Youth Commission for Future Appointments Scheduled for August 21, 2023

Council accepted the late applications for open seats and proceeded to interview applicants.

The Council interviewed the following applicants:

- Crystal Garcia Pablo
- Kuber Sihra
- Chad Knauss
- Lavender Hwang
- Maya Beyret
- Zara Ting-Tee
- Thanmay Sarath
- Saed Mustafa

8. REVIEW OF OPEN MEETING AND TRANSPARENCY LAWS AND ORDINANCES

8.1. City Attorney Annual Training - FPPC Regulations / Conflicts of Interest / Council Norms

City Attorney Faber provided the council training presentation and responded to Council Member questions.

9. CONSENT CALENDAR

Mayor Blankley opened and, seeing no speakers, closed Public Comment.

Motion: Adopt the Consent Calendar

RESULT: Pass

MOVER: Dion Bracco, Mayor Pro Tempore

SECONDER: Carol Marques, Council Member

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Mayor Blankley

ABSENT: Council Member Tovar

9.1. Approval of the Action Minutes of the July 10, 2023 City Council Special Meeting

A motion was made to approve the minutes.

9.2. Approval of the Action Minutes of July 19, 2023 City Council Special Study Session

A motion was made to approve the minutes.

9.3. Approval of a Notice of Acceptance of Completion for the FY22 Citywide Pavement Maintenance Project No. 22-PW-273 and Approval of a Final Contract with McKim Corporation in the Amount of \$4,472,160.94

A motion was made to approve the Notice of Acceptance of Completion.

9.4. Approval of a Notice of Acceptance of Completion and Reduction of the Faithful Performance and Payment Security Bonds for Property Improvement Agreement No. 2017-04, Wild Chestnut - Tract 10301

A motion was made to approve the Notice of Acceptance of Completion.

9.5. Approve Corrected Gilroy Police Officers Association Salary Schedules for the Period July 1, 2023 - June 30, 2025

A motion was made to adopt the resolution.

Enactment No.: Resolution No. 2023-46

9.6. Claim of Steve Kinney (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

A motion was made to deny the claim.

10. BIDS AND PROPOSALS

There were none.

11. PUBLIC HEARINGS

11.1. Continued Public Hearing for Introduction and First Reading of an Ordinance Adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code

Special Assistant to City Administration Biggs provided staff presentation and responded to Council Member questions.

Mayor Blankley opened the Public Hearing at 7:45 PM.

Terence Fugazzi praised the city's efforts in managing the growing number of downtown vendors, stressing the importance of equitable regulations, addressing health concerns from street barbecues, and suggesting alternative power sources to generators.

Ron Kirkish voiced appreciation for addressing the vendor issue and emphasized the need for stricter regulations, suggesting that vendors flouting the law should have their licenses revoked to ensure compliance and support law enforcement.

There being no further speakers, Mayor Blankley closed the Public Hearing at 7:49 PM.

Motion: Read the ordinance by title only and waive further reading of the ordinance.

RESULT: Pass

MOVER: Marie Blankley, Mayor

SECONDER: Dion Bracco, Mayor Pro Tempore

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Mayor Blankley

ABSENT: Council Member Tovar

City Clerk Pham read aloud the title of the proposed ordinance.

Motion: Introduce an ordinance adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code, which provides permit requirements and standards for sidewalk vending, and find that it is exempt from CEQA Guidelines Section 15332, with the following amendments to Exhibit 'A' of the ordinance:

- Include the following standard in Section 16B.3: *For the health, safety, and welfare of the community and pedestrians when using its public sidewalks, paths, and parks, generators and cooking methods that involve deep fat frying and wood-fired cooking devices, which present fire, smoke, burn, and slipping hazards, are prohibited. This limitation does not prohibit sidewalk vendors from using other cooking methods to heat or prepare foods.*
- Delete the following standards in Section 16B.3: (8) & (9)
- Increase the distance at 16B.3 (28) from 2' to 3'
- Replace 'or' with 'and' at subsection 16B.6 (8) to read: *Commercial general liability, automobile, and workers' compensation insurance policies and*

other such policy as the office of the risk manager of the City of Gilroy shall require.

RESULT: Pass
MOVER: Marie Blankley, Mayor
SECONDER: Dion Bracco, Mayor Pro Tempore
AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Mayor Blankley
ABSENT: Council Member Tovar

11.2. Consideration of the Report of Abatement of Weeds and Refuse Within the City of Gilroy and Adoption of a Resolution of the City Council of the City of Gilroy Confirming the Imposition of Assessment Liens Against the Land

Fire Chief Wyatt and Santa Clara County Weed Abatement Manager Moe Kumre provided staff presentations and responded to Council Member questions.

Mayor Blankley opened the Public Hearing at 8:11 PM. There being no speakers, Mayor Blankley closed the Public Hearing at 8:11 PM.

Motion: Approve the resolution.

RESULT: Pass
MOVER: Dion Bracco, Mayor Pro Tempore
SECONDER: Rebeca Armendariz, Council Member
AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Mayor Blankley
ABSENT: Council Member Tovar

Enactment No.: Resolution No. 2023-47

12. UNFINISHED BUSINESS

There were none.

13. INTRODUCTION OF NEW BUSINESS

13.1. Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

City Administrator Forbis provided a brief report and responded to Council Member questions.

Mayor Blankley opened and, seeing no speakers, closed Public Comment.

Council directed staff to draft the revised language stipulating that the regular City Council meeting in December be held on the second Monday of the month.

Additionally, the regular meeting for July will be moved to the last Monday of the month.

14. CITY ADMINISTRATOR'S REPORTS

14.1. Update on Recent Land Management System Implementation and Online Permit/Utility Payment System

City Administrator Forbis provided a brief report and responded to Council Member questions.

15. CITY ATTORNEY'S REPORTS

There were none.

16. ADJOURNMENT

The Mayor adjourned the meeting at 8:21 PM.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy.

/s/Thai Nam Pham, CMC, CPMC
City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: **Accept and File Quarterly Cash and Investment Report as of June 30, 2023**

Meeting Date: August 21, 2023

From: Jimmy Forbis, City Administrator

Department: Finance

Submitted By: Harjot Sangha, Finance Director

Prepared By: Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization

RECOMMENDATION

Accept and file the quarterly cash and investment report as of June 30, 2023.

BACKGROUND

The quarterly investment reports are prepared pursuant to the City's investment policy to keep the City Council apprised of the City's investment activities.

ANALYSIS

As of June 30, 2023, the City's cash and investments totaled \$190.3 million, of which \$124.7 million is invested with the Local Agency Investment Fund (LAIF), and \$61.5 million is invested in US Treasuries Securities. The fiscal year-to-date interest earnings are \$4.5 million.

In addition, approximately \$28.4 million is held by Fiscal Agents in the Trustee capacity for various bond issues such as bond proceeds, debt service reserves, bond payments, and for post-employment benefits related to pension. The majority of this balance (\$25.5 million) consists of the City of Gilroy's share of the Acquisition and Construction Funds for the SCRWA Plant Expansion Project.

Accept and File Quarterly Cash and Investment Report as of June 30, 2023.

FISCAL IMPACT/FUNDING SOURCE

There are no direct fiscal impacts to receiving and filing the quarterly cash and investment report. This is an activity included in the Finance Department's annual workplan.

Attachments:

1. Cash and Investment Report as of June 30, 2023

CITY OF GILROY

INVESTMENT REPORT

JUNE 2023



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**City of Gilroy
Portfolio Management
Portfolio Summary
June 30, 2023**

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	124,694,981.27	124,694,981.27	124,694,981.27	66.95	1	1	3.215	3.260
Treasury Notes Securities	62,989,000.00	61,102,415.33	61,547,102.13	33.05	498	292	4.427	4.488
Investments	187,683,981.27	185,797,396.60	186,242,083.40	100.00%	165	97	3.616	3.666
Cash								
Passbook/Checking (not included in yield calculations)	4,053,241.41	4,053,241.41	4,053,241.41		1	1	0.000	0.000
Total Cash and Investments	191,737,222.68	189,850,638.01	190,295,324.81		165	97	3.616	3.666

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	529,943.28	4,550,462.24	4,550,462.24
Average Daily Balance	187,041,948.20	180,032,604.65	
Effective Rate of Return	3.45%	2.53%	
3 Month T-Bill Benchmark:	5.43%		

- NOTES:
1. See "Monies Held by Fiscal Agents" for additional amounts held in the capacity of a trustee.
 2. The Maturity Aging Factor of the City's Portfolio = 3.23 months.
 3. The unrealized gain resulting from an increase in Market Values obtained from U.S. Bank of all Securities (excluding LAIF) = \$708,775.86
 4. The LAIF balance shown includes \$5,340,120.74 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.

This is to certify that this schedule of investments is in compliance with the City of Gilroy's investment policy and that there are adequate funds available to meet the City's budgeted and actual expenses for the next six months.

Harjot Sangha 8/8/23
Harjot Sangha, Finance Director

Reporting period 06/01/2023-06/30/2023

Run Date: 08/08/2023 - 11:19

Portfolio GIL
AP
PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

**City of Gilroy
Portfolio Management
Portfolio Details - Investments
June 30, 2023**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
LAIF												
SYSLAIF01	LAIF01	LAIF - City of Gilroy			45,121,205.72	45,121,205.72	45,121,205.72	3.260	3.215	3.260	1	
SYSLAIF03	LAIF03	LAIF - Industrial Dev. Auth.			74,233,654.81	74,233,654.81	74,233,654.81	3.260	3.215	3.260	1	
LAIF05	LAIF05	LAIF LIBRARY			5,340,120.74	5,340,120.74	5,340,120.74	3.260	3.215	3.260	1	
Subtotal and Average			117,421,647.94		124,694,981.27	124,694,981.27	124,694,981.27		3.215	3.260	1	
Treasury Notes Securities												
912828Z52	USB-10	U. S. TREASURY NOTES		05/01/2023	8,419,000.00	7,939,874.71	8,072,313.20	1.375	4.037	4.093	580	01/31/2025
91282CCN9	USB-3	U. S. TREASURY NOTES		11/01/2022	7,882,000.00	7,851,417.84	7,854,256.10	0.125	4.454	4.516	30	07/31/2023
91282CDD0	USB-4	U. S. TREASURY NOTES		11/01/2022	7,771,000.00	7,648,995.30	7,667,522.83	0.375	4.432	4.493	122	10/31/2023
91282CDV0	USB-5	U. S. TREASURY NOTES		11/01/2022	7,720,000.00	7,520,669.60	7,559,177.47	0.875	4.513	4.576	214	01/31/2024
912828YM6	USB-6	U. S. TREASURY NOTES		11/01/2022	7,527,000.00	7,161,789.96	7,255,014.50	1.500	4.296	4.355	488	10/31/2024
912828X70	USB-7	U. S. TREASURY NOTES		11/01/2022	7,612,000.00	7,400,614.76	7,455,241.77	2.000	4.521	4.584	304	04/30/2024
9128282N9	USB-8	U. S. TREASURY NOTES		11/01/2022	7,586,000.00	7,325,800.20	7,397,794.53	2.125	4.466	4.528	396	07/31/2024
91282CDV0	USB-9	U. S. TREASURY NOTES		01/31/2023	8,472,000.00	8,253,252.96	8,285,781.73	0.875	4.693	4.758	214	01/31/2024
Subtotal and Average			61,466,762.60		62,989,000.00	61,102,415.33	61,547,102.13		4.427	4.488	292	
Total and Average			187,041,948.20		187,683,981.27	185,797,396.60	186,242,083.40		3.616	3.666	97	

**City of Gilroy
Portfolio Management
Portfolio Details - Cash
June 30, 2023**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Wells Fargo Checking											
SYSWFB	WELLS FARGO	WELLS FARGO			3,937,815.71	3,937,815.71	3,937,815.71		0.000	0.000	1
Other Banks-Misc.Account-Petty Cash											
SYSUNDERCOV	UNDERCOV	CHASE BANK		07/01/2022	698.30	698.30	698.30		0.000	0.000	1
SYS/MUFG	MUFG	MUFG / UNION BANK		07/01/2022	0.00	0.00	0.00		0.000	0.000	1
SYSPEPTY	PETTY	PETTY CASH		07/01/2022	2,661.56	2,661.56	2,661.56		0.000	0.000	1
SYS/USBANK	USB-CASH	U. S. BANK		10/01/2022	25,470.84	25,470.84	25,470.84		0.000	0.000	1
SYSBAIL	BAIL	WELLS FARGO		07/01/2022	0.00	0.00	0.00		0.000	0.000	1
SYSDISCOVERY	DISCOVERY	WELLS FARGO		07/01/2022	15,000.00	15,000.00	15,000.00		0.000	0.000	1
SYSICS	ICS	WELLS FARGO		07/01/2022	70,000.00	70,000.00	70,000.00		0.000	0.000	1
SYSWORKING	WORKING	WORKING CASH		07/01/2022	1,595.00	1,595.00	1,595.00		0.000	0.000	1
Average Balance			0.00								1
Total Cash and Investments			187,041,948.20		191,737,222.68	189,850,638.01	190,295,324.81		3.616	3.666	97



**City of Gilroy
Investments by Issuer
Active Investments
Grouped by Type - Sorted by Type
June 30, 2023**

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

CUSIP	Investment #	Security Type	Investment Class	Remaining Cost	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Call Date	Collateral
Type: CHECKING ACCOUNTS											
CHASE BANK											
SYSUNDERCOV	UNDERCOV	Other Banks-Misc.Account-Petty Cash	Fair	698.30		698.30	06/30/2023			1	
Subtotal and Average				698.30		698.30				1	
LAIF - City of Gilroy											
SYSLAIF01	LAIF01	LAIF	Fair	45,121,205.72	3.260	45,121,205.72	06/30/2023	3.260		1	
Subtotal and Average				45,121,205.72		45,121,205.72		3.260		1	
LAIF - Industrial Dev. Auth.											
SYSLAIF03	LAIF03	LAIF	Fair	74,233,654.81	3.260	74,233,654.81	06/30/2023	3.260		1	
Subtotal and Average				74,233,654.81		74,233,654.81		3.260		1	
LAIF LIBRARY											
LAIF05	LAIF05	LAIF	Fair	5,340,120.74	3.260	5,340,120.74	06/30/2023	3.260		1	
Subtotal and Average				5,340,120.74		5,340,120.74		3.260		1	
MUFG / UNION BANK											
SYSMUFG	MUFG	Other Banks-Misc.Account-Petty Cash	Fair	0.00		0.00				1	
Subtotal and Average				0.00		0.00					
PETTY CASH											
SYSPEITY	PETTY	Other Banks-Misc.Account-Petty Cash	Fair	2,661.56		2,661.56	06/30/2023			1	
Subtotal and Average				2,661.56		2,661.56				1	
WELLS FARGO											
SYSWFB	WELLS FARGO	Wells Fargo Checking	Fair	3,937,815.71		3,937,815.71	06/30/2023			1	
SYSBAIL	BAIL	Other Banks-Misc.Account-Petty Cash	Fair	0.00		0.00				1	
SYSDISCOVERY	DISCOVERY	Other Banks-Misc.Account-Petty Cash	Fair	15,000.00		15,000.00	06/30/2023			1	
SYSICS	ICS	Other Banks-Misc.Account-Petty Cash	Fair	70,000.00		70,000.00	06/30/2023			1	

City of Gilroy Investments by Issuer Grouped by Type - Sorted by Type											
CUSIP	Investment #	Security Type	Investment Class	Remaining Cost	Current Rate	Market Value	Market Date	YTM 365	Redemption Date	Call Date	Collateral
Subtotal and Average				4,022,815.71		4,022,815.71					1
WORKING CASH											
SYSWORKING	WORKING	Other Banks-Misc.Account-Petty Cash	Fair	1,595.00		1,595.00	06/30/2023				1
Subtotal and Average				1,595.00		1,595.00					1
Type: NOT CALLABLE											
U. S. BANK											
SYS/USBANK	USB-CASH	Other Banks-Misc.Account-Petty Cash	Amort	25,470.84		25,470.84	06/30/2023				1
Subtotal and Average				25,470.84		25,470.84					1
U. S. TREASURY NOTES											
912828Z52	USB-10	Treasury Notes Securities	Amort	8,035,851.31	1.375	7,939,874.71	06/30/2023	4.093	01/31/2025		580
91282CCN9	USB-3	Treasury Notes Securities	Fair	7,630,455.35	0.125	7,851,417.84	06/30/2023	4.516	07/31/2023		30
91282CDD0	USB-4	Treasury Notes Securities	Fair	7,462,264.85	0.375	7,648,995.30	06/30/2023	4.493	10/31/2023		122
91282CDV0	USB-5	Treasury Notes Securities	Fair	7,377,312.75	0.875	7,520,669.60	06/30/2023	4.576	01/31/2024		214
912828YM6	USB-6	Treasury Notes Securities	Fair	7,120,136.45	1.500	7,161,789.96	06/30/2023	4.355	10/31/2024		488
912828X70	USB-7	Treasury Notes Securities	Fair	7,330,453.97	2.000	7,400,614.76	06/30/2023	4.584	04/30/2024		304
9128282N9	USB-8	Treasury Notes Securities	Fair	7,282,780.07	2.125	7,325,800.20	06/30/2023	4.528	07/31/2024		396
91282CDV0	USB-9	Treasury Notes Securities	Fair	8,164,384.72	0.875	8,253,252.96	06/30/2023	4.758	01/31/2024		214
Subtotal and Average				60,393,639.47		61,102,415.33		4.574			297
Total and Average				189,141,862.15		189,850,638.01		3.610			95



**City of Gilroy
Purchases Report
Sorted by Type - Type
April 1, 2023 - June 30, 2023**

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

CUSIP	Investment #	Type	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchas	Maturity Date	YTM	Ending Book Value
NOT CALLABLE													
912828Z52	USB-10	NOT	TRC	USTN	8,419,000.00	05/01/2023	07/31 - 01/31	8,035,851.31	28,780.42	1.375	01/31/2025	4.093	8,072,313.20
				Subtotal	8,419,000.00			8,035,851.31	28,780.42				8,072,313.20
				Total Purchases	8,419,000.00			8,035,851.31	28,780.42				8,072,313.20



**City of Gilroy
Maturity Report
Sorted by Maturity Date
Amounts due during April 1, 2023 - June 30, 2023**

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408)846-0225

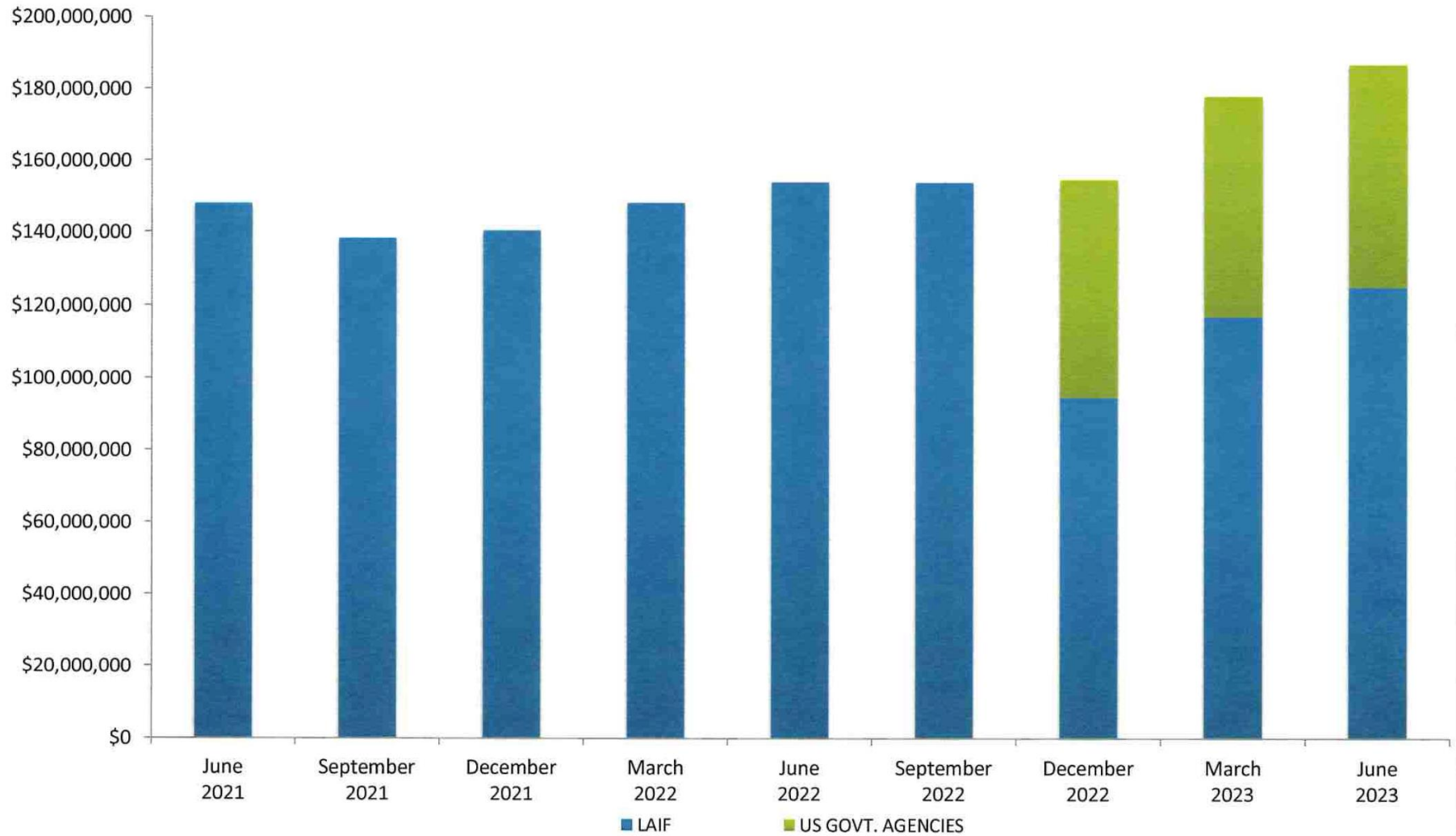
CUSIP	Investment #	Type	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
91282CBX8	USB-2	NOT	TRC	USTN	7,913,000.00	04/30/2023	11/01/2022	0.125	7,913,000.00	4,945.63	7,917,945.63	4,945.63
Total Maturities					7,913,000.00				7,913,000.00	4,945.63	7,917,945.63	4,945.63

Quarterly Movement over the Last Twelve Months

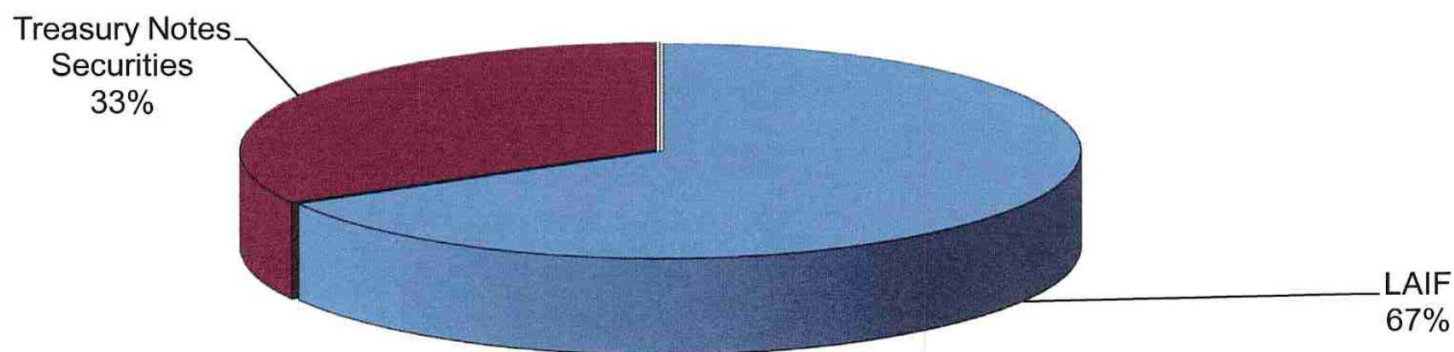
DESCRIPTION	SEPT	DEC	MAR	JUN	% of Total
	2022	2022	2023	2023	JUN
LAIF:					
CITY OF GILROY	74,622,908	14,877,211	36,912,724	45,121,206	24.23%
GILROY INDUSTRIAL DEV AGENCY	73,794,091	74,045,186	74,431,995	74,233,655	39.86%
LIBRARY	5,258,910	5,276,804	5,304,370	5,340,121	2.87%
SUB TOTAL	153,675,909	94,199,201	116,649,089	124,694,981	66.95%
CERTIFICATE OF DEPOSITS					
US GOVERNMENTAL AGENCIES:					
TREASURY NOTES SECURITIES		52,257,386	60,916,089	61,547,102	33.05%
TRASURE BILL-AMORTIZING		8,015,322	0	0	0.00%
FEDERAL NATIONAL MORTGAGE AGCY					
FEDERAL AGRICULTURAL MORTGAGE AGCY					
FEDERAL HOME LOAN BANK					
FEDERAL HOME LOAN MORTGAGE CORP					
FEDERAL FARM CREDIT BANK					
SUB TOTAL	0	60,272,708	60,916,089	61,547,102	33.05%
GRAND TOTAL (Book Value)	153,675,909	154,471,909	177,565,178	186,242,083	100.00%

Note: The LAIF balance shown for Jun 2023, includes \$5,340,120.74 in bond proceeds from the Gilroy Library 2010 Bonds that can be used exclusively for the construction of the library.

City of Gilroy Investments From 6/30/2021 to 6/30/2023

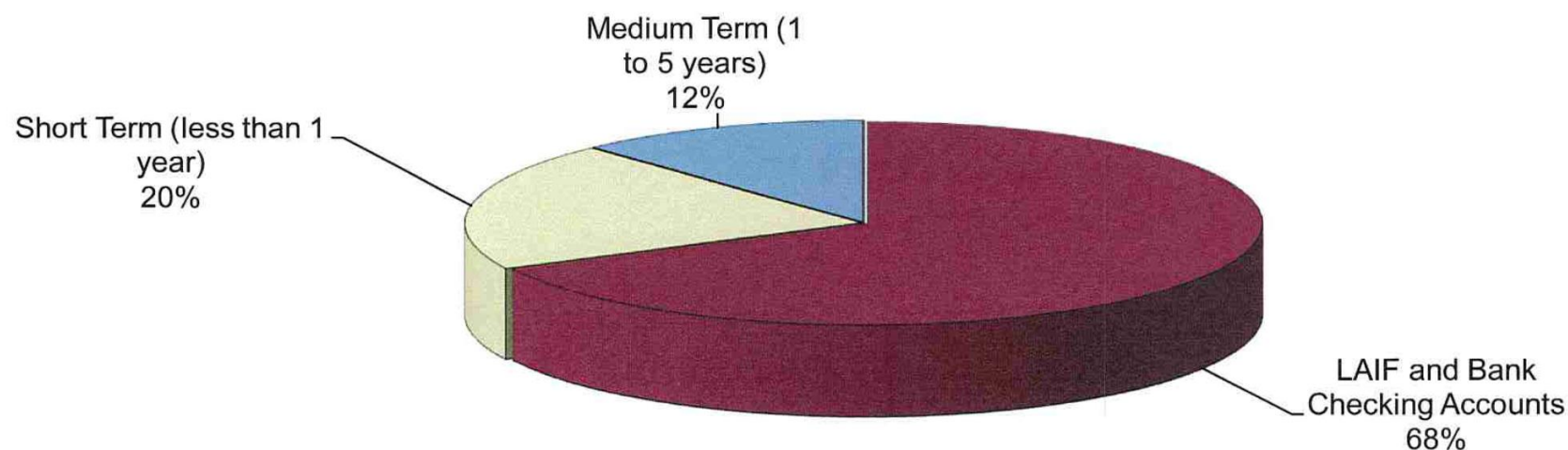


Book Value by Investment Type As of 6/30/23



Value of Portfolio: \$186,242,083

Portfolio by Asset Class As of 6/30/23

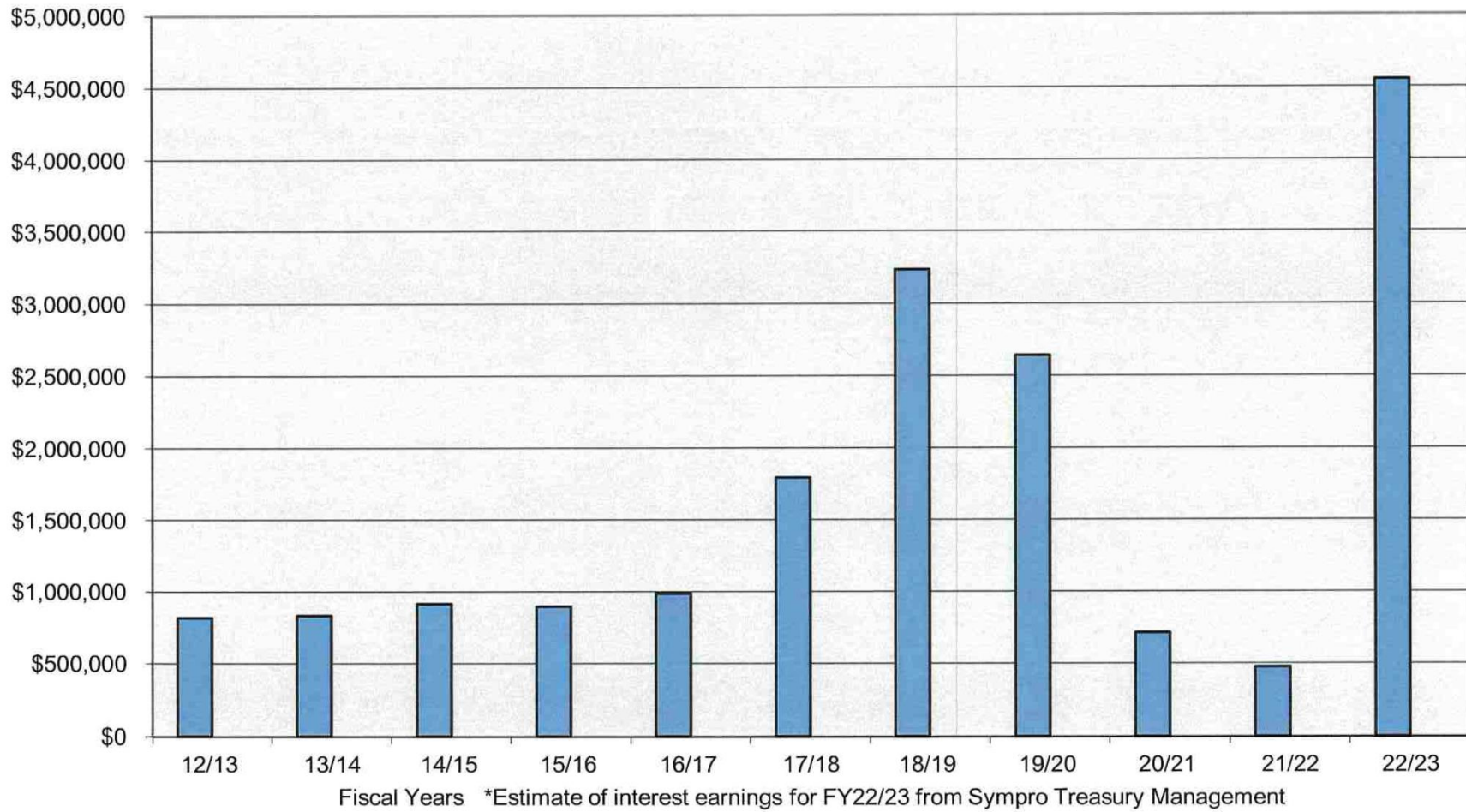


Value of Portfolio: \$190,295,324.81

City of Gilroy

Interest Earnings 2013 - 2023

Interest Earnings



**CITY OF GILROY
MONIES HELD BY FISCAL AGENTS**

DESCRIPTION	VALUE ** AS OF 6/30/23
<u>HIGHWAY 152 SPECIAL TAX BONDS SERIES 2018</u>	
<u>SPECIAL TAX FUND - Bond REVENUE - HELD BY U.S. BANK - GL Acct 810-10435</u>	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	4,430.95
<u>RESERVE FUND - HELD BY U.S. BANK - GL Acct 810-10430</u>	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	294,844.36
<u>SPECIAL TAX FUND - INTEREST ACCOUNT - HELD BY U.S. BANK - GL Acct 810-10550</u>	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	14.19
<u>SPECIAL TAX FUND - PRINCIPAL ACCOUNT - HELD BY U.S. BANK - GL Acct 810-10445</u>	
GOLDMAN SACHS MONEY MARKET FUND #466, CUSIP #3814W26S	75.32
<u>GILROY PUBLIC FACILITIES FINANCING AUTHORITY REFUNDING LEASE REV BONDS 2020A</u>	
<u>REVENUE FUND - HELD BY U.S. BANK - GL Acct 520-10435</u>	
GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	1,312.68
<u>INTEREST ACCOUNT - HELD BY U.S. BANK - GL Acct 520-10440</u>	
GOLDMAN SACHS FINANCIAL SQUARE MMKT #466, CUSIP #38141W265	0.00
<u>GILROY PUBLIC FACILITIES FINANCING AUTHORITY WASTEWATER REV BONDS 2021A</u>	
<u>BOND PAYMENT FUND - HELD BY U.S. BANK - GL ACCT 700-10428</u>	
FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401, U.S. TREASURY BILL #912796C31,	1,720.40
U.S. TREASURY NOTES 91282CAC5, AND 91282CBG5	0.00
<u>ACQUISITION AND CONSTRUCTION FUND - HELD BY U.S. BANK - GL Acct 700-10426</u>	
FIRST AM.GOV'T OB FD CL D, CUSIP #31846V401, LAIF MONEY MARKET FUND	25,468,373.93
GILROY POST - EMPLOYMENT BENEFITS TRUST HELD BY PARS (U.S. BANK)	2,662,079.59
TOTAL	28,432,851.42

** Market Values reported by U.S. Bank



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approval of the Annual Evaluation Report for the Santa Clara County Multi-Jurisdictional Program for Public Information Associated with the Community Rating System of the National Flood Insurance Program**

Meeting Date: August 21, 2023
From: Jimmy Forbis, City Administrator
Department: Public Works
Submitted By: Karl Bjarke, Interim Public Works Director
Prepared By: Susana Ramirez, Engineer I

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

Approve the Annual Evaluation for FY23 Report for the Santa Clara County Multi-Jurisdictional Program for Public Information associated with the Community Rating System of the National Flood Insurance Program.

EXECUTIVE SUMMARY

The Community Rating System (CRS) is a voluntary program of the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP). The CRS program allows communities to earn flood insurance premium discounts for their residents and businesses by implementing local mitigation, floodplain management, and outreach activities that exceed the minimum NFIP requirements to reduce the risk of flooding.

Eleven (11) communities in Santa Clara County, including the City of Gilroy, and Santa Clara Valley Water District (Valley Water) have actively participated in the FEMA NFIP CRS for over 30 years.

A portion of the CRS involves community outreach activities. A Program for Public Information (PPI) is an ongoing local effort to identify, prepare, implement, and monitor a range of public information activities that meet specific local needs. The CRS credits the implementation of public outreach projects identified in a PPI, which, in turn, helps the City achieve better insurance premium discounts for its residents and businesses. Through the PPI planning process, activities are monitored, evaluated, and revised to improve effectiveness. In addition to updating the PPI every five years, FEMA requires an Annual Evaluation Report on PPI efforts and requires the communities to share the annual report with their governing bodies.

BACKGROUND

The City has been a participating community in the CRS Program of FEMA's NFIP Program since May 1, 2007. Eleven Santa Clara County communities, including the City of Gilroy, participate in the CRS Program in partnership with Valley Water. The committee communities have worked together to develop and adopt the 2021 Multi-Jurisdictional PPI. The PPI is to be updated every five years.

The PPI activity was introduced into the CRS Program in 2013 and is voluntary. As a collaborative PPI process, the committee agencies worked together to decide what flood risk reduction messages are most appropriate and designed a program to deliver these messages. FEMA requires the elected body of each community to approve this PPI to receive points for having an approved plan under the NFIP's CRS.

Currently, the City has a CRS class rating of 7 which provides a 15% flood insurance discount for properties located within the special flood hazard area or 100-year floodplain and 5% discount for non-floodplain properties.

ANALYSIS

The CRS Program provides credits for designing and carrying out public outreach projects. CRS credits for individual outreach projects can be increased if a community has a PPI. The PPI can help design an entire public information program, not just outreach projects.

The PPI committee is comprised of both staff and non-governmental representatives who bring different perspectives and suggestions for a better outreach plan. For Gilroy, Public Works staff and a stakeholder representative, Ms. Merna Leal, are the committee members. Ms. Leal is a Gilroy resident and past District CRS program manager.

ALTERNATIVES

Council may choose to not approve the Multi-Jurisdictional PPI. This would require staff to develop separate outreach projects and/or develop a public information program for

Approval of the Annual Evaluation Report for the Santa Clara County Multi-Jurisdictional Program for Public Information Associated with the Community Rating System of the National Flood Insurance Program

the City to increase the City's CRS credits. Failure to approve this PPI limits the availability of additional CRS credits for outreach projects for the City.

FISCAL IMPACT/FUNDING SOURCE

The expense for creating this PPI was included in Valley Water's adopted budget; therefore, there are no City fiscal impacts from approval of this PPI. There are no expected additional costs in staff's continued participation in the PPI process.

PUBLIC OUTREACH

A copy of the Annual Evaluation Report for FY23 of the Santa Clara County Multi-Jurisdictional PPI 2021 will be posted in the Public Works' Flood Management webpage.

NEXT STEPS

Staff will continue to participate in the PPI committee which will re-convene annually to evaluate the PPI and to make appropriate adjustments as needed. At the City's next CRS Verification visit (estimated in 2023), staff will submit a copy of the PPI to receive CRS credit.

Attachments:

1. Annual Evaluation Report for FY23 for the Santa Clara County Multi-Jurisdictional PPI 2021



MEMORANDUM

FC 14 (01-25-23)

TO: Rick L. Callender, Esq.

FROM: Marta Lugo

SUBJECT: Annual Evaluation Report for FY23
(Year 2: July 2022 – June 2023) for the
2021 Santa Clara County Multi-Jurisdictional
Program for Public Information (PPI)

DATE: July 3, 2023

Valley Water continues to participate in the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP) Community Rating System (CRS) program. The CRS is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed the minimum NFIP requirements.

Through the CRS, flood insurance holders in participating communities receive discounted premium rates to reflect the reduced flood risk. The three goals of the CRS are:

1. Reduce flood damage to insurable property,
2. Strengthen and support the insurance aspects of the NFIP, and
3. Encourage a comprehensive approach to floodplain management.

Background

Valley Water began participating in the CRS program in 1998. Since Valley Water is not a land-use agency, it is not considered an NFIP community and does not technically qualify to participate in the CRS program. However, in 1998, Valley Water staff worked with FEMA to create a "fictitious community" status for Valley Water. It is a unique designation; in fact, Valley Water is the only fictitious CRS community in the nation.

Valley Water's participation as a fictitious community allows it to document qualifying flood risk reduction activities it performs throughout Santa Clara County (county). CRS credits Valley Water earns for activities within those communities are transferred to each CRS participating community, supporting savings on NFIP insurance policies within those jurisdictions.

Under the CRS program guidelines, every 500 points a community earns translates to a 5% discount on NFIP flood insurance premiums for that community's residents and businesses. Currently, 11 of the 16 communities (cities, towns, and the county) within Santa Clara County participate in the CRS program.

In its fictitious community designation, Valley Water has a CRS rating of Class 7. Many of Valley Water's CRS credits are transferable to Santa Clara County CRS participating communities. For many of our communities, Valley Water's CRS credits serve as a baseline. Between Valley Water's baseline and the CRS community's credit, NFIP flood insurance policyholders receive an average 15% discount. The average NFIP flood policy premium in Santa Clara County is approximately \$1,000, meaning that CRS participating communities save their flood insurance holders about \$150 to \$200 per year by documenting the flood risk reduction activities it performs. Participation in the CRS program generates an annual savings of approximately \$1.5M for policyholders in Santa Clara County.

The Santa Clara County Multi-Jurisdictional Program for Public Information

FEMA first introduced the Program for Public Information (PPI) as a CRS creditable activity in 2013. The PPI encourages CRS participating communities to work with local stakeholders to design a program for community outreach on flood risk reduction that best fits local needs.

Valley Water led the development of a PPI for all CRS participating communities in Santa Clara County, which resulted in the completion of the first Multi-Jurisdictional PPI adopted in 2015 (2015 PPI), a countywide collaboration outreach program that standardizes our flood risk and loss reduction outreach messages and increase communities' CRS points.

Program for Public Information Requirements

Participating communities must update the PPI every five years to maintain CRS credit. Valley Water continued its role as the lead agency in developing the subsequent 2021 Santa Clara County Multi-Jurisdictional PPI (2021 PPI). On April 27, 2021, the Valley Water Board of Directors adopted the 2021 PPI; the other CRS participating communities' governing bodies adopted the 2021 PPI soon thereafter.

In addition to updating the PPI every five years, FEMA requires an Annual Evaluation Report on PPI efforts and requires the communities to share the annual report with their governing bodies. Attached is our submittal of the Annual Evaluation Report for Fiscal Year 23 (Year 2). Below are key highlights from this fiscal year.

Key Year-2 Valley Water Accomplishments in FY 2023

FY 2023 Flood Awareness Campaign: Valley Water's award-winning flood awareness campaign continues to be the backbone of the PPI. Every year, the committee continues to increase efforts that encourage residents to prepare their personal/family emergency plans and 'Get Flood Ready.'

Valley Water's FY23 Flood Awareness Campaign theme was "Our Climate Has Changed - Be Aware, Be Prepared, Take Action" (dated 11/22). Valley Water's message emphasized its commitment to reducing flood risks and protecting the community. The campaign lasted four months, cost \$330,000, and included a multilingual floodplain mailer, social media graphics, messages for all nine flood awareness tips (PPI CRS message topics), and blog posts for all Santa Clara County communities to use. Valley Water shared the 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit with all Santa Clara County cities/county, including CRS communities.

Valley Water also used its monthly newsletter, news blog, social media profiles, and videos to enhance flood awareness efforts before and during forecasted storms starting as early as September 2022. During the length of the campaign and leading up to anticipated storm events, Valley Water posted flash flood warnings, shared posts with critical messages about flood safety, and promoted the Flood Watch Tool throughout the winter.

Education Outreach Programs: Valley Water's Education Outreach includes year-round flood awareness messaging in all students' programs. In FY23, a dedicated flood-focused program was offered from October 2022 through April 2023. Valley Water's role as a flood protection agency is highlighted in all presentations so that participants know that flood protection is one of Valley Water's core objectives. In FY 2023, staff provided 233 general program presentations with 8,548 attendees and 323 educators.

In addition, Education Outreach offered three flood-focused programs that promote flood awareness and preparedness: "The Three Little Pigs and The Bad Weather Wolf," "Mapping Landforms," and "Watershed Maps." In FY 2023, staff provided 113 flood-focused presentations to 2,751 attendees and 122 educators.

Other CRS Program Outreach Initiatives: In FY 23, Valley Water piloted 'Get Flood Ready' Flood Event Kits (Flood Kits). The Flood Kits included the following items: rolling storage bins, customized and branded (both Valley Water and agencies logos) 'Get Flood Ready' banners and tablecloths, flood emergency starter kits, flood preparedness materials, stickers, and giveaway items. From late October through early November 2022, the Valley Water CRS Program distributed the Flood Kits to all communities in Santa Clara County with the aim of standardizing local flood-preparedness messaging and expanding Valley Water's 'Get Flood Ready' campaign regionally.

The PPI Committee continued to promote the American Red Cross All-Hazard App, which monitors alerts for severe weather including floods, and the [ValleyWater.org/floodready](https://valleywater.org/floodready), [Floodsmart.gov](https://floodsmart.gov) and [Ready.gov](https://ready.gov) websites.

In FY23, Valley Water's CRS Program staff provided 'Get Flood Ready' materials and participated at outreach events at the Silicon Valley Bike Coalition at the Ride Out the Drought event; the Downtown San Jose Neighborhood Association Emergency Preparedness event with the local Salvation Army;

Rick L. Callender, Esq.

3

July 3, 2023

Santa Visits Alviso Foundation. They also partnered with Sacred Heart Community Services and a local advocate for the unhoused to provide emergency starter kits and flood-preparedness materials to the communities they serve.

Valley Water's CRS Program staff made presentations and shared resources on flood preparedness at the City of Cupertino Public Safety and Community Emergency Response Team (CERT) and at a City of San Jose Neighborhood CERT event.

Valley Water's CRS Program, along with the 2021 PPI Committee will continue to promote the American Red Cross All Hazard App which monitors alerts for severe weather, including floods, and the [Floodsmart.gov](https://www.floodsmart.gov) and [Ready.gov](https://www.ready.gov) websites. The communities will distribute American Red Cross Emergency Contact Cards at events throughout the county.

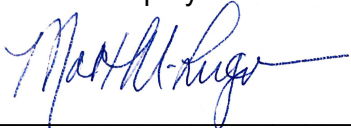
To support the PPI Committee's flood preparedness messaging, Valley Water's CRS Program and communities will continue to promote the importance of having family emergency plans and emergency kits ready to go before an emergency/flood event occurs.

Conclusion

Overall, the CRS Users Group/PPI Committee successfully implemented the 2021 PPI in FY23. The 2021 PPI facilitated participating communities to mutually decide on which flood-risk reduction messages are most appropriate moving forward and identified means by which messages are effectively delivered.

The objectives of participating in the 2021 PPI continue to reduce flood risks and earn valuable CRS credit points by continually enhancing the effectiveness of the flood-preparedness messaging to Santa Clara County. Valley Water's CRS Program staff, the CRS Users Group, and 2021 PPI Committee will continue their work efforts through FY24.

Please direct questions about the PPI Annual Evaluation Report to Don Rocha, External Affairs Assistant Deputy Administrative Officer at (408) 630-2338.



Marta Lugo
Deputy Administrative Officer, acting for
Rachael Gibson
Chief of External Affairs
External Affairs Division

Attachment: Annual Evaluation Report for FY23 (Year 2) for the 2021 Santa Clara County
Multi-Jurisdictional Program for Public Information (PPI)

cc: R. Gibson, D. Rocha, S. Tran, A. Fonseca, CRS File, Egnyte electronic filing system

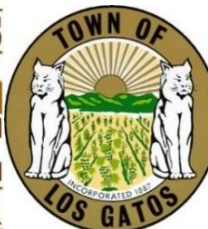
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W:\External Affairs\Office of Civic Engagement\CRS Program\62041023 Community Rating System (CRS)\CRS\PPI\PPI
Annual Evaluation Reports\2021 PPI\2021 PPI Year 2 (FY23)\07-03-23 Memo to CEO from Acting CEA_Final.docx

Santa Clara County Multi-Jurisdictional Program for Public Information 2021

Annual Evaluation Report for FY23

(Year 2: July 2022 to June 2023)



July 2023

Prepared by:

Santa Clara Valley Water District

and

Santa Clara County CRS communities

I. INTRODUCTION

The Community Rating System (CRS) is a voluntary program of the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP). The CRS program allows communities to earn flood insurance premium discounts for their residents and businesses by implementing local mitigation, floodplain management, and outreach activities that exceed the minimum NFIP requirements to reduce the risk of flooding.

In Santa Clara County, 11 (eleven) communities, including Santa Clara Valley Water District (Valley Water) have actively participated in the FEMA NFIP CRS for over 30 years.

The CRS participating communities (CRS communities) are City of Cupertino, City of Gilroy, City of Los Altos, City of Milpitas, City of Morgan Hill, City of Mountain View, City of Palo Alto, City of San Jose, City of Santa Clara, City of Sunnyvale, and the Santa Clara Valley Water District (Valley Water).

CRS communities, along with their external non-governmental stakeholders, non-CRS communities: *City of Saratoga, Town of Los Altos Hills, Town of Los Gatos, and the County of Santa Clara* who opted to join the 2021 Program for Public Information (PPI), comprised the 2021 PPI Committee. The original 2021 PPI Committee is listed in *Table 1. Original Members of the Santa Clara County Multi-Jurisdictional 2021 PPI Committee* of the 2021 PPI (*Attachment 1*). Since the development of the 2021 PPI, there may have been changes to the community's original 2021 PPI Committee members (*either the internal representatives to the organization and/or the external stakeholders*). Those member changes are noted on the meeting attendance sheets.

For CRS credit, FEMA requires that each CRS community provide at least two representatives to the regional PPI Committee, with at least half of the representatives from outside the local government. Additionally, at least half of the representatives must attend all the meetings of the regional PPI Committee. Non-CRS communities are also required to provide an external stakeholder.

An important benefit of the PPI Committee's work is close collaboration between local public agency staff who work on flood protection throughout Santa Clara County. Together, PPI Committee members continue strengthening their individual CRS programs and ensuring communities can evaluate their flood programs against a nationally recognized benchmark.

The 2021 PPI Committee, the remaining non-CRS communities (City of Campbell and City of Monte Sereno), and other interested parties make up the Santa Clara County CRS Users Group.

The Santa Clara County CRS Users Group collaborates to ensure floodplain management activities provide enhanced public safety, reduced damage to property and public infrastructure, and avoidance of economic disruption and loss in Santa Clara County. Through the five-year PPI development and the annual reporting process, members of the SC County CRS Users Group learn from one another about local floodplain management activities, including flood protection and land use issues. For both the Santa Clara County CRS Users Group and the 2021 PPI Committee, the PPI is one of the most impactful activities of the CRS program.

Under the CRS program, flood insurance premium rates are discounted to reward CRS communities' actions that meet the three goals of the CRS:

- (1) reduce flood damage to insurable property
- (2) strengthen and support the insurance aspects of the NFIP; and
- (3) encourage a comprehensive approach to floodplain management.

Flood insurance premiums for CRS communities are reduced in 5% increments for every 500 CRS points earned. As of April 30, 2023, the total savings for Santa Clara County residents from CRS discounts is approximately \$1.5 million.

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Valley Water is the lead flood risk reduction agency for Santa Clara County. Valley Water performs many flood preparedness outreach and stream stewardship/maintenance activities that earn credit points for CRS communities. Since Valley Water is not a land-use agency, the points Valley Water earns, as a “fictitious community, provide a foundation upon which the CRS communities can build. FEMA approved this unique arrangement with Valley Water in 1998.

The *CRS Coordinator’s Manual, 2013 Edition*, included the option to undertake a Program for Public Information (PPI) which is a method that standardizes our flood risk and loss reduction outreach messages and increase communities’ CRS points. Each participant of the PPI Committee brings unique perspectives and suggestions that enhance the PPI. Each community must adopt the PPI through a formal vote by the community’s governing body.

In 2013, Valley Water initiated and facilitated the effort to develop the first Multi-Jurisdictional PPI so that all Santa Clara County CRS communities could work together and benefit from this activity. Non-CRS communities were also invited to participate in the development of the PPI. This work effort resulted in the 2015 Multi-Jurisdiction PPI (2015 PPI).

On April 14, 2015, Valley Water’s Board adopted the 2015 PPI, which sunset in April 2020. Following Valley Water’s lead, the other CRS communities’ governing bodies adopted the 2015 PPI soon thereafter.

Under the CRS, the PPI must be updated every five years. Each subsequent year after adopting the PPI, the PPI Committee must submit an annual evaluation report to FEMA describing the PPI implementation for the prior fiscal year. The PPI Committee must evaluate whether the flood risk reduction messages in the PPI are still relevant and adjust the PPI, if needed. The annual evaluation report is shared with each CRS community’s governing body as an informational item.

As required, annual evaluation reports for FY16 (Year 1 of the 2015 PPI) through FY19 (Year 4 of the 2015 PPI) were prepared, sent to each CRS community’s governing body, and included in each community’s respective annual recertifications or as part of a community’s documentation for those that were cycled on any given year.

In FY20 (Year 5 of the 2015 PPI), the PPI Committee was required to update the 2015 PPI. The Insurance Services Office (ISO), FEMA’s CRS program management contractor, exempted the PPI Committee from submitting an annual evaluation report for FY20 (Year 5 of the 2015 PPI) as the committee focused on updating the document.

In February 2020, Valley Water hosted the start of the five-year PPI updated process. Fifteen Santa Clara County communities worked together to update the 2015 PPI. These communities included the current 11 CRS communities as well as four non-CRS communities that expressed interest in joining the 2015 PPI and possibly the CRS program. Staff and external stakeholders from each agency participated in developing the new PPI.

In March 2020, the Coronavirus (COVID-19) outbreak started. The California State Emergency Services Act, the Governor’s Emergency Declaration related to the COVID-19 pandemic, the Governor’s Executive Order N-29-20, and Order of the County of Santa Clara Public Health Officer dated March 16, 2020, went into effect.

The COVID-19 pandemic caused far-reaching, unprecedented changes. Businesses and organizations faced economic and operational uncertainty across every industry and sector. The workforce impacts during COVID-19 caused delays beyond control, including the PPI Committee’s ability to continue its work of updating the 2015 PPI. Many communities shifted priorities to respond to the public health crisis; therefore, FEMA provided an extension of completing the update to the 2015 PPI to early 2021.

The 2021 PPI Committee reconvened in October 2020 to resume the 2015 PPI update. Several virtual meetings followed until the 2021 PPI Committee completed the 2021 PPI in April 2021. The 2021 PPI was adopted by CRS communities, as indicated in *Table 1. Dates 2021 PPI Adopted*.

II. 2021 PPI DEVELOPMENT PROCESS

Valley Water, CRS and non-CRS communities initiated the 2021 PPI process in February 2020. Due to

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COVID-19, discussions were postponed, and reinitiated the process in October 2020. The Santa Clara County 2021 Multi-Jurisdictional Program for Public Information document was completed in April 2021 (refer to Section I. Introduction for COVID-19 related delays).

Virtual meetings were held between 2020 and 2021 to develop the 2021 PPI. FEMA's six priority topic messages and the three additional messages identified in the 2015 PPI carried forward into the 2021 PPI. The 2021 PPI Committee felt all nine topics and supporting messages were still relevant for reaching Santa Clara County residents and ensuring they are Flood Ready.

The below listed is Table 3 in the 2021 PPI: CRS Priority Messages

Topic Number	Topic message	Public Message (Select one message per topic)
TOPIC #1	Know your flood hazard	• Know your flood risk • Contact your floodplain manager to find out if your property is in a floodplain • Check if your home or business is in a Special Flood Hazard Area
TOPIC #2	Insure your property for your flood hazard	• Get flood insurance ahead of time • Insure your property • There is a 30-day waiting period for the policy to take place
TOPIC #3	Protect people from the flood hazard	• Put your 3-day emergency kit together • Follow evacuation orders • Learn the best route to high ground
TOPIC #4	Protect your property from the flood hazard	• Protect your home from flood threats • Prepare your home • Sandbags can offer protection against a foot or less of floodwater • Get sandbags before a flood
TOPIC #5	Build responsibly	• Build responsibly in floodplains • Comply with development requirements • Check with your city/county floodplain manager before you build
TOPIC #6	Protect natural floodplain functions	• Keep creeks clean and flowing • Keep debris and trash out of our streams • Don't pollute, dump, or drain anything in creeks
Additional Outreach Topic Messages (only one message per topic)		
TOPIC #7	Develop an emergency plan	• Develop an emergency plan
TOPIC #8	Download disaster apps	• Download disaster emergency apps
TOPIC #9	Understand shallow flooding risks— don't drive through standing water	• Understand shallow flooding risks - don't drive through standing water

The 2021 PPI Committee worked between the meetings to draft the 2021 PPI and review the extensive list of outreach and flood response projects (*Attachment 2*).

Based on the 2021 PPI Committee's evaluation of the 2015 PPI, the consensus was that most of the 2015 PPI flood risk reduction messages were still relevant, so only minor edits were incorporated as needed. This became the basis for the 2021 PPI; therefore, no additional FEMA review was required, as the 2015 PPI already ensured its provisions were fully compliant with FEMA requirements.

The number of CRS points that the 2021 PPI activities will earn is determined by FEMA's CRS Specialist and Technical Reviewers from ISO. The PPI Committee estimates that of the possible 350 points for Activity 330, each CRS communities could earn up to 300+/- points for PPI efforts.

Once Valley Water approved the 2021 PPI (5-Year Plan), the final document was provided to the 2021 PPI Committee to present to their governing bodies for adoption and implementation. *Table 1. Dates of 2021 PPI Adoption* shows the 2021 PPI approval dates by each agency; all 11 CRS communities have

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adopted the 2021 PPI.

Table 1. Dates 2021 PPI Adopted

Community	Date Presented	Adopted
Santa Clara Valley Water District	4/27/21	X
City of Cupertino	8/17/21	X
City of Gilroy	7/01/21	X
City of Los Altos	7/13/21	X
Town of Los Altos Hills (*non-CRS community)	Not required	Not required
Town of Los Gatos (*non-CRS community)	Not required	Not required
City of Milpitas	5/18/21	X
City of Morgan Hill	6/16/21	X
City of Mountain View	6/22/21	X
City of Palo Alto	6/14/21	X
City of San Jose	11/16/21	X
City of Santa Clara	7/06/21	X
County of Santa Clara (*non-CRS community)	Not required	Not required
City of Saratoga (*non-CRS community)	Not required	Not required
City of Sunnyvale	6/29/21	X
Total Approved		11

**Non-CRS communities are encouraged to participate in Santa Clara County CRS Users Group and/or PPI Committee ongoing efforts and initiatives; however, for those that opted to participate in the 2021 PPI, are not required to adopt the PPI or share annual evaluation reports with their governing bodies.*

III. ANNUAL EVALUATION REPORTS

The 2021 PPI states that the 2021 PPI Committee will meet at least once yearly to evaluate the PPI and incorporate any needed revisions. This meeting is coordinated in conjunction with the ongoing CRS User's Group meetings, which occur at least twice a year.

The evaluation will cover the following:

- Review of projects that were completed;
- Evaluate progress toward outcomes;
- Provide recommendations on projects that have not been completed;
- Provide recommendations for new projects not previously identified;
- Address any Target Audience changes; and
- Assess the impact of the program during an actual flood event if one has occurred.

The 2021 PPI Committee prepares the annual evaluation report for submission with each CRS community's annual CRS recertification package (or schedule 5-year cycle visits). The annual evaluation report is then shared with each CRS communities' governing body as an informational item.

Section V. 2022 Santa Clara County CRS Users Group/PPI Committee Meetings – Monitoring and Evaluating the 2021 PPI of this annual evaluation report summarizes the meetings held to develop the FY23 Annual Evaluation Report (Year 2 of the 2021 PPI).

Table 2 below shows how each community expects to share the FY23 Annual Evaluation Report with its governing body.

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Table 2. How the 2021 PPI Annual Evaluation Report for FY23, Year 2 will be shared with Community's Governing Body

Community	Method for Sharing
Santa Clara Valley Water District	Board Non-Agenda Item
City of Cupertino	Consent Item Council Agenda
City of Gilroy	Consent Calendar
City of Los Altos	Council Consent Calendar or Informational Staff Report
Town of Los Altos Hill (<i>*non-CRS community</i>)	Not required
Town of Los Gatos (<i>*non-CRS community</i>)	Not required
City of Milpitas	Memo to City Council
City of Morgan Hill	Council Consent Calendar
City of Mountain View	Council Weekly Update "Council Connection"
City of Palo Alto	Informational Staff Report
City of San Jose	Council Consent Calendar
City of Santa Clara	Council Consent Calendar
County of Santa Clara (<i>*non-CRS community</i>)	Not required
City of Saratoga (<i>*non-CRS community</i>)	Not required
City of Sunnyvale	City Manager's "Update Sunnyvale"

**Non-CRS communities are not required to share annual evaluation reports with their governing bodies.*

IV. 2021 PPI ACCOMPLISHMENTS FOR FY23

The 2021 PPI Committee identified three efforts needed from each CRS community in order to prepare and finalize subsequent annual evaluation reports.

1. Governing bodies must adopt the 2021 PPI (*Table 1. Dates 2021 PPI Adopted*). The 2021 PPI Committee must prepare an annual evaluation report and share the reports with its governing body as informational items (*Table 2. How the 2021 PPI Annual Evaluation Report for FY23, Year 2 will be shared with Community's Governing Body*).
2. For each fiscal year (*July 1 - June 30*), the communities must carry out and monitor the implementation of the outreach/flood response projects identified in Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community of the 2021 PPI (*Attachment 2*).
3. The PPI Committee must review and consider the 'New Initiatives' identified in the 2021 PPI (*page 66*) for advancing flood risk reduction efforts.

Governing Bodies Approval: Including Valley Water, all 11 CRS communities' governing bodies adopted the 2021 PPI. The approval dates are shown by each agency (Community) in *Table 1. Dates of 2021 PPI Adopted* noted above.

Tracking System: The 2021 PPI is multi-jurisdictional and includes 15 agencies (*11 CRS communities and four non-CRS communities*). Tracking implementation is quite complex compared to a single-agency PPI. As the informal lead agency, Valley Water oversees the record-keeping to ensure consistency throughout the county. An electronic file-sharing system, Egnyte, is set up with folders for each community to file and share documents related to the 109 potential outreach/flood response projects identified in the 2021 PPI and all CRS-related documentation. This also includes a comprehensive spreadsheet tracking which lists projects that were accomplished in any given fiscal year by each individual community (*Attachment 2*). This spreadsheet, along with the annual evaluation report, will be submitted with annual CRS recertifications or as part of scheduled 5-year cycle visits.

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ISO assigns credit for Valley Water outreach/flood response projects to all Santa Clara County CRS communities' ratings. Some communities also choose to carry out and report on their own outreach/flood response projects, in addition to those of Valley Water. These projects are shown on the composite spreadsheet (*Attachment 2 - Appendix A from 2021 SC County Multi-Jurisdictional PPI noting FY23 Project Accomplishments*) and include input from each agency.

The PPI Committee discussed the benefits of using the Egnyte shared-filing system for tracking the 2021 PPI outreach/flood response projects and all CRS-related documentation. The PPI Committee also discussed the importance of ensuring each agency regularly uploads its CRS documentation. These benefits are:

- Information Share/Knowledge Transfer: CRS communities can view each other's program documentation. When a community improves its CRS rating, another community can access the documents submitted to determine how the CRS credited activities helped improve the score.
- Document Repository: A central location for CRS-related documentation, organized to mirror the CRS Coordinator's Manual (by community/activity/element), proves helpful when a community experiences staff turnover.
- Documentation Submittals: CRS documents are organized and easy to share with the CRS Specialists conducting cycle visits and/or annual recertification.

Summary of PPI Projects Accomplished in FY23

The complete list of outreach/flood response projects is included as Attachment 2 of this annual evaluation report, listing all projects proposed in the 2021 PPI, with a "Project Accomplishments" column noting actions taken during the second year of the PPI, FY23.

Audiences	Projects Accomplished	
Community at Large (CAL)	81 potential projects, 63 accomplished	
Residents and Businesses in the Special Flood Hazard Area (SFHA)	18 potential projects, 16 accomplished	
Messengers to Other Target Audiences (Organizations & Businesses Serving the Community)	10 potential projects, 10 were accomplished	
	*Total Accomplished Projects	89 of 109

** Note: All projects carried out by CRS communities were accomplished in FY23. Variance in the number of potential projects versus accomplished projects is due to no updates received from non-CRS communities, which is not required for this annual evaluation report.*

These numbers go well beyond the minimum requirements of the CRS program for PPI credit under Activity 330; we anticipate all CRS communities will receive the maximum number of credits for our collective efforts in FY23.

Valley Water's Outreach/Flood Response Projects

Annual Flood Awareness Campaign

Valley Water's FY23 Flood Awareness Campaign theme was "Our Climate Has Changed." It launched after the ¹Fourth National Climate Assessment was published; there could not have been a better time for this conversation. The federal report assessed that intense extreme weather and climate-related events are becoming more frequent and will have catastrophic impacts on vulnerable communities, infrastructure, ecosystems, and our economy. Extreme storm events could result in more frequent and severe flooding in our region. Valley Water's message emphasized its commitment to reducing flood risks and protecting the community but acknowledged that we cannot eliminate all risks. Thus, our communities must adapt and prepare; and it starts with being informed and aware of risks.

¹ US Global Change Resource Program (USGCRP) has a legal mandate to conduct a state-of-the-science synthesis of climate impacts and trends across U.S. regions and sectors every four years, known as the National Climate Assessment (NCA).

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An educational paid advertising campaign supplemented Valley Water's community outreach effort. The advertising campaign was supported by a series of formative research to understand target audiences and their awareness levels and explore what educational messages and images most appealed to them.

The Flood Awareness Campaign lasted four months, from mid-November 2022 to February 2023. The paid advertisement campaign cost a total of \$330,000.

Valley Water's FY23 Annual Flood Awareness Campaign continued the shift from general digital and public space advertising to a series of direct mailings to the 51,120 homes and businesses in Santa Clara County's FEMA SFHA.

Valley Water sent two separate targeted mailers to all homes and businesses in or near a high-risk flood area, as designated by the FEMA SHFA. The mailers were multilingual (English, Spanish, Chinese, and Vietnamese) and are posted on Valley Water's website.

1. Annual Floodplain Mailer (FPM) - Valley Water's multi-language (English, Spanish, Chinese, and Vietnamese) annual FPM "Our Climate Has Changed - Be Aware, Be Prepared, Take Action" (dated 11/22) mailed on November 28, 2022. <https://online.flipbuilder.com/tkap/tmie/>
2. Trifold "You Live in a Flood Zone— Make Sure You Are Ready. Do You Know What to Do Before, During, and After a Flood?" mailed on January 6, 2023. <https://online.flipbuilder.com/tkap/zmx/>

Additionally, Valley Water's FY23 Countywide Mailer (CWM) included a 'Floods Can Follow Droughts' section and was sent starting November 8 through 18, 2022, countywide to 744,025 addresses (USPS: ECRWSS - Extended/Enhanced Carrier Route Walking Sequence Saturation Postal Customer). The CWM includes flood protection and preparedness measures information, knowing your flood risk, getting flood insurance, developing an emergency plan and kit, protecting your home from flood threats, signing up for AlertSCC and the American Red Cross Disaster Emergency App, and understanding shallow flooding – Turn Around Don't Drown®. https://s3.us-west-1.amazonaws.com/valleywater.org.us-west-1/s3fs-public/2022-10-26_Drought%20Countywide%20Mailer.pdf

Lastly, 'Are You Flood Ready?' multilingual postcards that included the nine CRS topics and supporting messages, and links to various flood readiness/preparedness webpages were produced and distributed. <https://www.valleywater.org/are-you-flood-ready>

Requested copies of the FPM, postcards, and trifold mailers were sent to all Santa Clara County cities and county Public Works and Planning Departments.

Public Agency	Annual Floodplain Mailer (FPM)	Postcard	Trifold (Mailed Jan 2023)
	(Mailed late Nov 2022 and early Jan 2023)		
City of Los Altos	50	100	20
Town of Los Altos Hills	25	150	20
City of Milpitas	50	25	20
City of Mountain View	25	25	20
City of Cupertino	100	100	20
VW CRS Program	150	300	20
All other 10 cities & County (10 count)	250 25 count each	250 25 count each	200 20 count each

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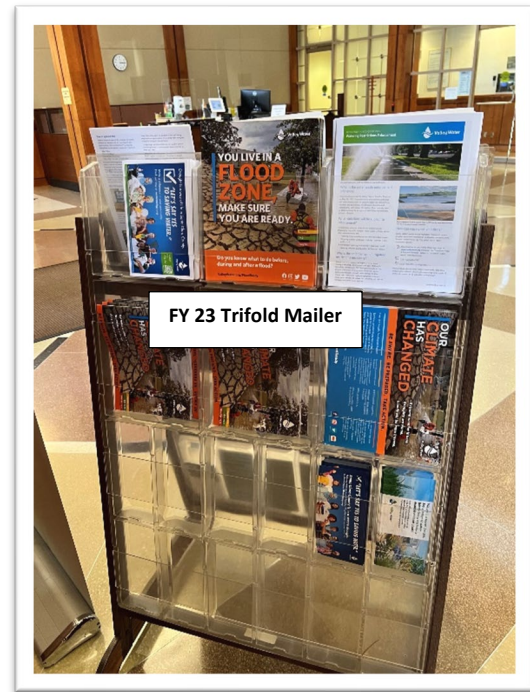
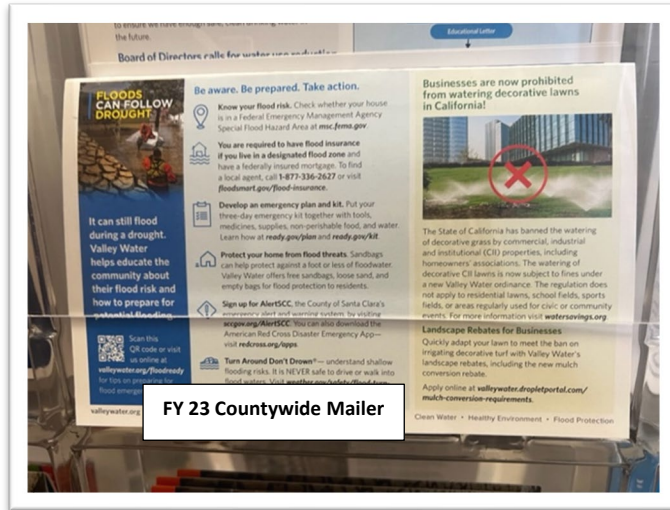
In mid-November 2022, Valley Water's 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit, 'Our Climate Has Changed,' was made available for download to all partnering agencies, including CRS communities. The toolkit provided links to the multilingual annual FPM, the 'Flood Can Follow Droughts' 2001-2023 Timeline, the 'Are You Flood Ready?' postcard, social media graphics and videos that included messages for all nine flood awareness tips (PPI CRS message topics), and blog posts for all Santa Clara County communities to use. <https://www.dropbox.com/s/p438zrw8lwi614r/Flood%20Awareness%202022-2023%20Partner%20Toolkit.pptx?dl=0>.



Valley Water HQ Lobby Displaying Flood Readiness Materials

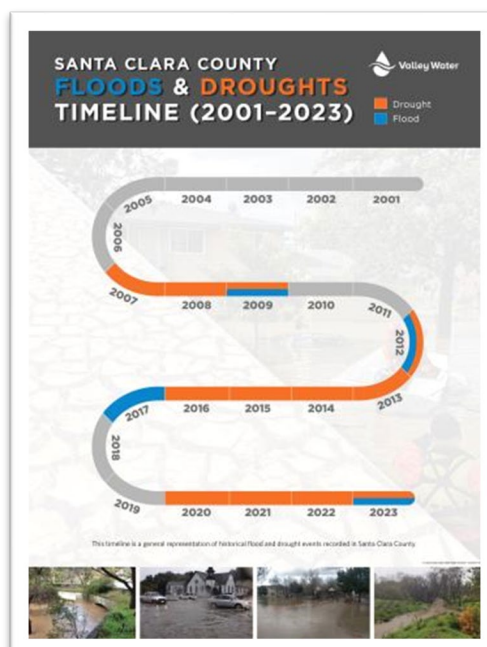


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During FY23, Santa Clara County experienced a drought emergency. Valley Water's annual FPM reminded everyone that flooding can happen anytime it rains and that climate change has made extreme weather the new normal. Drought conditions can harden the ground and increase run-off to streams and creeks during the first few days of heavy rain, increasing the risk of flooding. In addition, the flood mailer showcased Valley Water's ongoing flood protection projects in areas susceptible to flooding.

In FY23, the FPM featured a QR code, a cling with important flood safety websites, a detachable emergency phone list, photos of our most recent flood protection projects, and a graphic image displaying how historical floods have followed droughts in Santa Clara County (see below attached "Santa Clara County Floods & Droughts Timeline [2001-2023]").



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Valley Water also deployed a small-scale multilingual social media campaign, with the slogan "Flooding can happen during a drought," on social media and web platforms. The campaign launched in Winter FY23, starting with the season's first rains, and continuing through March 2023.

A key strategy for the paid flood awareness campaign was incorporating the 2021 PPI 6 priority topics and the three additional outreach topics, including messages supporting the nine topics, in Valley Water ads. Staff crafted messages derived from Valley Water's annual FPM to residents in the SFHA. Additionally, the Valley Water Board of Directors shared posts on Nextdoor highlighting the "Flooding can happen during a drought" messaging and the nine CRS topics in Winter 2022-23. Valley Water also posted a flood preparedness blog, a digital copy of the FPM, and a guide on what to do before, during, and after a flood.

Valley Water 2022-23 Flood Media Campaign (October 2022 – February 2023)

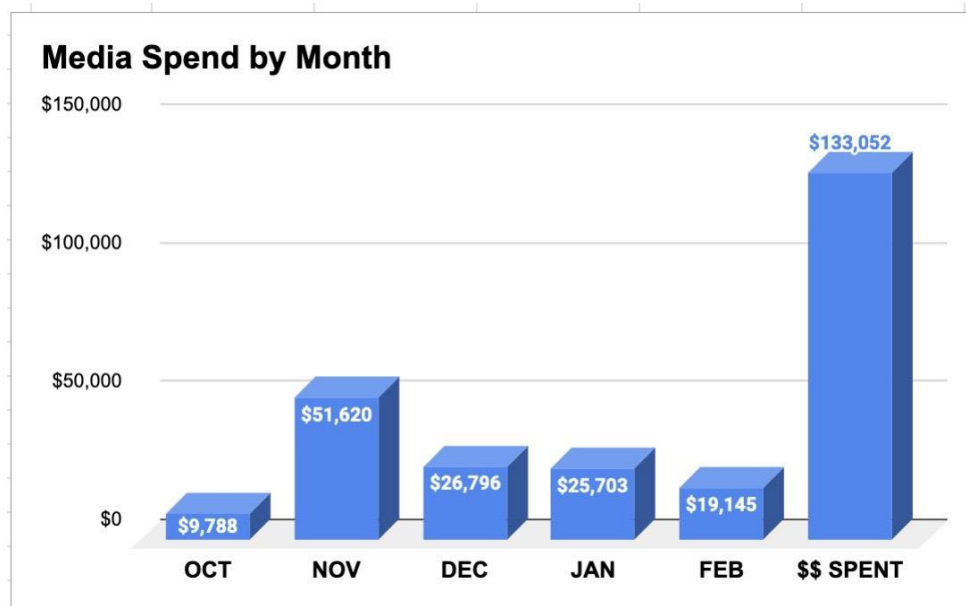
Target: Santa Clara County residents

Objective: Flood Awareness for All SCC Residents

Digital ads targeted residents and commuters in or near the SFHA, using zip codes from published FEMA flood maps.

The Media Plan

MEDIA PLATFORM:	TARGET:	BUDGET	\$\$ SPENT	IMPs	CPM
Digital Banners (four languages)	Zip Codes	\$18,000	\$18,000	6,246,254	\$2.88
Social Media (FB - IG - ND)	SCC	12000	\$9,552	267,508	\$35.71
AUDIO (Local On Air and Streaming)	SCC	75500	\$75,500	3,339,773	\$22.61
LOCAL NEWSPAPERS (Online)	SCC	\$30,000	\$30,000	2,625,000	\$11.43
OVERALL TOTALS:		\$135,500	\$133,052	12,478,535	\$10.66



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The Ads

Boosts: Animated Facebook posts “Boosted” on Facebook, Instagram, NextDoor

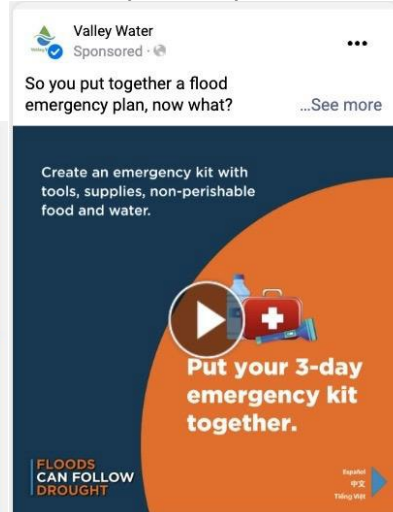
Boost #1 (Nov8-9)



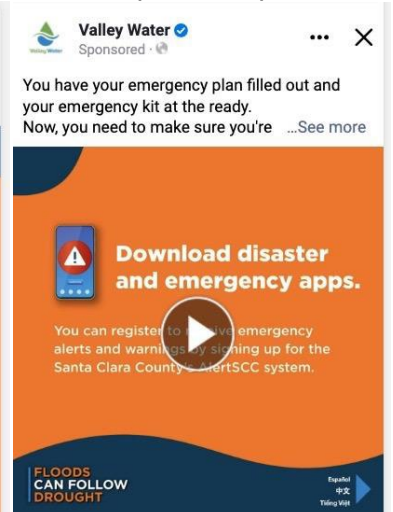
Boost #2 (Dec01-05)



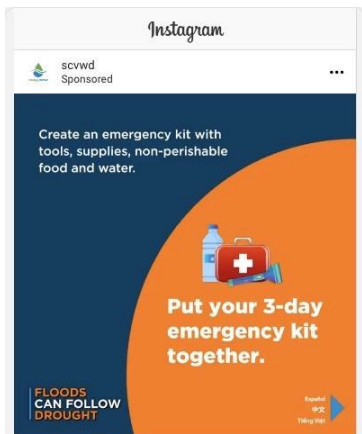
Boost #3 (Dec7-11)



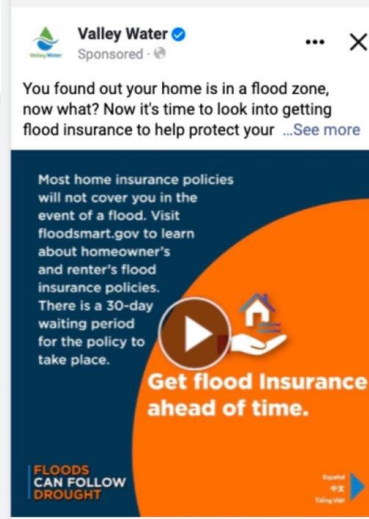
Boost #4 (Dec26-30)



Boost #5 (Dec28-31)



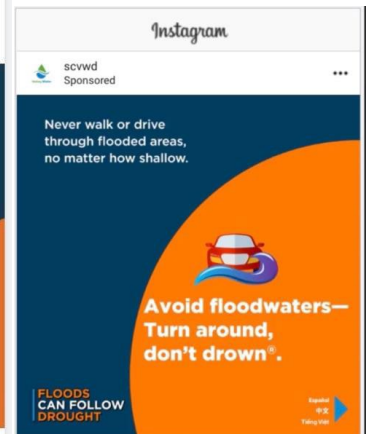
Boost #6 (Jan4-10)



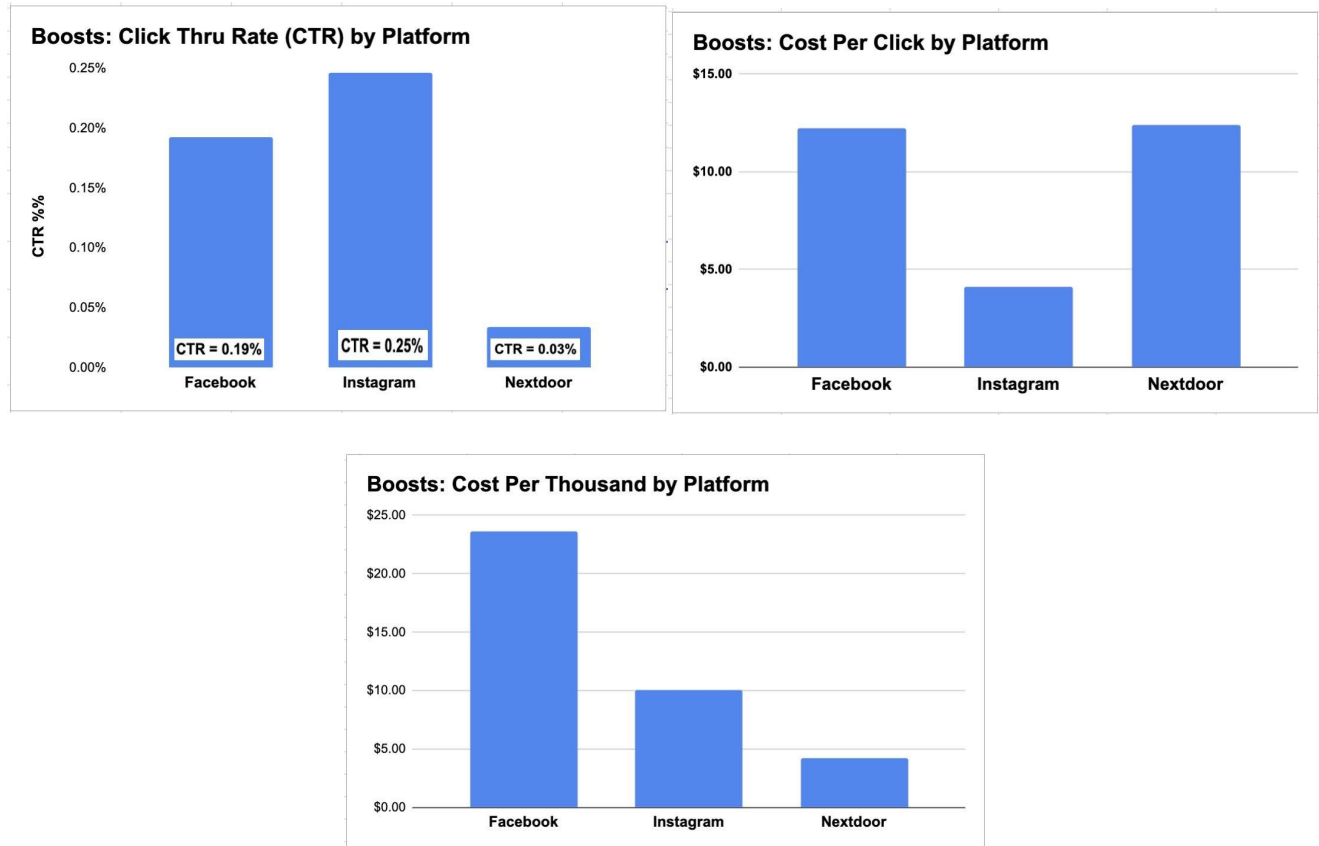
Boost #7 (Jan10-17)



Boost #8 (Jan15-20)



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 **Best BOOST performance:**

Boost #6: *So you found out your home is in a Flood Zone...*

 Ad seen 171,113 times

 Ad clicked on 425 times

 Lowest Cost Per Click: \$2.42 on Facebook

Display Ads

300X250

Served to all adults in Santa Clara County

Delivered: 6,246,254 Impressions

Audio

30-second audio ads served via Streaming and Local On-Air Radio stations

Delivered: 1,724,173 Impressions

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FY 23 Flood Awareness Campaign Results

Valley Water also used its monthly newsletter, news blog, and social media profiles to enhance flood awareness efforts before and during forecasted storms starting as early as September 2022. During the length of the campaign and leading up to anticipated storm events, Valley Water posted flash flood warnings, shared posts with critical messages about flood safety, and promoted the Flood Watch Tool throughout the winter.

Valley Water's flood protection resources page at ValleyWater.org/floodready serves as a hub of flood safety information with icons leading to a series of related web pages, including information on flood zone maps, signing up for emergency alerts, sandbags, reporting local flooding, and safety tips.

All cities and the county were requested to add a link redirecting site visitors from their respective flood protection resource pages and/or homepage to ValleyWater.org/floodready, Floodsmart.gov, and Ready.gov.

All Santa Clara County communities received hard copies of Valley Water's FPM, postcard, and trifold for their outreach efforts.

Valley Water shared the 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit with all Santa Clara County cities/county, including CRS communities. The toolkit provided links to the multilingual annual FPM, social media graphics, messages for all nine flood awareness tips (PPI CRS message topics), and blog posts for all communities to use.

The 2022-2023 post-Flood Awareness Campaign survey found:

- 39% recalled receiving mail with information about flood safety (59% in 2021-22).
- 64% are confident they have taken all necessary precautions to protect themselves from floods (76% in 2021-22).
- 43% rate the job Valley Water is doing at keeping them informed as excellent, good, or fair (61% in 2021-22).
- 48% are aware that their home was located in a flood zone awareness over last year (56% in 2021-22).
- 39% of respondents clearly understood Valley Water's three main calls to action to be Flood Ready [*develop an emergency plan, build an emergency kit, and get flood insurance*] (58% in 2021-22).
- 39% of respondents have flood insurance; 15% of renters polled have insurance (51% in 2021-22).

The results above demonstrate an effective campaign that is less expensive than general advertising, yielding a savings of approximately \$150,000 with more robust results. Based on the findings, we will continue with targeted mailings to the FEMA SFHA as our outreach strategy for the flood awareness campaign rather than targeted advertising.

Flood Emergency Starter Kit Distribution

Pilot 'Get Flood Ready' Flood Event Kits (Flood Kits) were distributed to all cities and the county from late October through early November 2022. The Flood Kits included the following items: rolling storage bins, customized and branded (both Valley Water and agency's logos) 'Get Flood Ready' banners and tablecloths, flood emergency starter kits, flood preparedness materials, and giveaway items. The Flood Kits will standardize local flood-preparedness outreach throughout the county and expand Valley Water's 'Get Flood Ready' campaign.

In addition to the Flood Kits, CRS will increase and broaden our flood-preparedness outreach to underserved communities by partnering with other community organizations to distribute multilingual flood-preparedness materials and flood emergency starter kits.

This year, Valley Water acquired 6,000 flood emergency starter kits (Starter Kits). These Starter Kits will be distributed by all Santa Clara County communities and Valley Water's CRS and other public-facing programs.

The Starter Kits include essential supplies, such as a hand squeeze flashlight, rain poncho, safety whistle, N95

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mask, and gloves. These popular Starter Kits encourage the community to 'Get Flood Ready' by developing an emergency plan and putting together a more comprehensive three-day emergency kit.

CRS communities Outreach/Flood Response Projects

The 2021 PPI Committee identified the outreach/flood response projects for each community. The implementation of these projects is reflected in the 'FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments' column of Attachment 2.

Valley Water Education Outreach Program

Valley Water's Education Outreach includes flood awareness messaging in every program presented year-round. A dedicated flood-focused program is offered from October through April, depending on the rainfall situation in any given year.

Valley Water's role as a flood protection agency is highlighted in all presentations so that participants in the Education Outreach Programs know that flood protection is one of Valley Water's core objectives in Santa Clara County.

Flood-focused Programs

Education Outreach has three programs focusing on flood awareness and preparedness: 'The Three Little Pigs and The Bad Weather Wolf,' 'Mapping Landforms,' and 'Watershed Maps.'

In FY23, Valley Water more than doubled its flood-focused programs from FY22. A high demand for in-person programs brought us back into the community and schools; therefore, we added a third flood-focused program, 'Mapping Landforms,' for 1st - 2nd grades. The demand for flood-focused programs was due to the unusually long rainy season extending into April 2023.

The results of Flood-focused programs delivered between October 2022 and April 2023 are as follows:

- 113 Presentations
- 2,751 Attendees
- 122 Educators

Flood Awareness Messaging

In addition to the Flood-focused Programs, the Education Outreach Program provided additional flood awareness messaging in their general classroom presentations, STEAM (*Science, Technology, Engineering, Art, and Math*) programs, libraries, and camp programs.

The results of the general flood protection messaging between October 2022 and April 2023 are as follows:

- 233 Presentations
- 8,548 Attendees
- 323 Educators

Community Events and Engagement

Booth Support at Events

Valley Water staff made a concerted effort to actively participate in community events, including community festivals and emergency preparedness affairs, particularly in communities and neighborhoods in or near flood zones. In FY23 (*from September 2022 – May 2023*), both Valley Water and the communities staff hosted 18 booths

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and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual FPM. Those events are listed below.

1. 2022 Santos Family 16th Annual Car Show-9/3/22 Alviso, CA
2. Emergency Preparedness Resource Fair-9/10/22 San Martin, CA
3. Mountain View Art & Wine Festival-9/11/22
4. Assembly Member Ash Kalra's VeggieFest-9/17/22 San Jose, CA
5. Rotary Club Fall Festival-9/24/22 Cupertino, CA
6. Friends of Stevens Creek Trail Trailblazer Race-9/25/22 Mountain View, CA
7. Fall Festival at Martial Cottle Park-10/1/22 San Jose, CA
8. Santa Clara Parade of Champions-10/1/22
9. Pumpkins in the Park-10/8/22 San Jose, CA
10. Bay Area Diwali Festival of Lights-10/8/22 Cupertino, CA
11. Supervisor Lee's Day on the Bay-10/8/22 Alviso, CA
12. Santa Visits Alviso-12/10/22
13. AAUW Wildflower Run-3/26/23 Morgan Hill, CA
14. VMC Foundation Women's Leadership & Policy Summit-4/29/23 Saratoga, CA
15. Tech Interactive Tech Challenge-4/30/23 San Jose, CA
16. Berryessa Art Festival-5/13/23
17. San Jose Giants-5/13/23
18. Campbell Boogie Music Festival, 5/20/23-5/21/23

Speakers Bureau Program

In FY23, [Valley Water's 'Let's Talk Water: Speakers Bureau Program'](#) reached the 18 organizations listed below. All general presentations include mention of flood protection, the need to 'Get Flood Ready' regardless of the county's drought status, and links to Valley Water's 'Flood Ready' information and resources webpage (ValleyWater.org/floodready), and the hotline to call to report obstructions in creeks.

Valley Water's Speakers Bureau Program can customize presentations to update community groups on water-specific issues and provide updates on projects in their area. 'Let's Talk Water' also discusses local water conservation efforts and rebate programs. The FY23 presentations that included flood preparedness information are listed below.

1. October 13, 2022 – City of San Jose Board of Retirees meeting
2. October 20, 2022 – Palo Alto Kiwanis meeting
3. October 22, 2022 – Greentown Los Altos Library event
4. November 3, 2022 – Harbor Industrial Association luncheon
5. December 6, 2022 – RE/MAX Realtor informational meeting
6. January 4, 2023 – Mount Pleasant Neighborhood Assoc meeting
7. January 18, 2023 – Cupertino Library presentation hosted by Cupertino Library Foundation
8. February 9, 2023 – Sons in Retirement: Branch 54 monthly meeting
9. February 13, 2023 – Rotary Club of Evergreen Valley meeting
10. February 14, 2023 – Santa Clara County: Sustainability Working Group presentation
11. March 1, 2023 – Seven Trees Neighborhood Association meeting
12. March 6, 2023 – Leadership Morgan Hill presentation
13. March 9, 2023 – Presentation during Mountain View Senior Center afternoon workshop
14. March 23, 2023 – Mission San Jose Rotary Zoom meeting
15. April 6, 2023 – Water 101 Academy presentation
16. April 11, 2023 – Presentation during Terraces Los Gatos monthly speaker series
17. May 4, 2023 – West San Jose Kiwanis meeting
18. May 19, 2023 – Rotary Club of San Jose Silicon Valley

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Other Community Engagement Efforts

Valley Water partnered with the Silicon Valley Bike Coalition at the Ride Out the Drought event held on October 15, 2022; the Salvation Army on October 22, 2022; Santa Visits Alviso Foundation on December 7, 2023; Sacred Heart Community Services on February 8, 2023, and Ms. Gail Osmer, homeless advocate, on March 15, 2023 by providing and/or distributing FEMA, US Army Corps of Engineers, and Valley Water multilingual flood preparedness educational materials, flood insurance promotion, AlertSCC, American Red Cross All-Hazard APP, and emergency preparedness starter kits which supports Valley Water's 'Get Flood Ready' campaign.

Additionally, presentations on flood preparedness were made at the City of Cupertino Public Safety and Community Emergency Response Team (CERT) held on October 26, 2022, and at the City of San Jose Neighborhood CERT event held on November 15, 2022. Flood resources were also shared at these events.

**V. 2023 SANTA CLARA COUNTY CRS USERS GROUP/PPI COMMITTEE MEETINGS –
MONITORING AND EVALUATING THE 2021 PPI**

The FY23 Santa Clara County CRS Users Group/PPI Committee meetings were held on March 21, 2023, and May 16, 2023. Attendance was good and quorum was met with staff from the 11 CRS communities for both meetings. Staff from some non-CRS communities, external stakeholders, and other interested parties were also in attendance. Agendas/minutes, and attendance sheets for each meeting are included (*Attachments 3-6*).

As required by CRS, the objective for both the March and May 2023 meetings was to monitor the implementation of the 2021 PPI, determine if the desired outcomes were achieved, and discuss if any changes to the 2021 PPI were needed to complete this annual evaluation report. The PPI Committee agreed that the 2021 PPI messaging and projects would remain the same for the duration of the 2021 PPI, which sunsets in 2026.

At the March 21, 2023, meeting, a draft FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments worksheet was shared with the PPI Committee for their review/input.

The PPI Committee:

- Assessed whether the desired outcomes of the 2021 PPI were achieved in FY23 and what, if anything, should be changed. The consensus of the PPI Committee is that our 2021 PPI implementation for FY23 continues to be on target and that no changes are needed. Cities with the PPI approved by their elected officials reported receiving strong support.
- Reviewed which communities have adopted the 2021 PPI. Ensured that those communities who have adopted the PPI have all the conformed/enacted copies and supporting documentation in their respective governing bodies uploaded into Egnyte and a copy sent to Valley Water.
- Provided instruction on how communities will submit their updates to Appendix A of the 2021 PPI to Valley Water for consolidating annual evaluation report, including the spreadsheet (*Attachment 2*).
- Communities were informed that all updates were due by the next CRS Users Group Meeting or sooner.
- Reviewed and discussed 'Other New Initiatives' identified in the 2021 PPI (*see below, Section VI. Future Messaging – Other New Initiatives*).

Amy Fonseca, Valley Water CRS Program Administrator asked the group to share any ideas they may have on how we could carry out a new initiative as a group.

Initiative #1 - Continue and expand the standardized flood message prepared for each community to include flood messages in utility bills yearly, including PG&E

- Utility bills will continue to be offered by Valley Water.
- The PPI Committee decided to continue discussion of this initiative discussion to the May 16, 2023, meeting; Valley Water's as Communications would be providing an update of the FY23 Flood Awareness Campaign which those results could impact and guide initiative actions.

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Initiative #2 - Expand on partnerships with local chambers of commerce to disseminate and share flood preparedness information

- Group was asked if anyone have any ideas or contacts to share? For example, the Santa Clara County Chamber of Commerce. Does anyone have any contacts with them? Who are these events catered to?
- Beginning of FY23-24 flood season, we will work together to coordinate something county-wide or locally?

Initiative #3 - Expand on outreach to the Asian and Latino communities who live in flood prone areas

- Group was asked if they had any ideas to expand outreach Asian or Latino communities in your areas that have been impacted by flooding?

Paola Giles, Valley Water Communications offered that we could reach out to school districts (specific schools with the Asian/Latino demographics), libraries, recreational and senior centers.

Jenn Chu, City of Cupertino mentioned that their Safe Routes to School Coordinator meets with schools and provides flyers, communications.

- Valley Water shared the ArcGIS Online: Valley Water Open Data <https://data-valleywater.opendata.arcgis.com/>, a free public data and resource. We demonstrated the Disadvantaged Community Web Mapping Application layer: <https://gis.valleywater.org/portal/apps/webappviewer/index.html?id=9c12e4acd60d4e14a4839ce01fcc8bc2>.

Initiative #4 - Expand on outreach to “hot spot” flood-prone areas by hosting on-site or virtual events

Pointed out that the ArcGIS tool has several layers, including Santa Clara County Low Income Census Tracts (Poverty Zones) and Valley Water Flood Hot Spots. If any community is interested in accessing this information, reach out to Valley Water. We asked the group if there was any overlap of Valley Water’s hot spots versus their jurisdiction’s hot spots?

Initiative #5 - Expand on reaching local homeowners associations (HOA)s and apartment associations (i.e., Executive Council of Homeowners [ECHO])

Shared with the group that Valley Water’s Speakers Bureau: Valley Water’s ‘Let’s Talk Water: Speakers Bureau Program (<https://www.valleywater.org/learning-center/lets-talk-water-speakers-bureau>) offers presentations on the history of Valley Water and how we operate and includes information on flood preparedness. Presentations can be customized for groups, as requested.

Steve Golden, City of Los Altos suggested communities could assist with providing contacts for HOA’s and property management companies that interact with renters.

Initiative #6 - Expand on reaching residents in marginal and low-income communities through partnering with organizations that reach these communities (i.e., Second Harvest Food Bank and others)

Demonstrated the ArcGIS Disadvantaged Community Application Map Tool Santa Clara County Low Income Census Tracts (Poverty Zones) layer

Initiative #7 - Communities could pursue FEMA Matching Funds Grants for severe Repetitive Loss Areas

This is something we could possibly investigate in future years; as was mentioned earlier during the meeting, as part of the Feasibility Study for CRS regionalization in Santa Clara County. The immediate need is us to retain the 280 points for Activity 510 FMP that are currently credited under the 2017 County of Santa Clara Multi-Jurisdictional Hazard Mitigation Plan (MJHMP).

Valley Water and Santa Clara County are looking into Valley Water possibly developing a separate flood-centric FMP rather than including it as part of the update of the County’s 2017 MJHMP. The proposed flood-centric FMP could have a direct tie-in to this initiative; however, it may not include the RLAA element as part of the FMP.

Valley Water has shared some grant opportunities Climate Change Resiliency, CAL Office of Emergency Services (OES) with our Grant’s Team. It was also mentioned, that under Valley Water’s Safe Clean Water, we have some community grants available to cities/county through our Grants Program.

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Initiative #8 - Review and expand other public information activities, such as Flood Protection Assistance (Activity 360) and Flood Insurance Promotion (Activity 370)

This initiative ties in with the ongoing CRS regionalization efforts. We will see what recommendations come out of the draft Feasibility Study.

Initiative #9 - Develop a region-wide Flood Response Preparations (FRP) messaging plan

Demonstrated an electronic copy of the City of Santa Clara's FRP. As the PPI Committee has discussed in past meetings, we are still considering using the City of Santa Clara's FMP as a model for developing a countywide FRP that can be credited uniformly. ISO indicated this approach would likely be credited regionally.

- Discussed usage of Flood Event Kits that Valley Water provided to all communities at the end of October – early November 2022. We requested that communities share these flood preparedness resource materials with other appropriate departments within their organization.
- Provided a status update on the Feasibility Study for CRS Regionalization in Santa Clara County. Discussed the Multi-Jurisdictional Floodplain Management Plan (MJFMP) that Valley Water, its consultant, Tetra Tech, and all Santa Clara County communities will develop. This MJFMP will be a flood-centric FMP and separate from the update to the County of Santa Clara's 2017 Multi-Jurisdictional Hazardous Mitigation Plan (MJHMP).
- Reminded all CRS communities to review their flood information landing page *monthly* and to verify all links are valid and *annually* to ensure content is still relevant and current to comply with *CRS Activity 350 - Flood Protection Information, Element c*, *Flood Protection Website*, from the CRS Coordinator's Manual, CRS. They were also reminded to ensure their flood resources landing page re-directs to Valley Water's Flood Ready landing page, ValleyWater.org/FloodReady, FEMA's floodsmart.gov and ready.gov.

At the May 16, 2023, meeting, a draft 2021 PPI FY23 Annual Evaluation Report was briefly shared with the communities. The PPI Committee discussed that the FY22 Annual Evaluation Report was used as the starting basis for the FY23 Annual Evaluation Report. We reminded communities that the annual evaluation report will be due as part of communities' annual CRS recertification package, which will be due on August 1, 2023, or during scheduled 5-year cycle visits (*for Cities of Santa Clara, Palo Alto, Sunnyvale, and Mountain View*) which are tentatively scheduled to be conducted in November 2023.

Valley Water Communications staff presented an overview of the 2022-2023 Flood Awareness Campaign, including the annual FPM that was mailed in November 2022 to all addresses in the FEMA Special Flood Hazard Area (SFHA) and was also sent to city/town/county managers, public works and planning directors, and communities' staff at the end of December 2022.

Additionally, Valley Water Communications staff and their consultant, Probolsky Research, shared the FY23 post-campaign polling results the PPI Committee. It was determined that future flood awareness campaigns have an opportunity for expanded outreach to renters of both single-family homes and multi-family units, as well as providing localized historical flood information and outreach materials in public spaces. The FY24 Flood Awareness Campaign approach was discussed.

Valley Water shared the status on the Feasibility Study for regionalizing the CRS program in Santa Clara County. We are shared that Valley Water will be leading a flood-centric Multi-Jurisdictional Floodplain Management Plan (MJFMP) in lieu of including CRS requirements as part of the update of the County of Santa Clara's 2017 Multi-Jurisdictional Hazard Mitigation Plan (MJHMP).

There was discussion regarding forming a separate working group for communities scheduled to be cycled in November 2023 (Cities of Mountain View, Palo Alto, Santa Clara, and Sunnyvale). Valley Water will first meet with Marlene Jacobs, ISO CRS Specialist assigned to all Santa Clara County communities, to see what Valley Water can provide to streamline the document process for activities we perform that are creditable under the CRS program, and which said credit transfers to the CRS communities. In the July/August 2023 timeframe, a coordination meeting between Valley Water, ISO, and the communities scheduled to be cycled will be set up.

Valley Water CRS staff shared information on the Department of Water Resources (DWR) statewide agency coordination calls scheduled to begin by late June – early July 2023. The DWR calls lead up to the California Flood Preparedness Week (CFPW) held each October annually (*specific dates for October 2023 to be announced*). We

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shared Valley Water's experience participating in these calls, including the benefits of learning about CFPW, what other agencies throughout the state are doing, ways to participate, setting up lobby displays for the public, and accessing available resources for public events. All communities were strongly encouraged to participate this year, including presenting a resolution (*Valley Water's template available upon request*) to their city councils to adopt CFPW and to forward information to other staff that can help promote flood-preparedness.

We also discussed the usage of the Flood Event Kits that Valley Water provided to all communities in late 2022. Communities were encouraged to use the Flood Event Kits at various city-hosted events, safety fairs, etc., where flood preparedness messaging and materials are shared with residents. These resources will ensure our messaging and information on how to 'Get Flood Ready' is uniformed throughout the county.

The group was asked if there was interest in Valley Water, in coordination with the California State Department of Water Resource (DWR), hosting CRS/ISO training required for Certified Floodplain Managers (CFMs) for their continuing education credit requirement. The group expressed interest; Valley Water will work with Robert Lampa of DWR to explore options to bring a four-day training course to California (*possibly Valley Water's facility*) sometime in early 2024.

We reviewed actions needed to complete the development of the 2021 Multi-Jurisdictional Program for Public Information (PPI) Annual Evaluation Report, FY 23 (*Year 2: July 2022 to June 2023*). This annual evaluation report is the second report for the 2021 PPI which documents our collective outreach project activities.

VI. FUTURE MESSAGING – Other New Initiatives

The PPI Committee identified several opportunities to expand on existing initiatives and initiate new ones as follows:

1. Continue and expand the standardized flood message prepared for each community to include flood messages in utility bills yearly, including PG&E.
2. Expand on partnerships with local chambers of commerce to disseminate and share flood preparedness information.
3. Expand on outreach to the Asian and Latino communities who live in flood-prone areas.
4. Expand on outreach to 'hot spots'/flood-prone areas by hosting on-site or virtual public events.
5. Expand the reach to local homeowners associations (HOA)s and apartment associations (*i.e., Executive Council of Homeowners [ECHO]*).
6. Expand the reach to residents in historically underserved and low-income communities through partnerships with organizations that serve these communities (*i.e., Second Harvest Food Bank and others*).
7. Communities could pursue FEMA Matching Funds Grants for severe Repetitive Loss Areas.
8. Review and expand other public information activities, such as Flood Protection Assistance (Activity 360) and Flood Insurance Promotion (Activity 370).
9. Develop a region-wide Flood Response Preparations (FRP) messaging plan.

The messages that the PPI Committee originally chose are still relevant to Santa Clara County. The committee will continue to increase its efforts to encourage people to prepare personal/family emergency plans and be Flood Ready. This will be incorporated into the flood preparedness outreach starting every fall. The PPI Committee will also continue coordinating efforts with Valley Water's Education Outreach Program to promote flood preparedness in local schools.

The PPI Committee recommends continued use of social media for messaging. Mobile usage among individuals has increased exponentially over the years, and online platforms are rapidly adjusting to mobile-friendly standards. This provides an excellent opportunity to modernize campaign ad efforts by utilizing social media and digital advertising to increase exposure and reach more residents in Santa Clara County. Furthermore, these modern advertising methods allow for specialized demographic targeting to reach a narrow and defined audience, improving the ability to reach vulnerable populations effectively.

In support of our preparedness messaging, the PPI Committee will continue to promote the importance of having family emergency plans and kits ready before an emergency/flood event occurs.

The PPI Committee will continue to promote the American Red Cross All-Hazard App which monitors alerts for

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severe weather, including floods, and the Floodsmart.gov and Ready.gov websites. The communities will distribute American Red Cross Emergency Contact Cards at events throughout the county.

VII. CONCLUSION

Overall, the CRS Users Group/PPI Committee successfully implemented the 2021 PPI in FY23. The 2021 PPI allowed PPI Committee members to mutually decide which flood risk reduction messages are most appropriate for our residents and identified how to effectively deliver these messages. The objectives of participating in the 2021 PPI are to enhance the effectiveness of the flood risk messages to residents, reduce flood risks within Santa Clara County, and to earn valuable CRS credit points when identified outreach projects are implemented.

The CRS Users Group/PPI Committee will continue their outreach efforts through FY24.

Attachments for submission to Valley Water Board, City Councils/Managers, and FEMA as part of 2023 Annual Recertification/5-year Verification Package, as required:

1. Members of the Santa Clara County Multi-Jurisdictional 2021 PPI Committee
2. Appendix A from 2021 SC County Multi-Jurisdictional PPI noting FY23 Project Accomplishments
3. March 21, 2023, Santa Clara County CRS Users Group Meeting Agenda**
4. March 21, 2023, Santa Clara County CRS Users Group Meeting Attendance Sheet
5. May 16, 2023, Santa Clara County CRS Users Group Meeting Agenda**
6. May 16, 2023, Santa Clara County CRS Users Group Meeting Attendance Sheet

** Meeting minutes are included in Section V of this report.

Table 1. Original Members of the Santa Clara County Multi-Jurisdictional 2021 PPI Committee

Community	Local Government Representative and Alternates	External Stakeholders
County of Santa Clara	Chris Freitas , Sr. Civil Engineer Neville R. Pereira , PE, Development Services Manager, Department of Planning and Development, Floodplain Manager	Marsha Hovey , CADRE Board Chair
Cupertino	Chad Mosley , Assistant Public Works Director/City Engineer, Public Works Department, Floodplain Manager Jennifer Chu , Senior Civil Engineer Public Works Department	Jim Oberhofer , Emergency Coordinator Cupertino ARES/RACES
Gilroy	Gary Heap , City Engineer Public Works Department Jorge Duran , Senior Civil Engineer, Floodplain Manager Public Works Department	Merna Leal , City of Gilroy resident
Los Altos	Steven Golden , Senior Planner, Floodplain Manager Andrea Trese , Associate Civil Engineer	Christopher Wilson , Operations Manager, Los Altos Suburban District, California Water Company
Los Altos Hill	Carl Cahill , City Manager, Floodplain Manager Nichol Bowersox , Public Works Director/ City Engineer Christine Hoffmann , Assistant Engineer (DPW)	Phil Witt , General Manager Purissima Hills Water District
Los Gatos	WooJae Kim , P.E, Town Engineer Parks and Public Works, Floodplain Manager	Annamaria Swardenski , Swardenski Consulting
Milpitas	Steven Erickson , City Engineer/Engineering Director, Floodplain Manager Kan Xu , Principal Civil Engineer, Engineering Land Development Section Brian Petrovic , Associate Civil Engineer Engineering Land Development Section Elizabeth Koo , Administrative Analyst, Engineering Land Development Section	Warren Wettenstein , Chairman of the Economic Development & Trade Commission and President of the Milpitas Chamber
Morgan Hill	Maria Angeles , Senior Civil Engineer, Floodplain Manager, CFM Charlie Ha , Supervising Civil Engineer Engineering & Utilities Department	Swanee Edwards , City of Morgan Hill resident
Mountain View	Renee Gunn , Senior Civil Engineer, Public Works Department Gabrielle Abdon , Assistant Engineer, CFM	Kevin Conant , PG&E
Palo Alto	Rajeev Hada , Project Engineer, CFM Public Works Department, Engineering Services Division, Floodplain Manager	Dan Melick , CERT Volunteer City of Palo Alto resident
San Jose	Arlene Lew , Principal Engineering Technician Vivian Tom , Senior Transportation Specialist Department of Public Works Development Services Division	Shari Carlet , City of San Jose resident, certified Floodplain Manager
Santa Clara	Evelyn Liang , Senior Civil Engineer Falguni Amin , Principal Engineer Public Works – Engineering	Kevin Moore , Retired City Council member
Saratoga	David Dorcich , PE, QSP/D, Associate Civil Engineer, Community Development Department, Floodplain Manager	Rebecca Gallardo , Real Estate Agent for Interio, a Berkshire Hathaway Affiliate, servicing all areas of the Bay Area
Sunnyvale	Tamara Davis , Senior Management Analyst	Jeff Holzman , Director, Real Estate District Development Google Agnes Veith , City of Sunnyvale resident
Valley Water	Trisha Howard , Program Administrator Paola Giles , Public Information Representative III Sherilyn Tran , Office of Civic Engagement Unit Manager	Nikki Rowe , American Red Cross

Note: Since the development of the 2021 PPI there may have been changes to a community's 2021 PPI Committee members (either the local government representatives and/or the external stakeholders). Those member changes are noted on the meeting attendance sheets.

Appendix A
CRS Creditable Outreach and Flood Response Projects by CRS Community
Santa Clara County Multi-Jurisdictional PPI 2021
FY 2023 (Year 2) Project Accomplishments by CRS Communities

Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments
							INPUT HERE ONLY
Community At Large (CAL) - Multilingual Communities - Groups with Special Evacuation Needs - New Residents, Visitors and Tourists	Topic 1: Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area	Educate our community on flood protection and preparedness measures	(VW OP #01) Multi-language Countywide Mailer (CWM) to every postal address in Santa Clara County (Topics 1-5 and 7, 8)	Valley Water Communications	Each late October or November	All Santa Clara County CRS Communities	Valley Water's FY23 Countywide Mailer (CWM) included a 'Floods Can Follow Droughts' section and was sent starting November 8 through 18, 2022, countywide to 744,025 addresses (USPS: ECRWSS -Extended/Enhanced Carrier Route Walking Sequence Saturation Postal Customer). The CWM includes flood protection and preparedness measures information, knowing your flood risk, getting flood insurance, developing an emergency plan and kit, protecting your home from flood threats, signing up for AlertSCC and the American Red Cross Disaster Emergency App, and understanding shallow flooding – Turn Around Don't Drown®. https://s3.us-west-1.amazonaws.com/valleywater.org.us-west-1/s3fs-public/2022-10-26_Drought%20Countywide%20Mailer.pdf All Santa Clara communities support and promote Valley Water's outreach projects.
	Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place Topic 3: Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C – Learn the best route to high ground Topic 4: Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood Topic 5: Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build Topic 6: Protect natural floodplain functions Message 6A - Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don't pollute, dump, or drain anything in creeks		(VW OP #02) Distributes a soft copy of our Flood Safety Tips brochure for all SCC CRS communities' use (print hard copies to distribute at events and/or post of flood preparedness webpages) (Topics 1-9)	Valley Water Communications	Annually, November/ December	All Santa Clara County CRS Communities	Multilingual postcards that included the 9 CRS topics and supporting messages, and links to various flood readiness/preparedness webpages were produced and distributed to all Santa Clara County communities, including CRS communities, in early January 2023. Additionally, in mid-November 2022, Valley Water's 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit, "Our Climate Has Changed," which included the postcards, were made available for download to all partnering agencies. The toolkit includes the following items which contained messages for all nine flood awareness tips (PPI CRS message topics) for all Santa Clara County communities to use: • Key flood outreach messages, • SFHA floodplain mailer (multilingual)

¹ **Message Topics: Outreach Projects (OP):** Topic 1 – Know your flood hazard; Topic 2 – Insure your property for your flood hazard; Topic 3 – Protect people from the flood hazard; Topic 4 – Protect your property from the hazard; Topic 5 – Build responsibly; Topic 6 – Protect natural floodplain functions; Topic 7 – Develop a Family Emergency Plan; Topic 8 – Download disaster Apps; Topic 9 – Understand shallow flooding risks – "Don't drive through standing water."

Flood Response Preparations (FRP): What to Do Before, During and After a Flood/Storm

² Each September, all deliverables need to be reported to Valley Water for tracking purposes.

³ A **stakeholder** can be any agency, organization, or person (other than the community itself) that supports the message. Stakeholders can be: an insurance company that publishes a brochures on flood insurance, even if it is set out at City Hall; a local newspaper that publishes a flood or hurricane season supplement each year; FEMA, if, for example, a FEMA brochure is used as an informational material; schools that implement outreach activities; a local newspaper; a neighborhood or civic association that sponsors and hosts a presentation by a community employee; a utility company that includes pertinent articles in its monthly bills; or presentations made by state or FEMA staff at a Risk Map meeting.

Appendix A
CRS Creditable Outreach and Flood Response Projects by CRS Community
Santa Clara County Multi-Jurisdictional PPI 2021
FY 2023 (Year 2) Project Accomplishments by CRS Communities

Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments <u>INPUT HERE ONLY</u>
	<u>Topic 7:</u> Develop a Family Emergency Plan Message 7A: Develop an emergency plan <u>Topic 8:</u> Download disaster Apps Message 8A - Download disaster emergency apps <u>Topic 9:</u> Understand shallow flooding risks – don’t drive through standing water Message 9A - Understand shallow flooding risks - don’t drive through standing water FEMA’s message: “Turn Around Don’t Drown®.”						• ‘Are You Flood Ready?’ Postcard • Flood Awareness ‘Our Climate Has Changed” (dated 11/2022) double-sided flyer (multilingual) for digital use and print • Digital multilingual ads (web and social media graphics) • Videos, • Flood Awareness text, tips, and URLs (multilingual), and • Flood Can Follow Droughts 2001-2023 Timeline Cupertino distributes copies of Valley Water’s Flood Safety Tips at various fairs/events (i.e., Earth Day Festival) and provides additional copies for the public on display at City Hall. Cupertino also has a direct link to Valley Water’s annual mailer and Flood Ready webpage on the City’s “Floodplain Management” webpage. Los Altos distributes brochures available at City Hall, library, and community center. They are also distributed at community events (emergency training, wine stroll, etc.). Morgan Hill hosted ‘National Night Out’ on August 2, 2022. Flood preparedness information (Valley Water floodplain mailer, red ‘Get Flood Ready’ which includes an emergency supply list tote bags, etc.) were distributed. Mountain View promotes and distributes Valley Water’s Flood Safety Tips and emergency kits at fairs (i.e., Earth Day Celebration). Valley Water’s flood safety brochures are available at city hall. Palo Alto promotes and distributes Valley Water’s Flood Safety Tip and emergency kits at fairs (i.e., Earth Day Festival) and provides as an informational item on Utility Inserts sent every year. Valley Water’s flood safety brochures are available at city hall. The City of Santa Clara has hard copy brochures available at city hall and central library. They are distributed at the yearly art & wine festivals as well. All Santa Clara communities support and promote Valley Water’s outreach projects.

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CRS Creditable Outreach and Flood Response Projects by CRS Community
Santa Clara County Multi-Jurisdictional PPI 2021
FY 2023 (Year 2) Project Accomplishments by CRS Communities

Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments
							<u>INPUT HERE ONLY</u>
			(CUP OP #03) Flood notice in the local newsletter, "The Cupertino Scene" (Topics 1-9)	City of Cupertino	Each October or November issue	N/A	Cupertino published the annual flood preparation article in the October 2022 issue of "The Cupertino Scene".
			(LA OP #04) Two (2) newspapers ads, in the Los Altos Town Crier (Topics 1-5)	City of Los Altos	Each fall	N/A	Los Altos published two newspaper ads titled "Assess Your Flood Risk and Flood Insurance Availability" on 10/5/22 and on 10/19/22 in the Los Altos Town Crier.
			(LAH OP #05) The town's "Our Town" quarterly newsletter includes information on flood preparedness. The newsletter is mailed out town-wide and is also available online on the town's website (Topics TBD during cycle visit)	Town of Los Altos Hills	Each fall	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.
			(LAH OP #06) The town distributes various flood preparedness and safety materials at events, including Valley Water's annual floodplain mailer and promotional item (e.g., emergency starter kits, Get Flood Ready Emergency Supply Checklist tote bags, etc.), FEMA flood insurance information, ReadySCC, and American Red Cross Flood apps, AlertSCC, sandbag guidelines, flood protection project-specific notices, FEMA NFIP materials, and preparedness activity/coloring books, etc.) to the public	Town of Los Altos Hills	Annually, spring and late summer	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.
			(MIL OP #07) "Flood Public Advisory" brochure to community at large (Topics 1-6)	City of Milpitas	Each December or January	N/A	Milpitas: A utility bill insert was sent to every address in Milpitas on 11/16/22. This was sent out in four languages (English, Vietnamese, Spanish, and Chinese).
			(MH OP #08) Sends a citywide "Flood Report" brochure (Topics 1-9)	City of Morgan Hill	Annually, close to or during the start of the rainy season	N/A	It is anticipated that the City of Morgan Hill will mail out citywide the "2023 Flood Report" in late June 2023 or sometime in July 2023.
			(MV OP #09) Sends "The View" citywide newsletter, Winter version, includes information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)	City of Mountain View	Fall newsletter edition	N/A	Mountain View's publications have been updated. This year in March 2023 after a large round of storms we provided information (link to webpage, reporting flooding, sandbags) in the "City Hall Connection" which is sent to all registered users in the city.
			(MV OP #10) Mails a utility bill insert to all resident and businesses that contains information on flood risk, flood safety, and the importance of buying flood insurance (Topics 9)	City of Mountain View	Between July - September	N/A	Mountain View sent out Valley Water's Get Flood Ready flier as a utility billing insert to every City utility customer in December 2022.
			(PA OP #11) Sends the "Are You Ready for Winter Storms?" flier (aka utilities insert) to all residents and businesses in the City, along with their utility bills (Topics 1-9)	City of Palo Alto	Each Fall	N/A	Palo Alto sent "Are You Ready for Winter Storms?" fliers to all residents and businesses along with their utility bills in October 2022. The social media ad campaign (i.e. Facebook, Instagram, Nextdoor) was also included in the utility bills that went out in October 2022.
			(PA OP #12) Sends out utility announcement, "Anytime it can rain, it can flood. Don't get caught off-guard" (Topics 1, 2, 3, 4, 5, 6, 7, & 9 – will pursue adding other topic)	City of Palo Alto	Each March/April	N/A	Palo Alto sent a utility announcement as an informational announcement on utility bills went out in December 2022. Effective FY 23, the City's Public Works Department has

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							shifted from the March/April time frame of this announcement, to December each year.
			(PA OP #13) The city distributes various flood preparedness and safety documents, including FEMA NFIP materials for public/policyholders	City of Palo Alto	Year Round	N/A	Palo Alto distributed flood preparedness documents, including the emergency starters kit, to the local libraries and also made informational materials available in the HQ lobby.
			(SC OP #14) Mails out a citywide newsletter for residents and businesses called "Inside Santa Clara" (Topics 1-9)	City of Santa Clara	Each fall	N/A	Santa Clara: Citywide newsletter was sent to residents and is available on the city website in November 2022.
		Educate our community on flood protection and preparedness measures Increase in 'hits' on Valley Water and communities Flood Protection Resources webpage — <i>These website projects are credited under Activity 350 – Flood Protection Information, element c). Flood protection website (WEB), not credited under Activity 330</i> <i>Note: To receive any WEB credit, the community's website must meet the following criteria:</i> <i>The community must check the website's links at least monthly, and fix those that are no longer accurate. At least annually, the community must review the content to ensure that it is still current and pertinent</i>	(VW OP #15) Flood Ready webpage: Flood & Safety, Flood Protection Resources, includes floodplain and countywide mailers https://www.valleywater.org/floodready	Valley Water	Year Round	All Santa Clara County CRS Communities	Valley Water's flood protection resources landing page includes the most current version of the annual floodplain mailer "Our Climate Has Changed - Be Aware, Be Prepared, Take Action" (dated 11/22 https://online.flipbuilder.com/tkap/tmie/) and "Floods Can Follow Drought" countywide mailer (dated 10/2022 https://s3.us-west-1.amazonaws.com/valleywater.org-us-west-1/s3fs-public/2022-10-26_Drought%20Countywide%20Mailer.pdf), and "You Live in a Flood Zone, Make Sure You Are Ready. Do You Know What to Do Before, During, and After a Flood" trifold (dated 12/2022 https://online.flipbuilder.com/tkap/zmx/). Cupertino's "Floodplain Management" webpage has a link that redirects to Valley Water's Flood Ready landing page. Gilroy's "Flood Management" and "Emergency Preparedness" web pages link to Valley Water's Flood ready landing page. Los Altos' "Floodplain Management Information" web page links to Valley Water's Flood Ready web page. Morgan Hill's "Floodplain Management" landing page redirects to Valley Water's Flood Ready landing page. Palo Alto's "Flood Information and Winter Storm Preparedness" webpage redirects to Valley Water's Flood Ready landing page. City of Santa Clara's "Flood Protection Information" web page redirected to Valley Water's Flood Ready page. All Santa Clara communities flood protection resource landing pages redirect to Valley Water's Flood Ready landing page.

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Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments INPUT HERE ONLY
			(ALL OP #16) All communities' website flood protection resources webpage includes language that contains the three additional PPI priority messages noted below: 7. Develop an emergency plan 8. Download disaster apps 9. Understand shallow flooding risks—don't drive through standing water	All Santa Clara County Communities	Year Round	N/A	Valley Water's flood protection resources landing page includes the top 6 CRS priority topic messages, as well as the 3 additional messages identified in the 2021 PPI (page 45). Cupertino's "Floodplain Management" webpage has a link to Valley Water's annual mailer which includes the CRS 9 topics. Gilroy's "Emergency Preparedness" webpage redirects to Valley Water's Flood Ready landing page, '9 Essential Tips to Get Flood Ready.' Our Emergency Preparedness page also includes topics 7, 8, and 9. Morgan Hill's "Flood Information, Floodplain Management" webpage includes a link to the "2021 Flood Report" that includes the CRS 9 topics. Palo Alto's utility insert includes all three additional PPI priority messages, and the Flood Information and Winter Storm Preparedness website has a link to the utility insert which shows the three additional PPI. City of Santa Clara's "Flood Protection Information" webpage includes resources for preparedness.
			(SCC OP #17) Hosts a "Storm and Flood Information and Resources" webpage available for all residents in the county, includes re-directing to www.floodsmart.gov https://www.sccgov.org/sites/opa/Pages/storm.aspx	Santa Clara County Office of Public Affairs	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #18) Hosts a "Flood Safety Information" webpage, includes re-directing to www.valleywater.org/floodready https://cpd.sccgov.org/flood-safety-information	Santa Clara County Consumer Protection Division	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #19) Hosts a "Be a Prepared Community Member" webpage that includes emergency preparedness information https://emergencymanagement.sccgov.org/be-prepared-community-member	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #20) Hosts a "People with Access and Functional Needs (AFN)" webpage https://emergencymanagement.sccgov.org/people-access-and-functional-needs-a-fn	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community

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							INPUT HERE ONLY
			(CUP OP#21) Hosts a "Citizen Preparedness" webpage that includes emergency preparedness information, includes re-directing to Valley Water's www.valleywater.org/floodready webpage https://www.cupertino.org/residents/community-services-programs/emergency-services/citizen-preparedness	City of Cupertino Office of Emergency Services	Year Round	N/A	Cupertino has archived the "Citizen Preparedness" webpage and created a new "Floodplain Management" webpage: https://www.cupertino.org/our-city/departments/public-works/permitting-development-services/floodplain-management
			(GIL OP #22) The city hosts an "Emergency Preparedness" webpage Emergency Preparedness Gilroy, CA - Official Website (cityofgilroy.org) , (listed in Appendix B)	City of Gilroy Fire Department	Year Round	N/A	Gilroy continues to maintain an "Emergency Preparedness" webpage, including a link that redirects to Valley Water's Flood Ready landing page, the National Weather Service webpage, Ready.gov, FloodSmart.gov, and the City's Flood Management webpage. The Emergency Preparedness webpage is reviewed once a month and updated as needed.
			(LA OP #23) The city's Public Works Department hosts a "Flood Zone Information" webpage on its website (listed in Appendix B) https://www.losaltosca.gov/publicworks/page/flood-zone-information	City of Los Altos Public Works Department	Year Round	N/A	Los Altos' webpage is updated as needed. The webpage URL is: https://www.losaltosca.gov/publicworks/page/floodplain-management-information
			(LAH OP #24) The town hosts a "Flood Information" webpage on the town's website. This webpage includes information on the PPI nine topics, including a supporting message. The webpage redirects to the following key resource websites: www.valleywater.org/floodready , www.floodsmart.org , www.ready.gov , and www.weather.gov	Town of Los Altos Hills	Year Round	N/A	Town of Los Altos Hills: No update available - non-CRS participating community
			(LG OP #25) The town's website encourages residents and businesses to purchase flood insurance and redirects visitors to www.floodsmart.gov	Town of Los Gatos	Year Round	N/A	Town of Los Gatos: No update available - non-CRS participating community
			(MIL OP #26) The city's website has a "Flood Information" webpage that contains information on several of the PPI message topics; the webpage also redirects to Valley Water, FEMA, NOAA, www.floodsmart.gov , www.Ready.gov , and USGS webpages The city's website also has a "Important Flood Hazard Information" webpage that contains information on several of the PPI message topics; the webpage also redirects to Valley Water, FEMA, NOAA, www.floodsmart.gov (listed in Appendix B) https://www.ci.milpitas.ca.gov/milpitas/departments/engineering/flood-information/	City of Milpitas Engineering Department	Year Round	N/A	Milpitas: On-going. Link: https://www.ci.milpitas.ca.gov/milpitas/departments/engineering/flood-information/
			(MH OP #27) The city's website has a "Flood Information, Floodplain Management" webpage that contains city's flooding information which redirects to their Floodplain Management page and includes a link to the city's latest annual "Flood Report." The webpage redirects Valley Water's flood ready webpage and also contains FEMA flood information http://www.morgan-hill.ca.gov/747/Flood-Information	City of Morgan Hill Engineering Land Development	Year Round	N/A	Morgan Hill's "Flood Information, Floodplain Management" webpage will be updated to include a link to the "2023 Flood Report" brochure.

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							<u>INPUT HERE ONLY</u>
			Floodplain Management City of Morgan Hill, CA - Official Website (MH OP #28) The city's website has an "Emergency Preparedness" webpage (listed in Appendix B) http://www.morgan-hill.ca.gov/133/Emergency-Preparedness	City of Morgan Hill Police Department	Year Round	N/A	Morgan Hill continues to maintain its "Emergency Preparedness" landing page. The Emergency Preparedness landing page promotes "Do 1 Thing" a 12-month program with a goal of assisting the community to be better prepared for emergencies and disasters. This information was also included in the "Weekly 411."
			(MV OP #29) Hosts a "Flood Protection and Insurance Information" webpage on its website (listed in Appendix B) www.mountainview.gov/depts/pw/flood_protection.asp	City of Mountain View Public Works Department	Year Round	N/A	City of Mountain View's "Flood Protection and Insurance Information" web page includes resources for preparedness.
			(PA OP #30) Hosts a "Floodplain Management" webpage (listed in Appendix B) https://www.cityofpaloalto.org/gov/depts/pwd/stormwater/floodzones.asp	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the "Floodplain Management" webpage that has all relevant information regarding flood plain management topics.
			(PA OP #31) Hosts a "Flood Safety Tips" webpage www.cityofpaloalto.org/storms/flood_safe_11-16.cdr (cityofpaloalto.org)	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the "Flood Information and Winter Storm Preparedness Webpage" which has links to the "Flood Safety Tips" flier under 'Before the Storm Additional Information.'
			(PA OP #32) Hosts a 'Creek Monitor' webpage (listed in Appendix B) https://www.cityofpaloalto.org/gov/depts/pwd/creek_monitor/default.asp	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the real time creek monitor webpage that warns residents of imminent danger of flooding.
			(PA OP #33) Hosts a "Flood Information and Winter Storm Preparedness" web page which contains useful information for flood readiness (listed in Appendix B) https://www.cityofpaloalto.org/services/public_safety/flood_information_winter_storms/default.asp	City of Palo Alto Office of Emergency Services	Year Round	N/A	Palo Alto continues to host the "Flood Information and Winter Storm preparedness" website has useful information on flood preparedness for before storm, during storm and after storm.
			(SJ OP #34) The city's webpages includes a "Flood Hazard Zones" webpage which includes information of flood preparedness https://www.sanjoseca.gov/your-government/departments/public-works/development-services/floodplain-management	City of San Jose Public Works, Development Services	Year Round	N/A	San Jose: Website includes flood zone and flood smart information. Updated link: https://www.sanjoseca.gov/your-government/departments-offices/public-works/development-services/flood-hazard-zone
			(SC OP #35) The city's "Flood Protection Information" webpage contains valuable information on flood related topics https://www.santaclaraca.gov/our-city/departments-g-z/public-works/engineering/flood-protection (also listed in Appendix B)	City of Santa Clara	Year Round	N/A	Santa Clara: Website is updated and maintains flood topic information
			(SAR OP #36) The city's website encourages residents/businesses to purchase flood insurance and redirects visitors to www.floodsmart.gov	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SAR OP #37) The city has a "Staying Safe, Winter Storms" webpage. They have also linked the city's Winter Storms webpage to Valley Water's Flood Ready webpage https://www.saratoga.ca.us/218/Winter-Storms	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community

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			(SUN OP #38) The city has a "Flood Protection" webpage Sunnyvale, CA - Flood Protection (listed in Appendix B)	City of Sunnyvale	Year Round	N/A	Sunnyvale: The City continues to maintain its flood protection website.
	Topics 1-9 and supporting messages Flood Awareness Media Campaign, including social media	Educate our community on flood protection and preparedness measures	(VW OP #39) Conducts a flood awareness media campaign, reaching the community at large, including our multilingual community. Many of the Santa Clara County CRS Communities recognize Valley Water's Flood Awareness Campaign and link it on their community's flood information web page and redirect to Valley Water's Flood Ready webpage (Topics 1-9) <i>Campaign features social media videos and postings on various platforms (i.e., Facebook, Twitter, Instagram, Nextdoor, etc.), digital banners, newspaper advertorials, radio ads, billboards, utility bill inserts for communities to use, communities redirect to ValleyWater.org/FloodReady and television/mobile ads targeting residents who live in flood-prone areas and multilingual ethnic communities</i>	Valley Water Communications	Annually, for the duration of the rainy season, typically from November to April	All Santa Clara County CRS Communities	The Flood Awareness Campaign lasted four months, from mid-November 2022 to February 2023. The paid advertisement campaign cost a total of \$330,000. Valley Water's FY23 Annual Flood Awareness Campaign continued the shift from general digital and public space advertising to a series of direct mailings to the 51,120 homes and businesses in Santa Clara County's FEMA SFHA. As part of Valley Water's FY23 Flood Awareness Campaign, Valley Water sent two separate targeted mailers to all homes and businesses in or near a high-risk flood area, as designated by the FEMA SHFA. The mailers were multilingual (English, Spanish, Chinese, and Vietnamese) and are posted on Valley Water's website. 1. Annual Floodplain Mailer (FPM) - Valley Water's multi-language (English, Spanish, Chinese, and Vietnamese) annual FPM "Our Climate Has Changed - Be Aware, Be Prepared, Take Action" (dated 11/22) mailed on November 28, 2022. https://online.flipbuilder.com/tkap/tmie/ 2. Trifold "You Live in a Flood Zone-- Make Sure You Are Ready. Do You Know What to Do Before, During, and After a Flood?" mailed on January 6, 2023. https://online.flipbuilder.com/tkap/zmoz/ Additionally,, 'Are You Flood Ready?' multilingual postcards that included the 9 CRS topics and supporting messages, and links to various flood readiness/preparedness webpages were produced and distributed. https://www.valleywater.org/are-you-flood-ready Requested copies of the FPM, postcards and trifold mailers were sent to all Santa Clara County cities and county Public Works and Planning Departments. In mid-November 2022, Valley Water's 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit "Our Climate Has Changed," was made available for download to all partnering agencies, including CRS communities. The

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						FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments <u>INPUT HERE ONLY</u> toolkit provided links to the multilingual floodplain mailer, Flood Can Follow Droughts 2001-2023 Timeline, 'Are You Flood Ready?' postcard, and social media graphics and videos, that included messages for all nine flood awareness tips (PPI CRS message topics), and blog posts for all Santa Clara County communities to use. https://www.dropbox.com/s/p438zrw8lwi614r/Flood%20Awareness%202022-2023%20Partner%20Toolkit.pptx?dl=0 During FY23, Santa Clara County experienced a drought emergency. Valley Water's annual FPM reminded everyone that flooding can happen anytime it rains, and that climate change has made extreme weather the new normal. Drought conditions can harden the ground and increase run-off to streams and creeks during the first few days of heavy rain, increasing the risk of flooding. In addition, the flood mailer showcased Valley Water's ongoing flood protection projects in areas susceptible to flooding. In FY23 the FPM featured a QR code, a cling with important flood safety websites, a detachable emergency phone list, photos of our most recent flood protection projects and a graphic image displaying how historical floods have followed droughts in Santa Clara County (see below attached "Santa Clara County Floods & Droughts Timeline [2001-2023]). Valley Water also deployed a small-scale multilingual social media campaign, with the slogan "Flooding can happen during a drought," on social media and web platforms. The campaign launched in Winter FY23, starting with the season's first rains, and continuing through March 2023. At the May 16, 2023 CRS Users Group/PPI Committee Meeting, Adam Probolsky shared the FY 22-23 post-campaign polling results. • 39% recalled receiving mail with information about flood safety (59% in 2021-22). • 64% are confident they have taken all necessary precautions to protect themselves from floods (76% in 2021-22). • 43% rate the job Valley Water is doing at keeping them informed as excellent, good, or fair (61% in 2021-22).

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							• 48% is aware that their home is located in a food zone awareness over last year (56% in 2021-22). • 39% of respondents clearly understood Valley Water's three main calls to action to be Flood Ready [develop an emergency plan, build an emergency kit, and get flood insurance] (58% in 2021-22). • 39% respondents have flood insurance; 15% of renters polled, have insurance (51% in 2021-22). The results above demonstrate an effective campaign that is less expensive than general advertising, yielding a savings of approximately \$150,000 with more robust results. We will continue with targeted mailings to the FEMA SFHA as our outreach strategy for the flood awareness campaign rather than targeted advertising. All Santa Clara communities support and promote Valley Water's outreach projects. Los Altos included an insert provided by Valley Water to all residents and businesses via a refuse collection bill insert in November 2022 (non-residential) and January 2023 (residential). Morgan Hill's flood preparedness outreach efforts for FY23 are listed below: • August 2, 2022 - Hosted 'National Night Out.' Flood preparedness information (Valley Water floodplain mailer, red 'Get Flood Ready' which includes an emergency supply list tote bags, etc.) were distributed. • September 2022 - Announced in its Weekly 411 that September was National Emergency Preparedness Month. • October 2022 - Starting in June 2022, began participating in the ongoing statewide agency coordination calls that led up to California Flood Preparedness Week held during the week of October 22-29, 2022. The City also supported Valley Water's efforts throughout the month of October 2022 promoting flood preparedness. • January 2023 - Included information regarding flooding and weather precautions via the "Weekly 411." Additionally, later in the month, another "Weekly 411" included information on signing up for Alert SCC and information on flood preparedness.

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							March 2023 - Promoted "Do 1 Thing" s a 12-month program with a goal of assisting the community to be better prepared for emergencies and disasters. This information was included in the "Weekly 411" and is also included on the City's Emergency Preparedness landing page: https://www.morgan-hill.ca.gov/133/Emergency-Preparedness
			(VW OP #40) As part of the flood awareness campaign, a 'Get Flood Ready, Social Media and Web Resources Guide' is provided to all cities/county in Santa Clara County for their use as part of their outreach efforts	Valley Water	Upon the completion of the annual FPM	All Santa Clara County CRS Communities	In mid-November 2022, Valley Water's 2022-2023 Flood Awareness Outreach Partner Social Media Toolkit "Our Climate Has Changed," was made available for download to all partnering agencies, including CRS communities. The toolkit provided links to the multilingual floodplain mailer, Flood Can Follow Droughts 2001-2023 Timeline, 'Are You Flood Ready?' postcard, and social media graphics and videos, that included messages for all nine flood awareness tips (PPI CRS message topics), and blog posts for all Santa Clara County communities to use. https://www.dropbox.com/s/p438zrw8lwj614r/Flood%20Awareness%202022-2023%20Partner%20Toolkit.pptx?dl=0 All Santa Clara communities support and promote Valley Water's outreach projects. Los Altos has included links to the flood awareness campaign web resources in electronic newsletters during the 2022/2023 flood season and on the city's website. Morgan Hill's Public Information utilizes Valley Water's Get Flood Ready social media and resources as they deem applicable on any given period. Palo Alto has Valley Water's Flood Awareness Campaign linked on the City's Flood Information and Winter Storm Preparedness website. Santa Clara has Valley Water's Flood Awareness Campaign linked on the City's Public Works, Engineering, Flood Protection Information landing page on their website.
			(SCC OP #41) Shares Valley Water's digital social media resource links during the flood season. The "Floods Follow Fires. Are you Ready?" and "Got Sandbags" messages redirect to Valley Water's website. Messages are used on social media, short form newsletter, short form email, web, and Nextdoor	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community

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Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments
							<u>INPUT HERE ONLY</u>
			(CUP OP #42) Recognizes the robust social media campaign led by Valley Water and has linked the city's main flood preparation webpage to Valley Water's Flood Ready webpage	City of Cupertino	Year Round	N/A	Cupertino continues to maintain the "Floodplain Management" webpage, including a link that redirects to Valley Water's Flood Ready webpage.
			(GIL OP #43) The city recognizes Valley Water's Flood Awareness Campaign and has linked the city's main flood webpage to Valley Water's Flood Ready webpage	City of Gilroy	Year Round	N/A	Gilroy: The "Emergency Preparedness" and Public Works "Flood Management" webpage both link to Valley Water's Flood Ready webpage.
			(LAH OP #44) The town recognizes Valley Water's Flood Awareness Campaign and has linked the town's main flood webpage to Valley Water's Flood Ready webpage	Town of Los Altos Hills	Year Round	N/A	Town of Los Altos Hills: No update available - non-CRS participating community
			(LG OP #45) Recognizes Valley Water's Flood Awareness Campaign and has linked the Town's main flood webpage to Valley Water's Flood Ready webpage	Town of Los Gatos	Year Round	N/A	Town of Los Gatos: No update available - non-CRS participating community
			(MV OP #46) The city does a social media notification about storm preparation for winter storms ahead of time. The notification directs residents to their "Flood Protection and Insurance Information" webpage. The city has also linked the city's webpage to Valley Water's Flood Ready webpage	City of Mountain View	Year Round	N/A	Mountain View shared several social media posts before, during and after the major rain events during the winter. Posts included information on preparation, forecasts for rain events and real time updates on current flooding .
			(SC FRP #47) City publishes social media posts, on Facebook, Twitter, and other platforms, focused on safety. The city has prepared a pre-flood plan (FRP) for public information projects that will be implemented before, during, and after a storm/flood, as well as identifying who is responsible for posting these messages, what type of events they apply to, what social media platforms to post to and how often	City of Santa Clara Office of Emergency Services	During the storm season	N/A	Santa Clara: Information was posted on social media for flood awareness week led by City Streets Division
			(SJ OP #48) Recognizes Valley Water's Flood Awareness Campaign and has linked the city's main flood webpage to Valley Water's Flood Ready webpage. Keeps Valley Water's floodplain mailer static location at City Hall for residents to pick-up and is also distributed at various events throughout the year	City of San Jose	Year Round	N/A	San Jose places Valley Water's FPM at City Hall and their website redirects to Valley Water's Flood Ready webpage. The City recognizes and supports Valley Water's Flood Awareness Campaign.
			(SAR OP #49) Recognizes Valley Water's Flood Awareness Campaign and has linked the city's main flood webpage to Valley Water's Flood Ready webpage	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SAR OP #50) The city does a social media notification about storm preparation for winter storms ahead of time	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SUN OP #51) The city actively posts flood safety and preparedness messaging through social media platforms (i.e., Facebook and Twitter)	City of Sunnyvale Environmental Services	During the rainy season (October – March)	N/A	Sunnyvale: City staff posted information to Facebook regarding keeping the storm drain clear to prevent clogging.

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	Topics 1-9 and supporting messages Community Events – Distribute flood preparedness materials to the community	Educate our community on flood protection and preparedness measures Increase in 'hits' on Valley Water and cities Flood Protection Resources pages and improve Valley Water's Flood Campaign results Residents less stress during emergencies and better prepared before a flood event	(VW OP #52) Copies of Valley Water's multilanguage floodplain mailer is made available to all Santa Clara County CRS Communities to disseminate at various events, including keeping the mailer static in lobby areas for visitors to pick-up. Valley Water attends various communities' events/fairs throughout the county and disseminates flood readiness materials, including various FEMA flood-related publications and Valley Water flood ready materials (Topics 1– 9)	Valley Water	Annually, September - May	All Santa Clara County CRS Communities	Valley Water's FY23 Annual Flood Awareness Campaign continued the shift from general digital and public space advertising to a series of direct mailings to the 51,120 homes and businesses in FEMA SFHA for Santa Clara County. Valley Water's multi-language (English, Spanish, Chinese, and Vietnamese) annual FPM "Our Climate Has Changed - Be Aware, Be Prepared, Take Action" (dated 11/22) was mailed on November 28, 2022 to all parcels in the FEMA SFHA and copies were mailed to all Santa Clara County cities and county Public Works and Planning Departments in December 2022. The below table reflects the quantities requested/sent by/to the agency. <table><thead><tr><th>Community</th><th>Floodplain Mailer</th><th>Postcard</th></tr></thead><tbody><tr><td>City of Los Altos</td><td>50</td><td>100</td></tr><tr><td>Town of Los Altos Hills</td><td>25</td><td>150</td></tr><tr><td>City of Milpitas</td><td>50</td><td>25</td></tr><tr><td>City of Mountain View</td><td>25</td><td>25</td></tr><tr><td>City of Cupertino</td><td>100</td><td>100</td></tr><tr><td>VW CRS Program</td><td>150</td><td>300</td></tr><tr><td>All other cities/county (10 ct.)</td><td>25</td><td>25</td></tr></tbody></table> The FPM is posted on our website https://online.flipbuilder.com/tkap/tmie/. Valley Water's 2022-2023 Flood Awareness Outreach Partner Toolkit was made available for download to all partnering agencies: https://www.dropbox.com/s/p438zrw8lwi614r/Flood%20Awareness%202022-2023%20Partner%20Toolkit.pptx?dl=0. The toolkit includes the following: • Key flood outreach messages, • SFHA FPM (multilingual) • Flood awareness double-sided flier (multilingual) for digital use and print, • Digital multilingual ads (web and social media), and • Flood Awareness text, tips, and URLs (multilingual).	Community	Floodplain Mailer	Postcard	City of Los Altos	50	100	Town of Los Altos Hills	25	150	City of Milpitas	50	25	City of Mountain View	25	25	City of Cupertino	100	100	VW CRS Program	150	300	All other cities/county (10 ct.)	25	25
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							Cupertino distributes copies of Valley Water's Floodplain Mailer at various fairs/events and provides additional copies for the public on display at City Hall. Los Altos distributes copies of the Valley Water's Floodplain Mailer and postcards at City Hall and Community Center buildings. Palo Alto distributes Valley Water's multi-language floodplain mailer during fairs during Earth Day event and Palo Alto's Open House every year. Santa Clara: Fliers and additional information are currently at city hall and public library.
			(CUP OP #53) Distributes flood readiness outreach materials at various events/facilities	City of Cupertino	Year Round, as needed	N/A	Cupertino distributes copies of Valley Water's Floodplain Mailer and other promotional items provided by Valley Water at various fairs/events and provides additional copies of the mailer for the public on display at City Hall.
			(GIL OP #54) Participates in two fair/events: Gilroy Garlic Festival (GF) and city's Public Works Week Community Open House (PWWCOH)	City of Gilroy	End of July (GF) Typically, in May (PWWCOH)	N/A	Gilroy: There was no Garlic Festival (due to the shooting at this festival in July 2019, the City has postponed this event indefinitely) or PWWCOH in 2023, so no materials were distributed at those events. However, on October 4, 2022, the City hosted National Night Out where flood readiness materials were distributed.
			(LAH OP #55) Hosts two events - Earth Day (ED) and the Town Picnic (TP)	Town of Los Altos Hills	Annually, Spring (ED) and late Summer (TP)	N/A	Town of Los Altos Hills: No update available - non-CRS participating community
			(MIL OP #56) Distributes FEMA flood-related publications at various events	City of Milpitas	Year Round	N/A	Milpitas: Ongoing. Distributing flood ready kits and information on "Earth Day" which is on April 22, 2023.
			(MV OP #57) The city participates Mountain View Art & Wine Festival (MVA&WF) and Thursday Night Live (TNL) and distributes flood preparedness information	City of Mountain View	Each September (MVA&WF) Months of June/July (TNL)	Valley Water	Many events have changed post-COVID. Mountain View attends various events such as Earth Day, Public Works Week and distributes flood readiness fliers and handouts during these events.
			(PA OP #58) Staff hosts a flood readiness table at city's annual Earth Day (ED) event and at the city Municipal Corporation Open House (MCOH). Upon request, the city also participates in other fairs and promotes flood readiness, including Creekwise mailer/brochure	City of Palo Alto	Each April (ED) and July (MCOH)	Can vary depending on requests made to City to support fairs	Palo Alto was not able to host a flood readiness table at the Earth Day Event, however, in substitute to that, the City will host a table at the July 4th event (FY24) and City Municipal Corporation Open House which will be held on July 15, 2024 (FY24). During FY23, the City provided the local library with flood readiness materials, including the emergency starter kits.

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			(SJ OP #59) Staff hosts and participates in the 'Building Permits and Home Safety Open House.' The city's also hosts 'Pumpkins in the Park' event which Valley Water staff participates in and promotes flood preparedness	City of San Jose	Each May and October	Valley Water	San Jose hosts the annual Building and Home Safety Open House. However, this year's event was on hold due to COVID-19 pandemic. The Open House is scheduled to be back on 7/18/23. The City hosted "Pumpkins in the Park" on 10/8/22. Valley Water hosted an information booth and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual floodplain mailer.
			(SC OP #60) City hosts a flood readiness table at the Art & Wine Festival. Valley Water also sponsors a table at the festival promoting flood preparedness and distributes various flood readiness materials to the community	City of Santa Clara	Each September	N/A	Santa Clara: Flood readiness table was set-up at Arts & Wine Festival September 2022. Flood promotional packets and fliers provided by Valley Water were distributed to visitors.
	<u>Topic 3:</u> Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C - Learn the best route to high ground <u>Topic 9:</u> Understand shallow flooding risks - don't drive through standing water Message 9A - Understand shallow flooding risks - don't drive through standing water FEMA's message: "Turn Around Don't Drown®."	Less damage due to the floods; improve sandbag distribution Fewer accidents and rescues	(SUN OP #61) City has permanent "Road May Flood" street signs in areas of the City prone to flooding and promotes the "Flood Zone Look Up" featured on the city's website	City of Sunnyvale	Year Round	N/A	Sunnyvale: Ongoing. City staff still promote the use of the "Flood Zone Lookup."
	<u>Topic 4:</u> Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood <u>Topic 5:</u> Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build	Increase in inquiries on retrofitting measures. Decrease the number of repairs and elevations without permits. Increase number of repairs with permits Ensure people who are interested in protecting their property from flooding are getting the help they need Keep families safe	(CUP OP #62) The city offers Flood Protection Assistance, Property Protection Advice. Staff provides in-person flood risk consultation at the front counter and/or site visits when requested (MIL OP # 63) The city offers Flood Protection Assistance, Property Protection Advice and provides in-person flood risk consultation at the front counter (SC OP #64) The city offers Flood Protection Assistance, Property Protection Advice	City of Cupertino City of Milpitas City of Santa Clara	Year Round Year Round Year Round	N/A N/A N/A	Cupertino: Ongoing. The City maintains a log of FEMA-related requests. Milpitas: Ongoing. City maintains logs of FEMA-related requests. Santa Clara: On-going per requests to the city
	<u>Topic 6:</u> Protect natural floodplain functions Message 6A - Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don't pollute, dump, or drain anything in creeks	Cleaner streams and fewer dumping violations Fewer debris blockages during high-flow events Drainage inspectors report fewer calls and a	(VW OP #65) "Do Not Dump"/Illegal dumping message is sent each year to all Santa Clara County residents in Valley Water's CWM and FPM	Valley Water Communications	Each late October or November (CWM) Each November/December (FPM)	All Santa Clara County CRS Communities	Valley Water's FY23 FPM included the 'Do Not Dump' messaging. Additionally, Valley Water's website flood ready landing page contains 'Do not pollute, dump, or drain anything in creeks' under the 'Before a Flood' section. https://www.valleywater.org/flooding-safety/flood-ready/flood-safety-advice Valley Water hosted Coastal Cleanup Day (CCD) on September 17, 2022 (Results: 1,056 people participated; 52.905 distance cleaned miles; 25,912.83, includes

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		decrease in the amount of trash removed					recyclables, weight of trash collected; 2,217.25weight of recyclables collected), and National River Cleanup Day (NRCD) on May 20, 2023 (<i>Preliminary Results:</i> 676 people participated; 50.54 distance cleaned miles; 28,981.02 includes recyclables, weight of trash collected; 1,500.11 weight of recyclables collected). Several of our CRS communities participated. https://cleanacreek.org/past-results-2/ Several Santa Clara communities participate in these clean-up events.. Cupertino's "Floodplain Management" webpage has a link to Valley Water's Floodplain Mailer. The City also includes the "Do Not Dump" messaging in The Cupertino Scene's annual flood preparedness article. Morgan Hill includes this message in their annual Flood Report. The report is posted on the City's "Floodplain Management" landing page. Palo Alto has Valley Water's CWM and FPM linked on the City's Flood Information and Winter Storm Preparedness website.
			(VW OP #66) "Do Not Dump" signs placed by waterways/channels	Valley Water O&M	Year Round	N/A	Valley Water's Operations & Maintenance continues its practice of placing 'Do Not Dump' signs on waterways/channels.
			(VW OP #67) Lists Pollution Hotline number in all Project Notices	Valley Water Communications	Year Round	N/A	Valley Water's project notices lists the pollution hotline number. https://www.valleywater.org/project-updates/your-neighborhood
			(SCC OP #68) Storm Drain Stenciling/Medallion Program	Santa Clara County	Year Round	All Santa Clara County CRS Communities	Palo Alto installs Storm Drain Stenciling/Medallion on all public right of way catch basin and inlets. City of Santa Clara: Stenciling/Medallion installed on public catch basins/inlets. Santa Clara County: No update available - non-CRS participating community.
			(SUN OP #69) The city's "Horizon" newsletter, includes Do Not Dump messaging	City of Sunnyvale	Annually, fall	N/A	Sunnyvale: The City still produces the Horizon newsletter and includes a "Do Not Dump" message. It was published in fall 2022.

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			(ALL OP #70) Developments that are modifying or constructing new catch basins/storm drains/inlets are required, per the below-noted permits, to stencil the “No Dumping! Flows to Bay.” In addition, some of these cities require all bid documents for capital projects which are modifying or constructing new catch basins, and require the contractors to install the same stencil. The program is also highlighted on cities’ websites. ▪ <i>South County municipalities are subject to the statewide “Phase II” NPDES Permit</i> ▪ <i>North County municipalities are subject to the SF Bay Municipal Regional Stormwater NPDES Permit</i>	All Add Headings (Format > Paragraph styles) and they will appear in your table of contents.	Year Round	N/A	Valley Water mark’s each inlet with a “No Dumping! Flows to Bay” message on Valley Water properties. Cupertino requires all storm drain inlets to include a medallion with “NO DUMPING - FLOWS TO CREEK/BAY” for development projects. Gilroy requires all new storm inlets and catch basins to include a stencil or medallion with no dumping, flows to creek/waterway language for development projects. Morgan Hill requires all storm drain inlets and catch basins within the project area of development applications to be stenciled with prohibitive language (such as: “NO DUMPING – DRAINS TO CREEK”) and/or graphical icons to discourage illegal dumping. Mountain View requires all storm drain inlets to include a medallion with “NO DUMPING - FLOWS TO CREEK/BAY” for development projects. Palo Alto requires all storm drain inlets to include a medallion with “NO DUMPING-FLOWS TO CREEK/BAY” for development projects. City of Santa Clara provides and installs “No Dumping Flows to Bay” plaques near each catch basin for any new storm drain inlets constructed as part of a project per the City specifications
			(CUP OP #71) The city’s annual flood notice in the local newsletter, ‘The Cupertino Scene,’ contains dumping is illegal messaging and how to report	City of Cupertino	Annually, October -November	N/A	Cupertino includes the “Do Not Dump” messaging in The Cupertino Scene’s annual flood preparedness article.
			(CUP OP #72) Participates in clean-up events: the annual National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. The city also participates in Valley Water’s Adopt-a-Creek Program	City of Cupertino	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Cupertino participated in Coastal Clean-Up Day on 9/17/22 and National River Clean-Up Day on 5/20/23. The City no longer participates in Valley Water’s Adopt-a-Creek Program.
			(LAH OP #73) The town participates in annual clean-up events: National River Clean-up Day (each May) and Coastal Clean-up Day (each September) and coordinates volunteers. They coordinate with Valley Water on both these clean-up efforts. The town also participates in Valley Water’s Adopt-a-Creek Program	Town of Los Altos Hills	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Town of Los Altos Hills: No update available - non-CRS participating community.

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			(MIL OP #74) "Flood Public Advisory" brochure contains dumping is illegal messaging and how to report	City of Milpitas	Each December or January	N/A	Milpitas: The City's flood advisory utility bill insert has information about illegal dumping and how to report it.																								
			(MIL OP #75) Participates in annual clean-up events: National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. The city also participates in Valley Water's Adopt-a-Creek Program	City of Milpitas	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Milpitas: CCD held as an in-person event on September 17, 2022. NRCD is planned for May 20, 2023 with one cleanup location.																								
			(MH OP #76) "Flood Report" contains message on keeping debris and trash out of streams – Do Not Dump messaging	City of Morgan Hill	Annually, close to or during the start of the rainy season	N/A	Morgan Hill's "2023 Flood Report" brochure will contain the message "It's illegal to dump debris and trash into our creeks."																								
			(PA OP #77) "Are You Ready for Winter Storms?" utilities insert contains the Do Not Dump and report illegal dumping messages	City of Palo Alto	Each fall	N/A	Palo Alto includes Do Not Dump and Report Illegal Messages on City's utility insert that was sent out in October 2022.																								
			(PA OP #78) Utility bill insert includes a 'Utility Announcement on Flood Safety Tips,' including Protect natural floodplains - keep rain gutters and drainage channels free of debris	City of Palo Alto	Annually, March-April	N/A	Palo Alto includes Protect Natural Floodplains-keep rain gutters and creeks free of debris messages on flood safety tips sent as Utility Announcement and the flier sent as an attachment on utility bills every year.																								
			(PA OP #79) Participates in annual clean-up events: National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. Additionally, the city participates in Valley Water's Adopt-a-Creek Program	City of Palo Alto	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Palo Alto participates every year during National River Clean-up Day on Matadero and Adobe Creek. Palo Alto also participates in the multi-jurisdictional effort on creek clean-up of San Francisquito Creek.																								
			(PA OP #80) Clean-ups of trash booms located in Matadero Creek and Adobe Creek are done annually on an as-needed basis. The city also assesses its hot spots and cleans up the local drainage system on an ongoing basis and part of its operations and maintenance	City of Palo Alto	Annually, as needed	N/A	Palo Alto City staff continue clean-ups of trash booms on Matadero Creek and Adobe Creek, assess hot spots and clean ups on an ongoing basis on the entire City's storm drain network system.																								
			(SUN OP #81) "Horizon" newsletter includes a "Know How to Be FloodSafe" article that promotes the Do Not Dump message	City of Sunnyvale	Each October, Fall Edition	N/A	Sunnyvale: The City still includes a "flood Safe" message in the fall Horizon. It was published in fall 2022.																								
Residents and Businesses in the Special Flood Hazard Area (SFHA) – Low Lying Areas, Along Rivers and Creeks – Coastal Communities at Risk for Sea Level Rise/Tsunamis	<u>Topic 1:</u> Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area <u>Topic 2:</u> Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place <u>Topic 3:</u> Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders	Residents/businesses in the SFHA are aware they're in the SFHA and prepare before floods Increase in number of flood insurance policies in the SFHAs and RLAs in the county in general Prospective buyers understand flood risks Increase number of elevation certificates on file, and structures repaired with permits;	(VW OP #82) Multi-language floodplain mailer (FPM) to all residents and businesses within the SFHA in Santa Clara County (Topics 1– 9)	Valley Water	Each November/ December	All	Valley Water's multi-language (English, Spanish, Chinese, and Vietnamese) Floodplain Mailer (FPM) 2022-2023 'Our Climate Has Changed - Be Aware, Be Prepared, Take Action' was mailed to all SC County parcels in the FEMA SFHA; 51,120 FPMs were mailed in late November 2022. Hard copies of the FPM's (<i>quantities noted below, as requested by the communities</i>), along with "Our Climate Has Changed" (<i>dated 11/2022</i>) postcards were also mailed to each city/County in early January 2023.. <table><tr><th>Community</th><th>Floodplain Mailer</th><th>Postcard</th></tr><tr><td>City of Los Altos</td><td>50</td><td>100</td></tr><tr><td>Town of Los Altos Hills</td><td>25</td><td>150</td></tr><tr><td>City of Milpitas</td><td>50</td><td>25</td></tr><tr><td>City of Mountain View</td><td>25</td><td>25</td></tr><tr><td>City of Cupertino</td><td>100</td><td>100</td></tr><tr><td>VW CRS Program</td><td>150</td><td>300</td></tr><tr><td>All other cities/county (10 ct.)</td><td>25</td><td>25</td></tr></table>	Community	Floodplain Mailer	Postcard	City of Los Altos	50	100	Town of Los Altos Hills	25	150	City of Milpitas	50	25	City of Mountain View	25	25	City of Cupertino	100	100	VW CRS Program	150	300	All other cities/county (10 ct.)	25	25
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- Repetitive Loss (RL) Areas	Message 3C – Learn the best route to high ground <u>Topic 4:</u> Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood <u>Topic 5:</u> Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build <u>Topic 6:</u> Protect natural floodplain functions Message 6A - Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don't pollute, dump, or drain anything in creeks <u>Topic 7:</u> Develop a Family Emergency Plan Message 7A: Develop an emergency plan <u>Topic 8:</u> Download disaster Apps Message 8A - Download disaster emergency apps <u>Topic 9:</u> Understand shallow flooding risks – don't drive through standing water Message 9A - Understand shallow flooding risks - don't drive through standing water FEMA's message: "Turn Around Don't Drown®."	decrease the number of repetitive loss increase homes Increase in the number of flood insurance policies with contents coverage	(CUP OP #83) Flood notice in the local newsletter, The Cupertino Scene, which reaches residents and businesses in the SFHA (Topics 1-9) (LA OP #84) Letter, along with a "Are You Prepared for a Flood in Your Neighborhood?" brochure to property owners in the SFHA (Topics 1-8) (LAH OP #85) The town's "Our Town" quarterly newsletter includes information on flood preparedness. The newsletter is mailed out town-wide and is also available online on the town's website (Topics TBD during cycle visit) (MIL OP #86) "Flood Public Advisory" brochure to residents and businesses within SFHA (Topics 1-6) (MH OP #87) Sends a citywide "Flood Report" brochure, including to those in the SFHA (Topics 1-9) (MV OP #88) Sends "The View" citywide newsletter, Winter version, includes information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)	City of Cupertino City of Los Altos Town of Los Altos Hills City of Milpitas City of Morgan Hill City of Mountain View	Each October or November issue Annually, each fall Each fall Each December or January Annually, close to or during the start of the rainy season Fall newsletter edition	N/A N/A N/A N/A N/A N/A	Additionally, electronic copies (flipbook style) of the FMP's were emailed to all City Managers, Public Works and Planning Directors, Floodplain Managers, CRS Coordinator's and CRS staff on December 30, 2022, for their use throughout the flood season and beyond (i.e., websites, lobby area, for distribution at events). Valley Water's FPM is posted on our flood protection resources landing page (FloodReady); we distributed the mailer at our various events throughout the year, and we kept copies in our main office lobby area. All Santa Clara communities support and promote Valley Water's outreach projects. The City of Los Altos posted Valley Water's FPM on our flood protection website and we kept copies in the city hall lobby. The City of Cupertino posted Valley Water's FPM on our flood protection website and we kept copies in the City Hall lobby. Cupertino published the annual flood preparation article in the October 2022 issue of "The Cupertino Scene". Los Altos mailed letters to all SFHA property owners in November 2022. Town of Los Altos Hills: No update available - non-CRS participating community. Milpitas: A utility bill insert was sent to every address in Milpitas on 11/16/22. This was sent in four languages (English, Vietnamese, Spanish and Chinese). Morgan Hill's "2023 Flood Report" brochure is anticipated to go out late June 2023 or some time in July 2024. Mountain View's publications have changed. This year the information was distributed in the 'City Hall Connection' newsletter.

Appendix A
CRS Creditable Outreach and Flood Response Projects by CRS Community
Santa Clara County Multi-Jurisdictional PPI 2021
FY 2023 (Year 2) Project Accomplishments by CRS Communities

Audience	¹ Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #)	Assignment	² Schedule	³ Stakeholder	FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments
							<u>INPUT HERE ONLY</u>
			(MV OP #89) Mails a utility bill insert to all resident and businesses that contains information on flood risk, flood safety, and the importance of buying flood insurance (Topics 9)	City of Mountain View	Between July - September	N/A	Mountain View sent out Valley Water's Get Flood Ready flier as a utility billing insert to every City utility customer in December 2022.
			(PA OP #90) Sends the "Are You Ready for Winter Storms?" flier (<i>aka utilities mailer</i>) to all residents and businesses in the city, including to those in the SFHA, along with their utility bills (Topics 1-9)	City of Palo Alto	Each fall	N/A	Palo Alto sent "Are you Ready for Winter Storms?" flier as utility inserts was sent out in October 2022.
			(PA OP #91) Sends out utility announcement, "Anytime it can rain, it can flood. Don't get caught off-guard" (Topics 1, 2, 3, 4, 5, 6, 7, & 9 – <i>will pursue adding other topic</i>)	City of Palo Alto	Each March/April	N/A	Palo Alto sent flood safety tips as a utility announcement in December 2022.
			(SC OP #92) Mails out a citywide, including all addresses in the SFHA, newsletter for residents and businesses called "Inside Santa Clara" (Topics 1-9)	City of Santa Clara	Each fall	N/A	Santa Clara: Newsletter was sent on November 1, 2022, and available on the City's website.
			(SUN OP #93) Sends two (2) mailers and one (1) "Horizon" newsletter article "Know How to Be Flood Safe" that promotes flood safety and flood preparedness messaging targeted to all residents and businesses within the SFHA (Topics 2 and 4)	City of Sunnyvale	Each fall around October	N/A	Sunnyvale: The City still sends out mailers to targeted residents and a flood safe newsletter article. The mailers were sent November 2022.
			(SUN OP #94) Sends mailer to all those in the SFHA (Topics 1-4, and 7)	City of Sunnyvale	Each October	N/A	Sunnyvale: The City still sends out these mailers. The mailers were sent October 2022.
	Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B - Insure your property Message 2C - There is a 30-day waiting period for the policy to take place	Increase in number of flood insurance policies in the SFHAs, RLAs, and in the county in general place	(SCC OP #95) Sends letters to the properties in the unincorporated section in the areas of the county's mapped repetitive loss areas	Santa Clara County	Annually, each fall	N/A	Santa Clara County: No update available - non-CRS participating community.
			(CUP OP #96) Continues to send a letter to former repetitive loss properties	City of Cupertino	Annually, mid-year	N/A	Cupertino continues to send out an annual letter to former repetitive loss properties.
		Prospective buyers understand flood risks	(MH OP #97) Sends a notice to repetitive loss (RL) areas as required by FEMA	City of Morgan Hill	Annually, each summer	N/A	Morgan Hill will sent letters to properties in the City's mapped repetitive loss areas in June 2023.
			(PA OP #98) Sends letters to the properties in the city's mapped repetitive loss areas, highlighting flood safety tips	City of Palo Alto	Annually, typically August - September	N/A	Palo Alto sent letters to properties in the City's mapped repetitive loss areas, highlighting flood safety tips in August 2022.
		Increase in the number of flood insurance policies with contents coverage	(SJ OP #99) Sends letters to the properties in the city's mapped repetitive loss areas	City of San Jose	Annually, each typically between September - December	N/A	San Jose sent letters to general repetitive loss property areas in April 2023.

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2023 (Year 2) Project Accomplishments by CRS Communities							
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Messengers to Other Target Audiences (Organizations & Businesses Serving the Community)	Topic 1: Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B - Insure your property Message 2C - There is a 30-day waiting period for the policy to take place Topic 3: Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C - Learn the best route to high ground Topic 4: Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood Topic 5: Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build Topic 6: Protect natural floodplain functions Message 6A - Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don't pollute, dump, or drain anything in creeks Topic 7: Develop a Family Emergency Plan Message 7A: Develop an emergency plan Topic 8: Download disaster Apps Message 8A - Download disaster emergency apps Topic 9: Understand shallow flooding risks - don't drive through standing water Message 9A - Understand shallow flooding risks - don't drive through standing water FEMA's message: "Turn Around Don't Drown®."	Educate our community on flood protection and preparedness measures by working and coordinating with groups who serve as messengers, to people who are at risk of flooding, as they provide their respective business service	(VW OP #100) Administers a "Let's Talk Water" Speakers Bureau Program that customizes presentations to update groups on specific issues, provide updates on Valley Water projects, including flood protection projects and to educate residents on existing flood risks as well as provide resources and tips to be flood ready. https://www.valleywater.org/learning-center/lets-talk-water-speakers-bureau	Valley Water Communications Unit	On a project-specific basis or as requested	Could vary from year-to-year Kiwanis Rotary Clubs Homeowners and Neighborhood Associations Forum Groups Association of Realtors	Valley Water's 'Let's Talk Water' Speakers Bureau Program is active and available to the community. General presentations discuss Valley Water's flood protection, including flood preparedness and awareness, and our creeks and ecosystems. Customized presentations for groups on specific issues are also available. - October 13, 2022 – City of San Jose Board of Retirees meeting - October 20, 2022 – Palo Alto Kiwanis meeting - October 22, 2022 – Greentown Los Altos Library event - November 3, 2022 – Harbor Industrial Association luncheon - December 6, 2022 – RE/MAX Realtor informational meeting - January 4, 2023 – Mount Pleasant Neighborhood Assoc meeting - January 18, 2023 – Cupertino Library presentation hosted by Cupertino Library Foundation - February 9, 2023 – Sons in Retirement: Branch 54 monthly meeting - February 13, 2023 – Rotary Club of Evergreen Valley meeting - February 14, 2023 – Santa Clara County: Sustainability Working Group presentation - March 1, 2023 – Seven Trees Neighborhood Association meeting - March 6, 2023 – Leadership Morgan Hill presentation - March 9, 2023 – Presentation during Mountain View Senior Center afternoon workshop - March 23, 2023 – Mission San Jose Rotary Zoom meeting - April 6, 2023 – Water 101 Academy presentation - April 11, 2023 – Presentation during Terraces Los Gatos monthly speaker series - May 4, 2023 – West San Jose Kiwanis meeting - May 19, 2023 – Rotary Club of San Jose Silicon Valley
	Topic 9: Understand shallow flooding risks - don't drive through standing water Message 9A - Understand shallow flooding risks - don't drive through standing water FEMA's message: "Turn Around Don't Drown®."		(VW OP #101) Participates in booth duty support at various events and fairs throughout the county, including Valley Water Capital project meetings or other events, as requested by various organizations	Valley Water Office of Government Relations	Annually. During the flood season (starting in September – May)	All Santa Clara County CRS Communities	Valley Water staff made a concerted effort to actively participate in community events, including community festivals and emergency preparedness affairs, particularly in communities and neighborhoods in or close to flood zones. In FY23 (from September 2022 – May 2023), both Valley Water and City staff hosted 18 booths and distributed flood preparedness information on flood safety and emergency

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							preparedness materials, including Valley Water's annual floodplain mailer. 2022 Santos Family 16th Annual Car Show-9/3/22 Alviso, CA - Emergency Preparedness Resource Fair-9/10/22 San Martin, CA - Mountain View Art & Wine Festival-9/11/22 - Assembly Member Ash Kalra's Veggie Fest-9/17/22 San Jose, CA - Rotary Club Fall Festival-9/24/22 Cupertino, CA - Friends of Stevens Creek Trail Trailblazer Race-9/25/22 Mountain View, CA - Fall Festival at Martial Cottle Park-10/1/22 San Jose, CA - Santa Clara Parade of Champions-10/1/22 - Pumpkins in the Park-10/8/22 San Jose, CA - Bay Area Diwali Festival of Lights-10/8/22 Cupertino, CA - Supervisor Lee's Day on the Bay-10/8/22 Alviso, CA - Santa Visits Alviso-12/10/22 - AAUW Wildflower Run-3/26/23 Morgan Hill, CA - VMC Foundation Women's Leadership & Policy Summit-4/29/23 Saratoga, CA - Tech Interactive Tech Challenge-4/30/23 San Jose, CA - Berryessa Art Festival-5/13/23 - San Jose Giants-5/13/23 - Campbell Boogie Music Festival, 5/20/23-5/21/23 Morgan Hill hosted 'National Night Out' on August 2, 2022. Flood preparedness information (Valley Water floodplain mailer, red 'Get Flood Ready' which includes an emergency supply list tote bags, etc.) were distributed.
			(VW OP #102) Partner with local Second Harvest Food Bank with distributing FEMA and Valley Water flood preparedness materials, including promotional item(s) as available	Valley Water CRS Program	In October (during CFPW)	Second Harvest Food Bank of Silicon Valley	Valley Water partnered with the Silicon Valley Bike Coalition at the Ride Out the Drought event held on October 15, 2022; the Salvation Army on October 22, 2022; Santa Visits Alviso Foundation on December 7, 2023; Sacred Heart Community Services on February 8, 2023, and Ms. Gail Osmer, homeless advocate, on March 15, 2023 by providing and/or distributing FEMA, US Army Corps of Engineers, and Valley Water multilingual flood preparedness educational materials and emergency preparedness starter kits which supports Valley Water's 'Get Flood Ready' campaign. Additionally, presentations on flood preparedness were made at the City of Cupertino Public Safety and Community Emergency Response Team (CERT) held on October 26, 2022, and at the City of San Jose Neighborhood CERT event

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							INPUT HERE ONLY
							held on November 15, 2022. Flood resources were also shared at these events.
							The 2021 PPI Committee identified three efforts needed from each CRS community per the 2021 PPI in order to prepare and finalize subsequent annual evaluation reports. One of those efforts is that the PPI Committee must review and consider the 'Other New Initiatives' identified in the 2021 PPI (page 66) for advancing flood risk reduction efforts. The Santa Clara County CRS Group/PPI Committee, included the 'Other New Initiatives' topic for discussion at both the March 21, 2023 and May 16, 2023 meetings. See Section V. SC County CRS Users Group/PPIM Committee Meetings - Monitoring and Evaluating the 2021 PPI in the FY23 Annual Evaluation Report for details regarding the review/discussion of the nine other new initiatives. In FY 23, the following 'Other New Initiatives' were accomplished. The below-noted numbers correspond with the initiatives listed as (ALL OP #103) on left side of this column: 1. Valley Water offered assistance with developing utility bill inserts to all communities. The insert tied into Valley Water's FY23 Flood Awareness Campaign theme, "Our Climate Has Changed." The utility bill insert/mailed/flier were co-branded with 3 communities. 3. Targeted mailers (FPM and trifolds) addressed to all those in the FEMA SFHA were mailed out (see page 7 of the Annual Evaluation Report) and were multi-language which included Spanish, Vietnamese, and Chinese. 4. Valley Water's 'Let's Talk Water: Speakers Bureau Program offers presentations on the history of Valley Water and how we operate and includes information on flood preparedness. Presentations can be customized for groups, as requested. Several HOA's were given presentations that included flood preparedness information (see page 15 of the Annual Evaluation Report). Discussion at the March 21, 2023 CRS Users Group/PPI Committee meeting, Valley Water pointed out that the ArcGIS tool has several layers, including Santa Clara County Low Income Census Tracts (Poverty Zones) and Valley Water Flood Hot Spots. If any community is

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						FY 2023 (Year 2 of the 2021 PPI) Project Accomplishments <u>INPUT HERE ONLY</u> interested in accessing this information, reach out to Valley Water. We asked the group if there was any overlap of Valley Water's hot spots versus their jurisdiction's hot spots? 6. Valley Water staff actively participated in community events, including community festivals and emergency preparedness affairs, particularly in communities and neighborhoods in or near flood zones. In FY23 (from September 2022 – May 2023), both Valley Water and the communities staff hosted 18 booths and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual FPM (see page 15 of the Annual Evaluation Report). <u>Other Community Engagement Efforts</u> Valley Water partnered with the Silicon Valley Bike Coalition at the Ride Out the Drought event held on October 15, 2022; the Salvation Army on October 22, 2022; Santa Visits Alviso Foundation on December 7, 2023; Sacred Heart Community Services on February 8, 2023, and Ms. Gail Osmer, homeless advocate, on March 15, 2023 by providing and/or distributing FEMA, US Army Corps of Engineers, and Valley Water multilingual flood preparedness educational materials, flood insurance promotion, AlertSCC, American Red Cross All-Hazard APP, and emergency preparedness starter kits which supports Valley Water's 'Get Flood Ready' campaign. Additionally, presentations on flood preparedness were made at the City of Cupertino Public Safety and Community Emergency Response Team (CERT) held on October 26, 2022, and at the City of San Jose Neighborhood CERT event held on November 15, 2022. Flood resources were also shared at these events. 7. Discussion at the March 21, 2023 CRS Users Group/PPI Committee meeting regarding Valley Water and Santa Clara County looking into Valley Water possibly developing a separate flood-centric FMP rather than including it as part of the update of the County's 2017 MJHMP. The proposed flood-centric FMP could have a direct tie-in to this initiative; however, it may not include the RLAA element as part of the FMP.

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							Valley Water has shared some grant opportunities Climate Change Resiliency, CAL Office of Emergency Services (OES) with our Grant's Team. It was also mentioned that under Valley Water's Safe Clean Water, we have some community grants available to cities/county through our Grants Program. 8. Discussion at the March 21, 2023 CRS Users Group/PPI Committee meeting it was discussed that this initiative ties in with the ongoing CRS regionalization efforts. We will see what recommendations come out of the draft Feasibility Study. 9. At the March 21, 2023 CRS Users Group/PPI Committee meeting, Valley Water demonstrated an electronic copy of the City of Santa Clara's FRP. As the PPI Committee has discussed in past meetings, we are still considering using the City of Santa Clara's FRP as a model for developing a countywide FRP that can be credited uniformly. ISO indicated this approach would likely be credited regionally.
			(CUP OP #104) The city provides a Winter Preparedness notification informing contractors that during the winter season, they need to winterize their project(s) site as certain soil disturbance activities are not allowed during the rainy season	City of Cupertino	On a project-specific basis	Various contractors	Cupertino continues to prepare and mail the rainy season letters every year to applicable projects. These letters were mailed in late August 2022.
			(MIL OP#105) On a project-specific basis, the city provides contractors a Winter Preparedness notification that informs them that during the winter season, they need to winterize their project(s) site. Certain soil disturbance activities are not allowed during the rainy season	City of Milpitas	On a project-specific basis	Various contractors	Milpitas: On-going. The City of Milpitas will be sending out winterization notices to larger development projects this winter.
	<u>Topic 2:</u> Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place	Increase in number of flood insurance policies in the SFHAs and in the county in general Prospective buyers understand flood risks <i>These projects are credited under Activity 340 (DFH and REB) – Additional credit is provided if the PPI states that real estate agents should (or have agreed to) advise house hunters about the flood hazard and that real estate</i>	(MH OP #106) The city mails out a newsletter, "Ask Before You Buy: Know Your Flood Risk!" to local real estate agents which are provided to homebuyers to help determine the flood risk of the property being purchased <i>(listed in Appendix B)</i> (PA OP #107) Sends out letters to real estate agencies informing them of their responsibility to identify flood hazard areas and to take advantage of the Flood Zone Lookup on the city's website (SJ OP #108) Sends out letters to real estate and insurance agencies and lenders, informing them of their responsibility to identify flood hazard areas and to take advantage of the Flood Zone Lookup on the city's website on the "Flood Hazard Zones webpage and advises to contact the city for map reading services and elevation certificates on file	City of Morgan Hill City of Palo Alto City of San Jose	During or prior to the rainy season Annually, beginning of flood season (September/October) At the beginning of the flood season (September – December)	Real Estate Agencies/Agent Real Estate Agencies/Agent Real Estate Agencies/Agent	Morgan Hill will be sending the brochure to real estate agents in June 2023. Palo Alto sent letters to real estate agencies informing of their responsibility to identify flood hazard areas in August 2022. San Jose emailed letters to real estate, insurance agencies and lenders in March 2023.

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		agents give house hunters a REB brochure	(SUN OP #109) Sends mailer/postcard targeted to real estate agents informing them of the client's responsibility for identification and purchase of flood insurance and the availability of the automatic 15% discount	City of Sunnyvale	Each October	Real Estate Agencies/Agents	Sunnyvale: The City sent the mailers to real estate agents October 2022.

Agenda

Santa Clara County CRS Users Group & Program for Public Information (PPI) Committee Meeting

March 21, 2023 | 9:30 – 11:30am

Zoom Meeting

<https://valleywater.zoom.us/j/81783191992?pwd=Q1VkRWxlRnc4WCtGS3NlbGR3SkxET09>

Meeting ID: 817 8319 1992

Passcode: 273986

+1 669 900 9128 US (San Jose)

Purpose: PPI Stakeholder Committee Annual Evaluation Meeting per Activity 330, Outreach Project, Element 332.c. Program for Public Information, Step 7 requirement (*page 2*)

Outcome: Complete development of the 2021 Multi-Jurisdictional Program for Public Information (PPI) Annual Report for FY23 (*Year 2: July 2022 to June 2023*)

Section	Meeting Topic	Presenter	Time
1.	Introductions	Amy Fonseca	10 min
2.	Review of the meeting goals and agenda	Amy Fonseca	2 min
3.	Annual review of CRS Communities Roster	Amy Fonseca	2 min
4.	Brief status update on the CRS Regionalization in Santa Clara County Feasibility Study Floodplain Management Plan (FMP) vs Update to the County's 2017 Multi-Jurisdictional Hazardous Mitigation Plan (MJHMP)	Amy Fonseca	5 min
5.	Review 2021 PPI 'Other New Initiatives'	Amy Fonseca	20 min
6.	2021 Multi-Jurisdictional Program for Public Information (PPI) Annual Evaluation Report Complete development of the Annual Evaluation Report for FY23 (<i>Year 2: July 2022 to June 2023</i>) - Use Activity 330 Outreach Project sheets <i>located here</i> https://fta.valleywater.org/fl/1a2Jh3wyoO to update Appendix A from 2021 SC County Multi-Jurisdictional PPI - Update FY23 Project Accomplishments column for your community https://docs.google.com/document/d/14MiExVqFA0_Oq4ROnxx_T7RHReV-5p8/edit?usp=sharing&oid=104583139517453360848&rtpof=true&sd=true - Communities' updates due by next CRS Users Group Meeting or sooner	Amy Fonseca	45 min
7.	Activity 350 – Flood Protection Information The community must: - Monthly, check the website's links at least monthly, and fix those that are no longer accurate - Annual review the community must review the content to ensure that it is still current and pertinent	Amy Fonseca	2 min
8.	Next meeting – Joint CRS Users Group/Program for Public Information (PPI) Committee meeting Complete the development of the 2021 PPI Annual Report Year 2 (FY 2023)		2 min
9.	Adjourn		

ATTACHMENT NO. 3

For questions, please contact Amy Fonseca at (408) 630-3005 or afonseca@valleywater.org

Excerpt from 2017 CRS Coordinator's Manual:

"Step 7: Implement, monitor, and evaluate the program. The Program for Public Information committee meets at least annually to monitor the implementation of the outreach projects. The committee assesses whether the desired outcomes were achieved and what, if anything, should be changed. This work is described in an evaluation report that is prepared each year, sent to the governing body, and included in the annual recertification.

The community must update its Program for Public Information at least every five years. This can be a new document or an addendum to the existing document that updates the needs assessment and all sections that should be changed based on evaluations of the projects.

The Program for Public Information update will be reviewed for CRS credit according to the *Coordinator's Manual* currently in effect, not the version used when the community originally requested this credit. The update can qualify as the annual evaluation report for the year it was prepared. The updated Program for Public Information must be adopted following the same process as adoption of the original document."

**Santa Clara County CRS Users Group / PPI Committee Meeting
Attendance Sheet**

March 21, 2023 | 9:30 - 11:30am | Zoom

Name	Agency
Robb Lampa	California Department of Water Resources
Jenn Chu	City of Cupertino
Susana Ramirez	City of Gilroy
Erin McDannold	City of Los Altos
Steve Golden	City of Los Altos
Thanh Nguyen	City of Los Altos
Brian Petrovic	City of Milpitas
Elizabeth Koo	City of Milpitas
Charlie Ha	City of Morgan Hill
Maria Angeles	City of Morgan Hill
Renee Gunn	City of Mountain View
Rajeev Hada	City of Palo Alto
Arlene Lew	City of San Jose
Brandon Coco	City of Santa Clara
Christian Tran	City of Santa Clara
David Dorcich	City of Saratoga
Lea Velasco	City of Sunnyvale
Suzanne Park	City of Sunnyvale
Tamara Davis	City of Sunnyvale
Darrell Wong	County of Santa Clara
Michael Alvarez	County of Santa Clara
Los Gatos PPW (Public Works)	Town of Los Gatos
Nicolle Burnham	Town of Los Gatos
Amy Fonseca	Valley Water
Don Rocha	Valley Water
Merna Leal	Valley Water
Paola Reyes (Paola Giles)	Valley Water

Quorum Met. All CRS Communities in attendance.

Missing Cities: City of Campbell, City of Monte Sereno, and Town of Los Altos Hills

Agenda

Santa Clara County CRS Users Group & Program for Public Information (PPI) Committee Meeting

May 16, 2023 | 9:00am – 11:00 a.m.

Join Zoom Meeting

<https://valleywater.zoom.us/j/84766026839?pwd=ekFMSEpXTTQzNiZuYnh4ZU00NnM5UT09>

Meeting ID: 847 6602 6839 | Passcode: 185970 | +1 669 900 9128 US (San Jose)

Purpose: PPI Stakeholder Committee Annual Evaluation Meeting to monitor the Implementation of the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information per Activity 330, Outreach Project, Element 332.c. Program for Public Information (PPI), Step 7 requirement

Outcome: 2021 PPI Annual Evaluation Report, FY23 (Year 2 of 5)

Section	Meeting Topic	Presenter	Time
1.	Introductions	Amy Fonseca	10 min
2.	Review of the meeting goals and agenda	Amy Fonseca	5 min
3.	FY22-23 Flood Awareness Campaign Results <i>approach: targeted outreach, including to renters, items to all addresses in the FEMA SFHA</i> FY23-24 Flood Awareness Campaign	Paola Giles & Probolsky Research	20 min
4.	Status of Feasibility Study for Regionalizing CRS in Santa Clara County Status of flood-centric Floodplain Management Plan (FMP) in lieu of Santa Clara County Multi-Jurisdictional Local Hazard Mitigation Plan	Amy Fonseca	10 min
5.	CRS 2023 Cycle Group (Mountain View, Palo Alto, Santa Clara, Sunnyvale) Updates	Amy Fonseca	5 min 10 min
6.	California Flood Preparedness Week (October 2023) - Statewide Agency Coordination Calls leading up to CFPW (<i>kicks off mid-May to early June 2023</i>) - Annual Valley Water Board Resolution - Flood event kits for all cities/county - Lobby display example (<i>use you Flood Event Kits: vertical banner, table cover, materials</i>)	Amy Fonseca	5 min
7.	Complete development of the 2021 Multi-Jurisdictional Program for Public Information (PPI) Annual Report, FY 23 (Year 2: July 2022 to June 2023) DEADLINE 5/31/23 (Wednesday) - Use Activity 330 Outreach Project sheets <i>located here</i> https://fta.valleywater.org/fl/oLY0MMAJw3 to update Appendix A from 2021 SC County Multi-Jurisdictional PPI - Update FY23 Project Accomplishments column for your community https://docs.google.com/document/d/14MiExVqFA0_Oq4R0nxx_T7RHReV-5p8/edit?usp=sharing&ouid=104583139517453360848&rtpof=true&sd=true REPORT DUE 8/1/23: Due during 5-year cycle visit or as part of annual re-cert.	Amy Fonseca	20 min
8.	Other items ISO Training - TBD	Amy Fonseca	5 min
9.	Adjourn		

For questions, please contact Amy Fonseca at (408) 630-3005 (office) or (408) 691-8889 (cell)

or afonseca@valleywater.org

**Santa Clara County CRS Users Group / PPI Committee Meeting
Attendance Sheet**

May 16, 2023 | 9:00 - 11:00am | Zoom

Name	Agency
Robb Lampa	California Department of Water Resources
Jenn Chu	City of Cupertino
Susana Ramirez	City of Gilroy
Steve Golden	City of Los Altos
Brian Petrovic	City of Milpitas
Maria Angeles	City of Morgan Hill
Renee Gunn	City of Mountain View
Lauren Cody	City of Mountain View
Rajeev Hada	City of Palo Alto
Vicki Thai	City of Palo Alto
Vivian Tom	City of San Jose
Brandon Coco	City of Santa Clara
Christian Tran	City of Santa Clara
Suzanne Park	City of Sunnyvale
Jennifer Ng	City of Sunnyvale
Adam Probolsky	Probolsky Research
Katie Thompson	Probolsky Research
Amy Fonseca	Valley Water
Sherilyn Tran	Valley Water
Clarissa Sangalang	Valley Water
Paola Reyes (Paola Giles)	Valley Water

Quorum Met. All CRS Communities in attendance.

Missing Cities: City of Campbell, City of Monte Sereno, City of Los Gatos, City of Saratoga, Santa Clara County, and Town of Los Altos Hills



City of Gilroy

STAFF REPORT

Agenda Item Title: **Authorization to Approve Application to Receive Grant Funds from the California Youth Community Access Grant Program**

Meeting Date: August 21, 2023
 From: Jimmy Forbis, City Administrator
 Department: Recreation
 Submitted By: Adam Henig, Recreation Manager
 Prepared By: Adam Henig, Recreation Manager

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services

RECOMMENDATION

Motion to authorize the application to receive grant funds from the California Youth Community Access Grant Program.

EXECUTIVE SUMMARY

The City of Gilroy applied to receive funds for The Youth Community Access Grant Program, a state-sponsored initiative that awards funding for youth to access natural or cultural resources with a focus on low-income and disadvantaged communities. The City applied for the grant and has advanced to the third and final round. Per the grant requirements, the City Council is requested to authorize the application in order for the City to receive funding if awarded.

BACKGROUND

The City has applied to receive funding from the Youth Community Access Grant Program, a state-sponsored initiative funded from Proposition 64 ("Control, Regulate and Tax Adult Use of Marijuana Act"), which was passed by California voters in 2016. A portion of the funding was appropriated to the California Natural Resources Agency, which is sponsoring a competitive grant program to support youth access to natural or

cultural resources with a focus on serving low-income and disadvantaged communities. These programs are designed to educate and facilitate recreational opportunities for young people who have limited access to natural outdoor spaces.

The project that Gilroy is proposing is a two-year program that will offer 80 Gilroy youth the opportunity to attend free nature field trips while learning about the importance of conservation, culture and developing survival skills. The program will encourage youth from economically disadvantaged neighborhoods to explore beautiful, natural destinations in the Santa Clara County region and beyond. Each year of the program will include three-day-long trips (each site will be different) and one multi-day overnight nature trip. Youth will learn about conservation and other natural and cultural resource-related concepts in a classroom setting prior to each trip. Each classroom activity will be between 1 and 3 hours. The classroom activities and nature area trips will be led by City Recreation staff and a contracted naturalist from a local nonprofit educational organization who has experience working with underprivileged youth and teens. Classroom sessions will include team-building games and lessons about the cultural history and impacts of climate change on the nature sites that will be visited.

Each year's program will have two cohorts – 15 to 20 middle school and 15 to 20 high school students. Destinations may include state and national parks within California such as Mt. Madonna (of Santa Clara County), Henry Coe State Park, Point Lobos State Reserve, and/or Yosemite National Park.

ANALYSIS

If awarded, this grant program will be aimed at improving access to natural destinations for youth and teens from disadvantaged backgrounds. Many students in Gilroy have yet to have the opportunity to experience and explore the outdoors beyond city limits. The City is planning to focus on recruiting youth with existing juvenile arrest records or truancy concerns based on reports provided by the County and other local nonprofit organizations that serve students under the age of 18.

By providing free nature access programs for disadvantaged youth, the program has the ability to improve outcomes for students who are at risk of falling behind in school and being exposed to the criminal justice system. Collectively, these trips provide a sense of purpose, an opportunity to for youth to lead one another and cultivate a desire to think beyond their immediate surroundings—for example, how their day-to-day lives impact the planet.

ALTERNATIVES

The City Council can decide not to approve the application, which would prevent the City from moving forward in the grant program. Staff does not recommend this option.

FISCAL IMPACT/FUNDING SOURCE

If awarded, the City is requesting \$284,227 to cover the costs of the two-year program, which includes staff, a contract provider, transportation, and supplies.

PUBLIC OUTREACH

Not applicable.

NEXT STEPS

The City will submit the remaining grant documents. The State will inform applicants of its status in October 2023.

Attachments:

1. Draft Resolution
2. Grant Application

RESOLUTION 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE YOUTH COMMUNITY ACCESS GRANT PROGRAM**

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the California Natural Resources Agency require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the project.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY OF GILROY CITY COUNCIL:

1. Approves the filing of an application for the **Beyond Gilroy: Nature, Exploration, and Empowerment**; and
2. Certifies that Applicant understands the assurances and certification in the application package; and
3. Certifies that Applicant or title holder will have enough funds to operate and maintain the project consistent with the grant guideline requirements or will secure the resources to do so; and
4. Certifies that it will comply with all provisions of Section 1771.5 of the California Labor Code; and
5. If applicable, certifies that the project will comply with any laws and regulations including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, and disabled access laws, and that prior to commencement of construction all applicable permits will have been obtained; and
6. Appoints the City Administrator, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 21st day of August 2023 by the following roll call vote:

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

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk

Print Application**RFP Title:** Youth Community Access Grant Program 2022**Project Title:** Beyond Gilroy: Nature, Exploration, and Empowerment**Estimated Date of Completion:** 05/31/2026**Funds Requested(\$):** 291,006.00**Other Sources of Funds(\$):** 0.00**Total Budget(\$):** 291,006.00**Applicant Organization:** City of Gilroy**County:** Santa Clara **City/Town:** Gilroy**Applicant Address:** 7351 Rosanna Street , Gilroy , CA - 95020**Project Address:** 7351 Rosanna St**Federal Tax ID:** 946000340**Senate District** 17**Assembly District** 30**US Congressional District** 19,20,**Project Description:**

A three year nature exploration program for 120 youth that includes regional field trips and local classroom based activities.

Latitude: 37.004610000 **Longitude:** -121.572440000**Coordinates Represent:** Gilroy City Hall
Coordinates Determined Using: Google Maps**Project Director (Applicant's Representative Authorized in Resolution) (Signature required at bottom of this page)****Name:** Jimmy - Forbis **Title:** Project Director: Authorized Representative**Phone:** 408-846-0202 **Email:** Jimmy.Forbis@ci.gilroy.ca.us**Project Manager - Person with day to day responsibility for project (if different from authorized representative)****Name:** Adam - Henig **Title:** Project Manager: Day to day contact**Phone:** 408-846-0460 **Email:** Adam.Henig@ci.gilroy.ca.us**I certify that the information contained in this project application, including required attachments, is complete and accurate****Signed:** _____ **Date:** _____
Applicant's Authorized Representative as shown in Resolution**Print Name:** _____ **Title:** _____**Application Overview****RFP Title:** Youth Community Access Grant Program 2022**Submitting Organization:** Ilya Malinsky**Submitting Organization****Division:****Project Title:** Beyond Gilroy: Nature, Exploration, and Empowerment

Project Description: A three year nature exploration program for 120 youth that includes regional field trips and local classroom based activities.

Water System ID:

District Office:

APPLICANT DETAILS

Applicant City of Gilroy

Organization:

Applicant

Organization

Division:

Applicant Address: 7351 Rosanna Street , Gilroy , CA - 95020

PROJECT LOCATION

Latitude : 37.004610000

Longitude: -121.572440000

Watershed: Uvas-Llagas

County: Santa Clara

Estimated Date of 05/31/2026

Completion:

Project Address (or nearest cross street): 7351 Rosanna St

Nearest City/Town: Gilroy

Cordinates Gilroy City Hall

Represent:

Coordinates Google Maps

Determined Using:

PROJECT BUDGET

Funds Requested(\$): 291,006.00

Other Sources of 0.00

Funds(\$):

Total Budget(\$): 291,006.00

Funding Program

Proposition 64

Applied

Yes

Project Management Role	Title	First Name	Last Name	Phone	Fax	Email
Project Director: Authorized Representative	City Manager	Jimmy	Forbis	408-846-0202		Jimmy.Forbis@ci.gilroy.ca.us
Project Manager: Day to day contact	Recreation Manager	Adam	Henig	408-846-0460		Adam.Henig@ci.gilroy.ca.us

Applicant Information

Name: City of Gilroy

Division:

Address: 7351 Rosanna Street Gilroy, CA , 95020

Federal Tax ID: 946000340

Person Submitting Information

Submitter Ilya Malinsky

Name:

Submitter 213-375-8162

Phone:

Submitter

Fax:

Submitter ilya@californiaconsulting.org

Email:

Legislative Information

Primary

Additional District(s)

Senate District

17

Assembly District

30

US Congressional District	19,20,
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Contacts	Name	Phone	Email
City of Gilroy	Adam Henig	408-846-0460	Adam.Henig@ci.gilroy.ca.us

Cooperating Entities	Role	Name	Phone	Email
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There are no COOPERATING ENTITIES to display.

Pre Submission Attachment Title	Phase	Submission Period	Date & Time
1.1 Proposal Form Signature Page	PHASE1	PRE SUBMISSION	7/29/2022 11:03:46 AM
1.2 Gilroy Community Fact Finder Report	PHASE1	PRE SUBMISSION	7/29/2022 1:16:58 PM
1.2 Gilroy DAC Map from GIS using ACS Block 2016-2020 data	PHASE1	PRE SUBMISSION	7/29/2022 1:13:01 PM
1.3 Cost Estimate	PHASE1	PRE SUBMISSION	7/29/2022 2:27:03 PM
1.5 Supporting Documentation	PHASE1	PRE SUBMISSION	7/29/2022 11:01:40 AM

Download all Pre Submission Attachments



Post Submission Attachment Title	Phase	Date & Time Attached
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No Post Submission Attachments Available to Display

Post Award Attachment Title	Phase	Date & Time Attached
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No Post Award Attachments Available to Display

Questionnaire - Phase1

PROJECT QUESTIONS

Applicants must answer the following questions. If a question does not apply to the project, indicate "Not Applicable" with a brief explanation. Do not leave blank fields. Be sure to address all parts of each question. Answers are limited to 3,000 characters.

The Project

- 1 Describe the discrete project the grant would fund. The information provided should include grant deliverables and support the cost estimate submitted with the proposal. See Appendix J for definition of and examples of grant deliverables.

The following project-specific information should be included in response to this question (as applicable):

- a The approximate number of experiences with natural or cultural resources youth will have (e.g., field trips, days at camp), the length of the project funded by the grant, any cost for youth to participate, and percentage of classroom versus outdoor program time.

Answer: The proposed project is a three-year program that will offer 120 socio-economically disadvantaged youth the opportunity to attend free nature field trips while learning about the importance of conservation, cultural preservation, and survival skills. The program will encourage youth from low-income households and neighborhoods to explore beautiful natural destinations in the Santa Clara County region and beyond. Each year of the program will include three day trips (to different destinations) and one multi-day overnight trip. Before each trip, youth will learn about conservation and other natural and cultural resource related concepts in a classroom setting. Each classroom activity will be between 1 and 3 hours. The classroom activities and nature area trips will be led by City Recreation staff and a contracted naturalist from a local nonprofit educational organization that focuses working with underprivileged youth and teens. Classroom sessions will include team-building games and lessons about the cultural history and impacts of climate change on the natural sites that will be visited.

Each year's program will have two cohorts – 15 to 20 middle school and 15 to 20 high school students. This will ensure that both cohorts can fit on one bus, along with City staff and contract staff. After each year of the program, City staff will select high school students to act as student leader volunteers for the subsequent year's program.

City staff will work to identify and secure additional funding and donations for the programs, using the CNRA grant funding as leverage. Destinations may include state and national parks within California, including Mt. Madonna (Santa Clara County), Henry Coe State Park, Point Lobos State Reserve, and Yosemite National Park.

- b **A description of the clean vehicle to be acquired and how the vehicle will be used both during and after the grant period.**

Answer: N/A - no vehicle requested

- c **For Development Projects (e.g., construction): The percentage of the project footprint located within a low-income community, the owners of the property on which the project will take place, the status of any agreements needed to access and implement the project, and plans for long-term operations and maintenance of the project.**

Answer: N/A - no construction requested

Requirements and Project Need

- 2 **What is the age range of youth to be served by the project?**

Answer: Youth will be between the ages of 12-18 – middle school and high school students.

- 3 **How many youth will be served by the project funded with the grant and across what time period?**

Answer: 120-90 students over the course of three years. The program will serve 30 to 40 students per school year (between August and May).

- 4 **How will youth be recruited to participate in the project?**

Answer: Youth will be recruited with the assistance of the South County Youth Task Force (SCYTF), a regional multi-agency collaboration focused on at-risk youth led by the City of Gilroy. Recruitment efforts will be focused on engaging youth within Gilroy's most disadvantaged neighborhoods and vulnerable populations. This will include but not be limited to low-income youth, youth of color, and youth residing in Gilroy's known DAC neighborhoods. Youth will be referred to the program through the SCYTF technical team's multi-disciplinary team meetings, as well as through other community based organizations and school district referrals. Community outreach will occur in public areas within Gilroy's DACs as well as through print and electronic advertisements using City and school district email databases.

- 5 **Will at least 80% of youth served through the project live within a low-income community and/or household?**

Answer: I Yes

- 6 **How will applicant ensure that at least 80% of youth served through the project live within a low income household and/or community?**

Answer: The City of Gilroy recreation division has an established free program for low income youth that requires income verification. Participants will be required to meet the income guidelines set by the US Federal Government Housing and Urban Development's Community Development Block Grant (CDBG). A sample CDBG intake income assessment form is part of application as an attachment.

- 7 **Will at least 80% of the youth to be served be members of an underserved community of color and/or a vulnerable population?**

Answer: I Yes

- 8 **Describe the underserved communities of color and/or vulnerable populations to which at least 80% of youth participants will belong.**

Answer: The underserved communities within Gilroy are comprised largely of Latino families— for many of whom English is a second language — and are located on the eastern side of town, with the highest concentration of low-income households located in Census Tracts 512511 and 512603. Both these tracts are considered Disadvantaged Communities according to the DAC Mapping Tool using ACS 2016-2020 data. This population is facing adverse conditions such as overcrowding (i.e., multiple families living in single housing units), low educational attainment, high diabetes rates, and limited access to transportation.

South County/East Gilroy (zip code 95020) is a geographic region located at the southern end of Santa Clara County. The so-called "South County" is racially and linguistically diverse with one quarter of its Gilroy residents born outside the United States (primarily Mexico) and 46% speaking a language other than English in the home. South County has a greater Latino/Hispanic presence in Gilroy -- 61.1% than the California average of 38.8% (Data USA, 2017). Per capita, Gilroy has the most validated gang members of any city in the county, with 42% greater than San Jose (2017). Out of the top ten zip codes with arrests and citations in 2019, Gilroy ranked 1st with 273 juvenile arrests/citations, increasing by 34 % from 2018 and Morgan Hill increased by 41% at 168

arrests/citations, moving from 7th to 4th in ranking (Santa Clara County Probation Department, 2019).

Additionally, Gilroy has the lowest life-expectancy of any zip code in Santa Clara County, with East Gilroy having the very lowest and East San Jose having the second lowest. In comparison to other jurisdictions in the county, South County ranks third in the number of children entering Foster Care (24, 9.3%) and has the highest general neglect (GN) referral rates, allegations of child abuse and/or neglect (532, 7.9%), substantiated allegations (140; 10.3%), and voluntary cases opened due to allegation of GN (52, 9.4%). These issues are compounded by the economic challenges facing South County families who often work multiple jobs to meet the exacerbated cost of housing, food, and transportation. While income disparity is evident throughout the county, with the top income families earning almost 16.4 times more than low-income families, families residing in East Gilroy earn a Median Household Income (MHI) of \$39,915 in comparison to San Jose's \$93,854. With poor job prospects for an increasing young population, a sense of hopelessness permeates the lives of at-risk and gang-impacted youth in the region (California Department of Education [CDE], 2016).

9 How will applicant ensure that at least 80% of the youth to be served are members of underserved communities of color and/or vulnerable populations? (If funded, documentation must be available upon request and for audit purposes.)

Answer: The City will use the official CDBG income verification program application to recruit and capture key demographic information on potential program participants. Demographic information that will be collected includes race, ethnicity, disability, household size, household income, and income verification in the form of either: free and reduced lunch eligibility, MediCal eligibility, Section 8 housing status, and/or foster care status.

10 Provide specific examples of natural and/or cultural resources youth will access because of the project.

Answer: 1. Mt. Madonna (Santa Clara County) – At this park, which has old growth Redwoods, students will learn about the native inhabitants of the land. The main tribe is the Costanoan Rumsen (also known as the Ohlone). Students will also learn about cattle rancher Henry Miller, whose descendants donated the land to the County, which was the basis for the inception of the park.

2. Point Lobos State Reserve – Point Lobos offers a different topography than the other parks. Based on the coast, it is part of the Monterey Bay National Marine Sanctuary. The wildlife at this site includes seals, sea lions, sea otters, migrating gray whales and thousands of seabirds.

3. Yosemite National Park – At Yosemite, students will learn about the tribes who once inhabited the land. They'll also learn about Yosemite's historical significance among the national parks. Students will have an opportunity to camp overnight, hike along the majestic mountains, and observe the unique wildlife.

11 Describe how the project addresses a critical need of the youth served.

Answer: This program will be specifically aimed at improving access of natural destinations for youth from disadvantaged backgrounds. There are many students in Gilroy who have not had the opportunity to experience and explore the outdoors beyond the city limits. The City is planning to focus on recruiting youth with existing juvenile arrest records or truancy concerns based on reports provided by the County and other local nonprofit organizations that serve students under the age of 18.

Providing free nature access programs for disadvantaged youth will improve outcomes for students who are at risk of falling behind in school and being exposed to the criminal justice system. Collectively, these trips will provide a sense of purpose, an opportunity to for youth to lead one another, and a nature and history oriented perspective beyond their immediate surroundings — for example, how their day-to-day actions impact the planet.

12 Briefly describe the applicant's mission and how it ties to the goals of the Youth Community Access Grant Program.

Answer: City of Gilroy Recreation's mission is to bring the community together and create memories that last a lifetime. The proposed nature trip program fits within this mission — to bring youth together and provide them with opportunities and experiences that will have a profound impact on their lives. They'll learn about the role and importance of our natural surroundings and why it's imperative that we maintain it for generations to come. Students will also develop critical life skills that will build their self-esteem, teach them to work together effectively, nurture peer-to-peer and mentor/mentee relationships, and enhance their logistical planning abilities. At the conclusion of the program, the students will hopefully feel a stronger sense of inclusion and confidence.

13 What steps will be taken to address youth safety, well-being, comfort, and cultural relevance throughout the project?

Answer: To ensure that participating youth are comfortable and safe while participating in the program, all staff and volunteers will be screened through the City of Gilroy. In addition, staff in this program will have experience working with disadvantaged youth and teens. These staff and volunteers will serve as role models and will enforce positive social behavior through verbal and non-verbal communication and safe physical activity. The City will supply participants with healthy food and drinks during trips and activities and provide safety equipment needed for each trip. To address cultural relevance, youth will learn about the indigenous communities and general history of each nature area prior to visiting.

14 Describe the specific training staff receive in areas such as safety, risk management, cultural competency, trauma informed practices, etc.

Answer: All City staff and volunteers involved in the program will have undergone criminal and work history background checks, on-boarding, and mandated reporter training. The City will require the contractor to conduct background checks on any staff that will be working with youth. The contracted naturalist will also have extensive experience working with underprivileged youth. They will train City staff and volunteers on basic safety protocol when in the wilderness. In order to build cultural competence and center trauma informed care in the program curriculum and interpersonal interactions, staff involved in this program will have undergone trainings such as A Lifeworks Framework, International Institute for Restorative Practices training, National Compadres Network cultural trainings, and/or Xinachtli rites of passage. The program staff, service providers and leaders will demographically reflect the targeted population intended to be served.

15 Describe any existing ADA accessibility accommodations available to youth and/or planned accommodations included with this proposal.

Answer: City staff will ensure that participating youth requiring ADA accessibility are accommodated. Wheelchair lift transportation is available for each excursion. If a participating student has special needs and will need an aide to assist, the City will work with the participant and their family to accommodate their needs.

Funding Priorities

16 Describe any youth leadership opportunities during project development and/or implementation. Provide information pertaining to any distinct youth participant roles that may be applicable (e.g., interns, youth advisory committee, etc.).

Answer: Each year's program will have two cohorts – 20 middle school aged youth and 20 high school aged youth. At the end of the program each year, City staff will select up to four youth (2 from each cohort) to act as youth activity leaders volunteers for the subsequent year's program. Serving in a leadership role, these students will be part of the planning process and able to provide feedback and support implementation from a youth perspective. After year two, another set of cohorts will be selected to serve as youth activity leaders during year three.

17 Of the total number of youth participants, how many will be given leadership opportunities during project development or implementation? If distinct roles are applicable, how many youth are anticipated for each role?

Answer: Four (4) youth from each year's cohorts will be recruited for Youth Activity Leader positions, for a total of 8 youth leaders.

18 What skills and knowledge will youth gain because of the project?

Answer: Youth will learn outdoor safety and survival skills, regional flora and fauna, the impact of climate change and how to prevent further damage to the planet, the history of each park's indigenous cultural and historical heritage, interpersonal skills, and team building skills. Youth will also have opportunities to serve as leaders in small groups and, in some cases, for their entire cohort. Youth will explore and gain an understanding of community building and the impact of making healthy lifestyle choices.

19 Describe lasting impacts of the project and how project experiences will continue to influence youth participants after the project concludes.

Answer: Through successful participation in classroom learning and nature trips, youth participants will develop a stronger connection with the natural environment and improved self-esteem. Those who demonstrate leadership capabilities can apply to become a Youth Activity Leader and mentor future cohorts. This will support the legacy of the program and thus the sustainability of the project. Through the program, students will develop a deeper connection to themselves, their peers, and community that will influence their interactions in school, home and community spaces. Some youth may be motivated to start a hiking club at their school or a community group committed to bringing awareness about the local impacts of climate change.

20 Describe any youth participation in public awareness/outreach campaigns before and/or after project completion.

Answer: Youth will be documenting their experiences both in a personal diary and through multi-media presentations. In small groups, students will be asked to make a public service announcement about the importance of the natural environment and why it needs to be protected for future use. They'll also discuss their experience in the program and how it has helped them appreciate the world around them. These videos will be distributed through the City's social media and e-newsletter platforms. After each year's program is completed, youth activity leaders and participants will make a presentation to the Gilroy Parks and Recreation Commission and the Gilroy City Council, where they will demonstrate what they have learned and how the program has benefited them.

21 Explain how the project encourages and empowers youth to make healthy choices during and beyond the project.

Answer: City staff will ensure that youth have access to healthy nutritional meals during activities and trips. There will also be lessons about the importance of consuming nutritious and fresh foods. Youth will have the opportunity to plan healthy meals/snacks with staff to practice healthy choices. The project aims to provide positive recreational opportunities in nature with positive adult role models to support mental, physical, and spiritual healing and education in nature. Youth will learn to seek alternative choices to negative coping strategies and negative influences.

Project Readiness

22 Describe the immediate steps to be taken post-grant award.

Answer: If selected for an award, staff will send the required Authorizing Resolution to City Council for approval. The Recreation Manager will then identify key staff that will be involved with the program. City staff will issue a Request for Proposal (RFP) to contract the services of a professional naturalist organization that has experience working with socio-economically disadvantaged youth and teens in the outdoors. Staff will also obtain quotes for a charter transportation company for its offsite trips. Recruitment of participants will be conducted through the distribution of a school flyer and disseminating the information to the South County Youth Taskforce network that includes the Spanish-language community group "Promotores" and Gilroy's "Late Night Gym" (LNG) program. The youth in LNG have been identified as requiring additional social and emotional support.

23 Explain how the applicant will fill any funding gaps to complete the project.

Answer: Any gaps in project funding will be supplemented by the City of Gilroy's Recreation Division budget. During the program's implementation, City staff will apply for local and private grants that may supplement the program's funding. The City currently has an ongoing grant from Santa Clara County Valley Transportation Authority's "2016 Measure B Bike-Pedestrian Education and Encouragement Fund," which reimburses qualifying agencies for expenses that were used to promote bicycling, walking and/or hiking in Gilroy.

24 If the project requires hiring of staff, explain the timeline for hiring and specific role(s) to the discrete project proposed for grant funding.

Answer: The program will utilize existing City Recreation staff: Community Coordinator, Recreation Manager, Recreation Specialists, and Recreation Leaders. The City also plans to augment supervision and program implementation by contracting the services of a professional naturalist through the RFP process. This process typically takes three to five months to complete.

25 If the project requires approval from entities other than applicant, provide the status of discussions and approvals.

Answer: Once this project is approved by CNRA, Gilroy City Council will approve an authorizing resolution to move forward with the grant funding agreement and program.

26 If applicable, provide the status of communications about the project with entities (e.g., schools, non-profit organizations, foster system, etc.) from which youth will be recruited.

Answer: Once the school year begins in August 2022, City staff will discuss this project with South County Youth Taskforce, Gilroy Unified School District, Santa Clara County Department of Probation, and other key stakeholders.

27 If a development project (e.g., construction), will the project trigger any permits and/or environmental reviews? If so, provide the status and/or anticipated timeline of applicable compliance measures.

Answer: Not applicable -- not a development project.

Organizational Capacity and Collaboration

28 Describe the applicant's ability and experience with fundraising (e.g., grants, donations, etc.).

Answer: Past grants and donations:

2022

Donations:

Gilroy Assistance League (GAL): \$3,000 to Gilroy Youth Center (after school program)

Gilroy Rotary Club: \$2500 toward Party in the Park special event

2021

Donations:

Exchange Club: \$300 toward Youth Scholarship Fund

Gilroy Chevy: \$1000 Youth Sports

Gilroy Foundation:

Senior Center - \$425

Youth Scholarship Fund - \$6100

2020

Donations:

Exchange Club: \$300 toward Youth Scholarship Fund

Gilroy Rotary Club: \$2500 toward Kids Discover Arts special event, \$2500 toward Party in the Park special event

2019:

Grant:

Santa Clara County: \$1000 toward Community Fireworks display

29 Describe the applicant's experience in completing similar projects.

Answer: The City facilitates a CDBG grant funded summer day camp program that serves Gilroy's low-income residents following HUD income guidelines. See attachment for supplemental information about this summer youth program.

The Recreation Division runs recreation and athletic programs that serve youth from all socioeconomic backgrounds, including low-income youth and those residing in DACs. Participation fees are waived on a case-by-case basis depending on individual needs and household income.

30 Describe the applicant's fiscal capacity to carry out the proposed project.

Answer: The City's General Fund, which provides the funding for the Recreation Division, will enable staff to fill any unexpected funding gaps. The City of Gilroy is a fiscally solvent municipality.

31 What is the applicant's primary source of revenue?

Answer: The City of Gilroy Recreation Division is funded by city taxes and user fees.

32 Describe any partnerships with other entities and their roles in the project.

Answer: Through an RFP, the City will work with a contracted non-profit naturalist organization that will facilitate a class curriculum and lead students on four excursions. The South County Youth Taskforce will help the City recruit and refer youth participants. The Taskforce is comprised of local school districts, community-based organizations, school resource officers, and probation officers.

33 If funded, what documentation will applicant use to demonstrate that the project was successful—i.e., met expected outcomes and benefitted the intended audience?

Answer: To demonstrate and evaluate project success and effectiveness, City staff will use pre- and post- program surveys of youth participants at the start and end of each school semester. City staff will also take photos and document the naturalist curriculum for internal evaluation purposes.

Additional Project Characteristics

34 Describe other project characteristics not previously discussed that would assist in evaluating the proposal. (No

response or an answer of "Not Applicable" will be given a score of zero).

Answer: Not applicable.

Certification And Submission Statement

Please read before signing and submitting application.

I certify under penalty of perjury:

- The information entered on behalf of Applicant Organization is true and complete to the best of my knowledge;
- I am an employee of or a consultant for the Applicant Organization authorized to submit the application on behalf of the Applicant Organization; and
- I understand that any false, incomplete or incorrect statements may result in the disqualification of this application.

By signing this application, I waive any and all rights to privacy and confidentiality of the proposal on behalf of the applicant, to the extent provided in this RFP.

Submission By: imalinsky

Submitter Initials: IM

Submission Date: 7/29/2022 4:23:10 PM



City of Gilroy

STAFF REPORT

Agenda Item Title: Adoption of an Ordinance Adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code

Meeting Date: August 21, 2023

From: Jimmy Forbis, City Administrator

Department: Community Development

Submitted By: Sharon Goei, Community Development Director

Prepared By: Jon Biggs, Special Assistant to City Administration

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

Adopt an ordinance adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code, which provides permit requirements and standards for sidewalk vending, and find that it is exempt from CEQA review based on CEQA Guidelines Section 15332.

EXECUTIVE SUMMARY

Legislation adopted at the State level (State Senate Bill 946 or SB 946) now allows vendors to sell food and merchandise on pedestrian paths, public sidewalks, and, in certain instances, public parks. Although the Gilroy City Code includes requirements for mobile vending (Chapter 16A of the Gilroy City Code), those requirements are not in line with current State legislation for sidewalk vendors, and the proposed ordinance provides permit requirements and standards for those seeking to sell goods or foods on City-owned paths, sidewalks, and parks.

BACKGROUND

At its meeting of August 7, 2023, the City Council considered and voted to introduce an ordinance adding Chapter 16B, Sidewalk Vending, to the Gilroy City Code. This ordinance provides the rules and standards for regulating sidewalk vending in the City. The ordinance that was introduced contained a few minor modifications, made orally after discussion at the meeting, from the written draft ordinance. These oral changes,

shown below in redline format for easy distinction, are included in the written ordinance proposed for adoption.

1. Addition of the following standard in section 16B.3:

For the health, safety, and welfare of the community and pedestrians when using its public sidewalks, paths, and parks, generators and cooking methods that involve deep fat frying and wood fired cooking devices, which present fire, smoke, burn, and slipping hazards, are prohibited. This limitation does not prohibit sidewalk vendors from using other cooking methods to heat or prepare foods.

2. Deletion of the following standards in section 16B.3:

~~Vendors shall not use generators unless their sidewalk vending permit explicitly allows for generator use. Use of generators may be requested in a sidewalk vending permit application.~~

~~Vendors using a generator approved in conjunction with the sidewalk vending permit and those that emit smoke or steam shall not be located within twenty-five feet (25') of building openings and approved outdoor seating of an eating establishment.~~

3. Modification of the following standard in section 16B.3:

Increase the setback distance from the curb face from two feet to three feet – to read as follows:

At locations where on street parking is angled to the curb, the vending device or area shall be setback three ~~two~~ feet (3' ~~2'~~) from the curb face.

4. Replace 'or' with 'and' at subsection 16B.6 (8) to read as follows:

Commercial general liability, automobile, and workers compensation insurance policies and ~~or~~ other such policy as the office of the risk manager of the city of Gilroy shall require.

As indicated above, these minor modifications have been included in the copy of the ordinance attached to this agenda report for Council adoption.

ANALYSIS

The City Council is now being asked to adopt the proposed ordinance, which reflects the changes made at its regular meeting on August 7, 2023.

If adopted, the ordinance will take effect thirty (30) days following this action of the City Council, on September 20, 2023.

ALTERNATIVES

1. Decline adoption of the ordinance.
2. Refer the ordinance to staff and direct that it be scheduled for a future meeting of the City Council for consideration.

These alternatives are not recommended since the proposed ordinance was developed through a series of Council inputs.

FISCAL IMPACT/FUNDING SOURCE

The adoption of the ordinance will have a minimal fiscal impact. However, there will be staff time consumption across multiple departments in implementing the ordinance. For example, staff will need to create educational materials; conduct outreach; develop documents, forms, and procedures, including configuration in the new permit system; perform permit review and processing; enforce standards and regulations; and coordinate with outside agencies. Additional resources will be needed to implement the ordinance. Staff will consider the staff time and cost and return with a resolution for the City Council to consider the appropriate application fee at its September 18, 2023 meeting.

PUBLIC OUTREACH

The City held several public outreach workshops and meetings on this subject:

- A community workshop on sidewalk vending was held on June 8, 2023, at the Gilroy Senior Center.
- Public Hearings were held on the proposed ordinance at the July 10, 2023 Special Meeting of the City Council and the August 7, 2023 regular meeting of the City Council.
- A study session of the City Council to review sidewalk vending regulations was held on July 19, 2023.

NEXT STEPS

If adopted, the ordinance will become effective in 30 days, on September 20, 2023.

Attachments:

1. Proposed Ordinance

ORDINANCE 2023-XX**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
GILROY ADDING CHAPTER 16B, SIDEWALK VENDING,
TO THE GILROY CITY CODE**

WHEREAS, in 2019, California Senate Bill (“SB”) 946 (Sidewalk Vendors) became law, decriminalizing commercial sidewalk vending and limiting local government’s ability to restrict sidewalk vending; and

WHEREAS, since SB 946 became law, it has become clear that, in order to promote public health, safety, and welfare, the City requires a comprehensive City-wide dedicated sidewalk vending permitting and regulatory scheme that both complies with state law and is effective at regulating sidewalk vending in public spaces; and

WHEREAS, at its meeting of April 17, 2023, staff presented the City Council with an overview of sidewalk vending legislation adopted by the State of California, and following public comment and input, the City Council directed that staff draft an ordinance containing permit requirements and standards for sidewalk vending in the City; and

WHEREAS, staff held a community workshop on the evening of June 8, 2023, which was well attended by various segments of the community who sought clarifications and asked questions in addition to providing input on the process and standards by which sidewalk vending would be permitted: and

WHEREAS, at its meetings of July 10 and July 19, 2023, the City Council considered the proposed ordinance and following public comment and input, directed that staff incorporate changes to the sidewalk vending rules, where appropriate, and return them to the City Council at a future meeting for consideration; and

WHEREAS, if properly regulated, sidewalk vending can foster vibrant public spaces, promote a diverse and inclusive local economy, and create economic opportunities for low-income and immigrant communities; and

WHEREAS, at the same time, inadequately regulated sidewalk vending has caused and will be expected to cause negative future impacts on public health, safety, and welfare. For example, inadequately regulated sidewalk vending has caused or been associated with numerous negative consequences in Gilroy and as reported by staffs of other cities as well, including unsafe overcrowding; decreased accessibility for persons with disabilities; a lack of adequate access for first responders, and emergency personnel; the monopolization of public spaces for private commercial use; traffic safety concerns for motorists, bicyclists, and pedestrians; diversion of pedestrians into bike lanes or vehicular lanes; parking congestion; accumulation of trash and pollution in public spaces; altercations arising amongst vendors competing for locations from which to vend their food or goods; foodborne illnesses; the sale of counterfeit goods; and a lack of sales tax being collected; and

WHEREAS, the intent of this ordinance is to effectively regulate sidewalk vending in a way that: (a) complies with state law; (b) addresses objective public health, safety, and welfare concerns; and

WHEREAS, the project is exempt from CEQA review based on CEQA Guidelines subsection 15061 (b) (3) in that the adoption of this ordinance does not have the potential to cause a significant effect on the environment because it provides additional rules and procedures intended to provide for the protection of health, safety, and welfare in the City for commercial activity, sidewalk vending, determined by the State of California to be permissible across the State.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN THE ADDITION OF CHAPTER 16B, SIDEWALK VENDING, ATTACHED AS EXHIBIT ‘A’, TO THE GILROY CITY CODE.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 21st day of August 2023 by the following roll call vote:

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

APPROVED:

 Marie Blankley, Mayor

ATTEST:

 Thai Nam Pham, City Clerk

EXHIBIT 'A' of ORDINANCE 2023-XX**CHAPTER 16B****SIDEWALK VENDING****Sections**

- 16B.1 Intent and purpose.**
- 16B.2 Definitions.**
- 16B.3 Sidewalk vending standards.**
- 16B.4 Restricted vending times and locations.**
- 16B.5 Permit applicability.**
- 16B.6 Sidewalk vending permit application and fees.**
- 16B.7 Sidewalk vending permit approval, conditions, denial, or revocation.**
- 16B.8 Sidewalk vending permit expiration and renewal.**
- 16B.9 Administrative citations.**
- 16B.10 Impoundment.**

16B.1 INTENT AND PURPOSE.

(a) The city council of the city of Gilroy declares that:

(1) If properly regulated, sidewalk vending can foster vibrant public spaces, promote a diverse and inclusive local economy, and create economic opportunities for low-income and immigrant communities.

(2) At the same time, inadequately regulated sidewalk vending has caused and will be expected to cause in the future negative impacts to the public health, safety and welfare. For example, inadequately regulated sidewalk vending has caused or been associated with numerous negative consequences in Gilroy and as reported by staffs of other cities as well, including unsafe overcrowding; decreased accessibility for persons with disabilities; a lack of adequate access for first responder and emergency personnel; the monopolization of public spaces for private commercial use; traffic safety concerns for motorists, bicyclists, and pedestrians; diversion of pedestrians into bike lanes or vehicular lanes; parking congestion; accumulation of trash and pollution in public spaces; altercations arising amongst vendors competing for locations from which to vend their food or goods; foodborne illnesses; the sale of counterfeit goods; and a lack of sales tax being collected.

(3) Sidewalk vending must be regulated to address the concerns discussed above.

(b) The purpose of this chapter is, therefore, to promote the public peace, safety, health, and welfare by ensuring rapid access for first responder and emergency personnel; improving sidewalk accessibility for persons with disabilities; facilitating ingress into and egress from vehicles, maintaining rights-of-way to buildings, and public spaces; maximizing use and promoting maintenance of public rights-of-way, parks, and other public spaces; and reducing the city's exposure to civil liability.

16B.2 DEFINITIONS.

For the purpose of this chapter, the following words and phrases are defined as follows:

- (a) “Food” means raw, cooked, or processed edible substance, ice, beverage, an ingredient used or intended for use or for sale in whole or in part for human consumption, chewing gum and/or any other items defined as food by the California Retail Food Code.
- (b) “Mobile vendor” means any person in charge of or driving any motorized mobile vending vehicle requiring a state driver’s license to operate, either as an agent, employee, or otherwise under the direction of the owner.
- (c) “No vending or limited vending zone” means an area where sidewalk vending is prohibited or limited due to objective public health, safety, or welfare concerns. The city council may establish no vending or limited vending zones by resolution, as set forth in Section 16B.4 (c).
- (d) “Roaming sidewalk vendor” means a sidewalk vendor who moves from place to place and stops only to complete a transaction.
- (e) “Sidewalk vending” means to sell, offer for sale, expose or display for sale, solicit offers to purchase, or to barter food, goods, or merchandise on any public sidewalk, pedestrian path, park, or other public property, with or without the assistance of a vending device, or to require someone to pay a fee or to set, negotiate, or establish a fee before providing any such food, goods, or merchandise, even if characterized by the sidewalk vendor as a donation.
- (f) “Sidewalk vending permit” means a permit or card issued by the city to a sidewalk vendor pursuant to Section 16B.7.
- (g) “Sidewalk vendor” means a person who sells food or merchandise from a vending device or from one’s person, upon a public sidewalk, pedestrian path, park, or other public property. This term is inclusive of both roaming and stationary sidewalk vendors.
- (h) “Stationary sidewalk vendor” means a sidewalk vendor who vends from a fixed location.
- (i) “Vending device” means a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, nonmotorized conveyance (including trailers), freestanding table, chair, box, stand, or any container, structure, or other object used or capable of being used for holding, selling, advertising, or displaying tangible things, together with any associated seating facilities. “Vending device” does not include any street furniture such as benches or planters, any other structure permanently installed by the city of Gilroy or with the consent of the city of Gilroy.
- (j) “Enforcement official” means any person designated by the city administrator to enforce this chapter and includes, but is not limited to: community development department or recreation division staff tasked with code enforcement or compliance, all Gilroy police department sworn personnel and community service officers, and/or any city-contracted code enforcement officer or specialist.

16B.3 SIDEWALK VENDING STANDARDS.

- (a) Sidewalk vendors shall comply with this section in order to prevent unreasonable conflicts with pedestrian and vehicular traffic, prevent improper disposal of trash, and to assure that pedestrians (including pedestrians with disabilities) have adequate and accessible thoroughfares,

to minimize trip and fall hazards, to address driver visibility concerns, and to address other public health, safety, and welfare concerns:

- (1) Vending devices shall be at least eighteen inches in height. No person engaged in sidewalk vending may display or sell their wares on the ground, or on a cloth, tarp, or other similar material on the ground.
- (2) No food sidewalk vendor may be accompanied by or in the custody or possession of an animal, except a service animal. Merchandise sidewalk vendors may have a leashed animal.
- (3) To maintain accessibility standards, sidewalk vendors shall not place or allow any obstruction to be placed on the sidewalk that would reduce the width of the sidewalk below a minimum of forty-eight inches excluding curb, and excluding any sidewalk areas that are made non-passable due to any natural barriers or other existing conditions or obstructions such as posts, parking meters, street trees, planters, or signs that are located on the sidewalk, except for the brief duration of time for a roaming sidewalk vendor to conduct a sale. Sidewalk vendors shall maintain their vending devices at all times in a manner that provides sufficient access to the sidewalk and avoids impeding the flow of pedestrian traffic. At no time, may a sidewalk vendor operate in such a fashion that would violate or cause a violation of the Americans with Disabilities Act or state law on accessibility, or cause the sidewalk to narrow in a fashion that violates the accessible path of travel for persons with disabilities, including persons who use wheelchairs or other mobility devices.
- (4) Sidewalk vendors shall not use easy-ups, tents, or similar shade structures unless their sidewalk vending permit specifically authorizes such use. Use of these types of structures shall be requested in the sidewalk vending permit application. The size of a city-permitted shade structure or vending device may vary depending on the location, but in no event may a sidewalk vendor's total operational size (including any shade structure or vending display device) exceed the total operational size allowed in the permit issued to the sidewalk vendor.
- (5) Sidewalk vendors shall not vend to occupants of motorized vehicles in operation.
- (6) Sidewalk vendors shall not cause onlookers, customers, or others to obstruct the accessible path of travel for persons with disabilities, or the free flow or view of pedestrian or vehicular traffic.
- (7) To maintain the free movement of pedestrians and/or vehicles, sidewalk vendors shall not use signs in connection with the sale, display, or offering for sale of items, except for those signs affixed to or painted on a vending device and are no larger than the vending device itself.
- (8) For the health, safety, and welfare of the community and pedestrians when using its public sidewalks, paths, and parks, generators and cooking methods that involve deep fat frying and wood fired cooking devices, which present fire, smoke, burn, and slipping hazards, are prohibited. This limitation does not prohibit sidewalk vendors from using other cooking methods to heat or prepare foods.
- (9) Sidewalk vendors must provide a trash receptacle for customers and employ good faith efforts to ensure proper disposal of customer trash. Prior to leaving any vending

location, the sidewalk vendor shall pick up, remove, and dispose of all trash generated by the vending operations and/or the vendor's customers within a twenty-foot radius of the vending location. Sidewalk vendors are responsible for disposing of the trash associated with their business and may not use city receptacles for this purpose.

(10) Sidewalk vendors must include any necessary measures needed to prevent and promptly clean up the splatter of fats, greases, or oils on surroundings.

(11) Sidewalk vendors must appropriately dispose of fats, greases, or oils.

(12) At all times while vending, food sidewalk vendors shall possess and display in plain view on the vending device a valid permit from the County of Santa Clara Department of Environmental Health.

(13) At all times while vending, sidewalk vendors shall possess and display in plain view on their person or on their vending device a valid sidewalk vending permit issued pursuant to Section 16B.7. A properly permitted sidewalk vendor must remain on site for all vending activities.

(14) Vending devices shall not be chained, fastened, or affixed at any time to any building or structure, including, but not limited to, lampposts, parking meters, traffic signals, fire hydrants, benches, bus shelters, trash cans, street signs, trees, or other objects within the public right-of-way. No vending device shall become a permanent fixture on the vending site or be considered an improvement to real property.

(15) Vending devices shall not be left or stored unattended on public property or within the public right-of-way.

(16) Sidewalk vendors shall not vend or distribute: (A) live animals, wildlife, fish, fowl, or insects; or (B) items that are otherwise illegal to sell or distribute under other laws (such as unlawful narcotics, cannabis, weapons, and counterfeit merchandise). Note that the unlawful possession or distribution of items is punishable according to the terms of applicable federal, state, or local law making such possession or distribution illegal.

(17) Sidewalk vendors shall not use sidewalks or public property as storage for extra inventory, merchandise, or personal belongings, except for: (A) vending devices, items placed on or in vending devices, and associated seating; and (B) personal belongings wholly contained underneath or inside of a vending device.

(18) No person shall use any street furniture, including any bench, planter, utility cabinet, or other street furniture or structure permanently installed on public property, for the display, sale, or distribution of food, goods, or merchandise.

(19) Sidewalk vendors shall not interfere with access or use of city infrastructure, including city benches, bike racks, wheelchair access ramps, stairs, parking meters, trash receptacles, or recycling receptacles.

(20) Sidewalk vendors shall not block access to or create unreasonable congestion by maintaining a clear distance of forty-eight inches (48"), unless this conflicts with federal, state, or local regulations, at: (A) a corner of any street intersection; (B) any fire hydrant,

emergency exit, or other emergency facility; (C) any curb which is designated as white, yellow, green, blue, or red zone, or a bus zone; (D) any egress and ingress location of a building, facility, or stairway access point; (E) any driveway or driveway apron; or (F) from any roadway. Vending or operating in a way that violates the accessible path of travel for persons with disabilities is per se unreasonable.

(21) Stationary sidewalk vendors shall not locate their vending device over or within fifteen feet (15') of a storm drain.

(22) Trailers are not permitted on the sidewalk pursuant to California Vehicle Code 22500(f). Violation of this rule is punishable in accordance with the terms of the California Vehicle Code.

(23) Sidewalk vendors shall not connect to city owned utilities such as but not limited to, electric boxes, water lines, and gas lines.

(24) Vendors shall not allow customers in their queue or encourage customers to interfere with or obstruct public rights-of-way, pedestrian pathways, or traffic.

(25) Vendors shall maintain at least five feet or 50% of the overall width of the sidewalk or other pedestrian path, whichever is greater, open to pedestrians.

(26) Vendors may not operate within twenty-five feet (25') of an automatic teller machine (ATM).

(27) At locations where on street parking is angled to the curb, the vending device or area shall be setback three feet (3') from the curb face.

(28) In order to minimize noise impacts on residential units, in mixed use areas, a vendor may only engage in sidewalk vending during the hours of operation of adjacent businesses or uses on the same street.

(29) Sidewalk vendors shall be responsible for their own compliance with all applicable federal, state, and local laws, including without limitation state food preparation, handling, and labeling requirements; fire codes and regulations; noise standards; alcoholic beverages, tobacco products, cannabis, electronic cigarette, smoking devices and controlled substances regulations; sanitation and health standards and the Americans with Disabilities Act and other disability access standards (both state and federal).

(30) Sidewalk vendors shall not operate or vend in a way that violates the terms or conditions of their sidewalk vending permit.

(b) The city administrator or their designee may promulgate regulations governing sidewalk vending to enforce the provisions of this chapter and to address objective health, safety and welfare concerns. A violation of such regulations shall constitute a separate violation of this chapter.

16B.4 RESTRICTED VENDING TIMES AND LOCATIONS.

(a) Unless specifically permitted by another provision of this municipal code, to ensure rapid access by first responder and emergency personnel; to improve sidewalk accessibility for persons with disabilities; to facilitate ingress into and egress from vehicles, rights-of-way, buildings, and public spaces; to maximize use and promote maintenance of public rights-of-way, parks, community landmarks; and to reduce the city's exposure to civil liability, stationary sidewalk vending is not permitted in the following limited areas:

- (1) In any city park where the city has entered into an agreement for concessions that exclusively permits the sale of food or merchandise by the concessionaire;
- (2) In areas that are zoned exclusively residential.
- (3) Within three hundred feet (300') of a permitted certified farmers' market during the limited operating hours of that certified farmers' market or a special event for which a special event permit has been issued during the hours of that special event. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter.
- (4) Within four hundred feet (400') of a school between the hours of 7:00 am and 4:00 pm on school days.
- (5) Within six hundred feet (600') of any entertainment establishment (e.g., clubs) within the hours of 10:00 pm and 2:30 am.

(b) For the same reasons identified in subsection (a), both stationary and roaming sidewalk vending shall not be permitted in the following limited areas:

- (1) On a bike path, a street (including within on-street parking spaces), within a driveway, or in a public parking lot.

(c) The city council, by resolution, may from time to time designate no vending or limited vending zones due to objective health, safety, or welfare concerns. In designating a no vending or limited vending zone, the city council shall first determine that vending without limitation in the area would impede or interfere with public health, safety, or welfare.

(d) This section shall not be construed as prohibiting events that are conducted pursuant to, and in accordance with, a Special Event Permit issued by the city.

16B.5 PERMIT APPLICABILITY.

(a) A sidewalk vending permit shall only permit the operation of one vending device at any one time.

(b) No permit granted pursuant to this chapter shall be transferable.

(c) An approved stationary sidewalk vending permit grants the permittee the privilege of occupying a particular portion of the public path or sidewalk for the purpose of conducting the approved vending business. An approved stationary vending permit does not grant the permittee any estate or other property right or interest to operate at the location for which the permit is issued and/or to operate at any location in the public street.

16B.6 SIDEWALK VENDING PERMIT APPLICATION AND FEES.

(a) No person may engage in sidewalk vending in the city without first obtaining: (1) a sidewalk vending permit issued pursuant to Section 16B.7; (2) a business license issued pursuant to Chapter 13 of the Gilroy City Code.

(b) To apply for a sidewalk vending permit, the sidewalk vendor applicant must file an application with the city, accompanied by an application fee in an amount established by resolution of the city council. The application shall be in a form developed by staff and shall contain the following:

(1) The legal name and current address, telephone number, and email address of the applicant, who must be a natural person (i.e., an individual human being and not a corporation, firm, partnership, etc.); a copy of the applicant's California driver's license, California identification card, U.S. Passport, individual taxpayer identification number, federal identification number, or other identification number or card issued by a foreign government;

(2) If sidewalk vending as a representative of a firm, association, or partnership, the name and address thereof and the names and residences of partners or association members. If sidewalk vending as a representative of a corporation, the name and address thereof and the names and residences of officers and a local manager;

(3) A Statement of Operations which includes the type of operation (mobile or stationary), description of the food or merchandise offered for sale, hours of operation, and location of operation;

(4) Copies of all required licenses and permits, including but not limited to a city of Gilroy business license, California seller's permit, and copies of all permits and approvals needed from the County of Santa Clara Department of Environmental Health. Each separate concurrently operating vending location requires its own business license and sidewalk vending permit;

(5) The following release, indemnification, and acknowledgement requirements:

(A) An agreement by the applicant to waive and release the city and its officers, agents, employees, contractors, and volunteers from and against any and all claims, costs, liabilities, expenses, or judgments (including attorneys' fees and court costs) related to or arising out of the applicant's sidewalk vending activities.

(B) An agreement by the applicant to, to the greatest extent allowed by law, defend, indemnify, and hold harmless the city, its officers, agents, employees, contractors, and volunteers from and against any and all claims related to or arising out of the applicant's sidewalk vending activities.

(C) An acknowledgement and agreement that the applicant's use of the sidewalk or other city facilities is at the applicant's own risk, and it is not the city's responsibility to ensure that the vending location is safe or conducive to the vending activities

- (6) Photos, dimensions, and a description of the vending device that will be used. If the vending device is mobile, the application shall also contain all applicable vehicle identification information including VIN, make, model and engine number;
- (7) An acknowledgement of having read and an agreement to abide by this Chapter 16B (Sidewalk Vending); and
- (8) Commercial general liability, automobile, and workers compensation insurance policies and other such policy as the office of the risk manager of the city of Gilroy shall require.

16B.7 SIDEWALK VENDING PERMIT APPROVAL, CONDITIONS, DENIAL, OR REVOCATION.

- (a) A sidewalk vending permit shall be approved unless it is determined that:
 - (1) Information contained in the application, or supplemental information requested from the applicant, is incomplete or false in any material detail; or
 - (2) The proposed operations are contrary to the provisions and operating standards of this chapter;
 - (3) The applicant has failed to pay or otherwise resolve any previous administrative citations associated with a previous violation of this chapter; or
 - (4) The location of the proposed vending operations has already been approved for another use (including potentially other vending operations) at the time the applicant proposes to vend at the subject location; or
 - (5) The proposed vending operations are in violation of any federal, state or local law or ordinance and/or the city's approval of a sidewalk vending permit would be contrary to legal requirements applicable to the city.
- (b) Reasonable sidewalk vending permit conditions, regulating the time, place, and manner of sidewalk vending may be added.
- (c) If the permit is denied, written notice of such denial and the reasons therefor shall be provided to the applicant.
- (d) A sidewalk vending permit may be revoked for violation of this chapter. A sidewalk vendor whose permit is revoked may apply for a new sidewalk vending permit upon the expiration of the term of the rescinded permit.
- (e) An applicant may appeal the decision to deny, revoke, or condition the application to the city administrator within ten (10) business days of the decision. An appeal hearing will be held by the city administrator or their designee within ten (10) business days from the date the appeal is received. At the hearing, both the applicant and the staff member denying the permit shall have the right to appear and to present evidence and arguments relevant to the grounds on which the decision to deny the application is appealed. The burden of proof shall be on the applicant to show that he/she meets the qualifications for a sidewalk vending permit. The decision of the city administrator, or their designee, shall be final and conclusive upon the applicant.

16B.8 SIDEWALK VENDING PERMIT EXPIRATION AND RENEWAL.

A sidewalk vending permit shall be valid for twelve months from the date of issuance, except that a sidewalk vending permit shall be deemed null and void upon the revocation or expiration of: (a) the related city issued business license, (b) a required permit from the County of Santa Clara Department of Environmental Health, and/or (c) the California seller's permit pursuant to Revenue and Taxation Code Section 6067.

16B.9 ADMINISTRATIVE CITATIONS.

(a) Unless otherwise provided, a violation of this chapter by a sidewalk vendor who has a valid sidewalk vending permit from the city is punishable only by an administrative citation pursuant to Chapter 6A, Article II of the Gilroy City Code, in amounts not to exceed the following:

- (1) One hundred dollars (\$100) for a first violation.
- (2) Two hundred dollars (\$200) for a second violation within one year of the first violation.
- (3) Five hundred dollars (\$500) for each additional violation within one year of the first violation.

(b) Unless otherwise provided, a person engaged in sidewalk vending without a valid city sidewalk vending permit shall be issued an administrative citation pursuant to Chapter 6A, Article II of the Gilroy City Code in amounts not to exceed the following, in lieu of the amounts set forth in subsection (a):

- (1) Two hundred and fifty dollars (\$250) for a first violation.
- (2) Five hundred dollars (\$500) for a second violation within one year of the first violation.
- (3) One thousand dollars (\$1,000) for each additional violation within one year of the first violation.

(c) A person issued an administrative citation pursuant to subsection (b), upon submitting proof of a valid sidewalk vending permit issued by the city within ten calendar days of the date a citation is issued, may have the amount of their citation reduced to amounts set forth in subsection (a).

(d) Unless otherwise provided, a violation of this chapter shall not be punishable as an infraction or misdemeanor. No person alleged to have violated the provisions herein shall be subject to arrest except when otherwise permitted by law.

(e) If an individual violates this chapter and is issued an administrative citation, that person is required to come into reasonably prompt compliance with this chapter. If a cited individual continues to operate unlawfully and/or fails to come into reasonably prompt compliance with this chapter, the individual may be issued a subsequent administrative citation on the same day, so long as at least one hour has passed between each administrative citation.

(f) In order to facilitate the administration of this chapter, city enforcement staff is authorized to ask sidewalk vendors who are reasonably believed to be vending in violation of this chapter for

their identification card, or other identifying information, and said individuals are required to provide such information to the requesting enforcement staff.

(g) A person who is issued an administrative citation(s) may contest the citation subject to the requirements and procedures of Subsection 6A.16 of the Gilroy City Code. If the contest of the citation is successful, the hearing officer shall order the city to return the fee paid for contesting the citation.

(h) The city shall also provide a person who receives a citation with a notice of their right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The person may request an ability-to-pay determination at any time before the assessed fine is paid, including while a judgment remains unpaid, when a case is delinquent, or when a fine has been referred to a comprehensive collection program. There shall be no charge for an ability-to-pay determination.

(i) If the person meets the criteria described in subdivision (a) or (b) of Government Code Section 68632, the city shall accept, in full satisfaction, twenty percent of the fee assessed for an administrative citation imposed pursuant to this chapter.

(j) The city may develop processes or regulations that would (1) allow for a person to complete community service in lieu of paying the total administrative fine; (2) provide for waivers of the administrative fine; or (3) provide for the offering of alternative dispositions.

(k) Administrative citations issued under this section shall include the following notice: "You have a right to contest this citation within thirty (30) calendar days by completing a request for hearing form and returning it to the city clerk. If you do not contest the citation, you waive your right to contest it. You also have the right to request an ability-to-pay determination at any time before the assessed fine has been paid."

(l) Failure to pay the assessed fine issued pursuant to this section shall not be punishable as an infraction or misdemeanor. Additional fines, fees, assessments, or any other financial conditions beyond those authorized herein shall not be assessed for failure to pay an administrative citation fine.

(m) No person shall willfully interfere with or obstruct any city code enforcement officer, community services officer, or police officer in their enforcement of the provisions of this chapter. Willful (1) failure to properly identify oneself done for the purpose of attempting to evade an administrative citation, and/or (2) interference with or obstruction of an impoundment authorized pursuant to Section 16B.10 shall constitute unlawful interference or obstruction under this subsection. Violation of this subsection is a misdemeanor.

16B.10 IMPOUNDMENT.

(a) The city may impound vending devices, food, goods, and/or merchandise that:

(1) Reasonably appear to be abandoned on public property; or

(2) Are displayed, offered, or made available for rent or sale by a sidewalk vendor who (A) operates in violation of this chapter; and (B) refuses or fails to provide identification, as required by Section 16B.9 (f); and (C) refuses to remove their vending device, food for sale,

and/or goods/merchandise for sale after being instructed to do so by a city enforcement official; or

(3) Are displayed, offered, or made available for rent or sale by a sidewalk vendor who (A) does not possess a valid applicable sidewalk vending permit; and (B) also refuses to remove their vending device, food for sale, and/or goods/merchandise for sale after being instructed to do so by a city enforcement official; or

(4) Is (A) creating an imminent and substantial safety or environmental hazard by the location of the vending device or the nature of the goods being offered for sale, and (B) refuses to remove their vending device, food for sale, and/or goods/merchandise for sale after being instructed to do so by a city enforcement official; or

(5) Are displayed, offered, or made available for rent or sale by a sidewalk vendor who has, within a twenty-four-month period, been found responsible for violating this chapter four or more times.

(b) The city may immediately dispose of impounded materials that are perishable or cannot be safely stored.

(c) An aggrieved vendor may, within ten days, appeal the impoundment of their property by requesting an administrative hearing before a hearing officer appointed by the city pursuant to Subsection 6A. and if successful in their appeal, may have their property returned without paying an impound fee. The appeal hearing shall be conducted pursuant to the administrative enforcement hearing procedure contained in Chapter 6A., Article II of the Gilroy City Code. Any appeal fee paid by the sidewalk vendor shall be returned to the sidewalk vendor if they are successful on appeal.

(d) An individual may recover impounded materials upon paying applicable impound fees and demonstrating proper proof of ownership.

(e) The city council may by resolution adopt impound fees, which shall reflect the city's enforcement, investigation, storage, and impound costs.

(f) Any unclaimed items will be considered abandoned and forfeited to the city after ninety days following impoundment.



City of Gilroy

STAFF REPORT

Agenda Item Title: Award of Contract to Perkins & Will for the Preparation of 'Basis of Design' Documents for the Gilroy Ice Center, Approve a Contract Expenditure of \$275,000, and Authorize City Administrator to Execute Final Agreement

Meeting Date: August 21, 2023
 From: Jimmy Forbis, City Administrator
 Department: Administration
 Submitted By: Karl Bjarke, Interim Public Works Director
 Prepared By: Karl Bjarke, Interim Public Works Director

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

Award a contract to Perkins & Will in the amount of \$250,000 and approve an additional project contingency of \$25,000 (10%) for a total amount of \$275,000 for the preparation of 'Basis of Design' documents related to the Gilroy Ice Center project and authorize the City Administrator to make minor amendments as necessary to execute the contract and associated documents.

EXECUTIVE SUMMARY

The City is now positioned to move into the design phase of the Gilroy Ice Center (GIC). It has been decided that the project will be constructed utilizing the design-build form of contract. Under the design-build format, the City will award a contract to a qualified design/construction firm that has the dual role of designing the project and building it. The design-build method is suited for the GIC in that there is less risk of expensive change orders during construction, and the project will be completed sooner than it would under the more traditional design-then-build method. Before the City can solicit design-build proposals, however, it must first have Basis of Design documents prepared. Basis of Design documents are fundamental design parameters that become the basis of design for the selected design-build contracting team. Under the non-

binding term sheet between the City and Sharks Sports & Entertainment, LLC, it has been agreed that the architecture firm, Perkins & Will, will prepare the Basis of Design documents for the project. Sharks Sports & Entertainment and Perkins & Will have partnered together on similar projects in the past. It is recommended that the City hire Perkins & Will to prepare the Basis of Design documents.

BACKGROUND

This project constitutes phase III of the Gilroy Sports Park Master Plan, updated in 2019. The City then updated the 2002 Environmental Impact Report (EIR) via a Master Plan EIR Addendum.

In June of 2022, the City and Sharks Sports & Entertainment, LLC (Sharks Sports) entered into a Non-Binding Term Sheet for an Operating Agreement for the proposed Gilroy Ice Center (GIC) to be located at the City's Outdoor Sports Park. The GIC is proposed to be a 100,000-square-foot building with two indoor ice rinks, a restaurant, a snack bar, a pro shop, and other ancillary uses. The Term Sheet allows the City to build the facility and for Sharks Sports to operate it once completed.

The City and Sharks Sports have agreed to move forward under three key elements for successfully completing the project (1) The method for constructing the facility will be by design-build, (2) Sharks Sports will be retained during the entire process to advise the City and to provide technical support, and (3) The firm Perkins & Will will be retained by the City to prepare the Basis of Design documents necessary for ensuring a facility that both the City and Sharks Sports are happy with.

ANALYSIS

As stated above, it is agreed that the appropriate method to build the GIC is design-build. This differs from the traditional design-then-build method of building facilities whereby the City would first hire a design consultant to prepare the final bid documents, followed by the City putting the project out to bid. Under design-build, one entity - a design/construction firm - prepares the design documents and builds the facility. It is a partnership where the design team works directly with the construction team through the completion of the project. This method brings the following benefits to the City:

- ✓ Allows for a shorter construction period since construction can begin before the final design documents are completed. For example, the grading and foundation design will be accomplished before the final details of the interior of the building.
- ✓ Reduces change order risk since the designer and builder are responsible for the final product.
- ✓ The pre-qualification process that will be used to select the design-build firm helps ensure a high-quality facility.

Once the design-build contract is let, the overall risk is shifted to the design-build team. However, this also means the City has less control over the ongoing design of the

Award of Contract to Perkins & Will for the Preparation of 'Basis of Design' Documents for the Gilroy Ice Center and Approve a Contract Expenditure of \$275,000

project. This is where the Basis of Design comes into play. The Basis of Design documents conveys design/construction requirements to the design-build firms bidding on the project. They include a summary of the project definition, technical requirements, plans, project constraints, reference materials, and contractual requirements. The Basis of Design will allow both the City and Sharks Sports to ensure everything they need in the facility is provided. Once the Basis of Design documents are prepared, they will be used to assist in the pre-qualification process of design-build firms and will become incorporated into the contract with the chosen design-build firm.

Normally, the City would use the Request for Proposals method for finding a Basis of a Design consulting firm. However, in the approved term sheet between the City and Sharks Sports, it was agreed that Perkins & Will would provide this service. Perkins & Will has proven expertise in the design of sports facilities and has partnered with Sharks Sports on other similar facilities in California. The City's purchasing policy allows for the direct procurement of the services of Perkins & Will in this manner as a single source.

The scope of services provided by Perkins & Will includes the preparation of Concept Design, Schematic Design, and Design Development as described in the attached agreement. The fee for said services is \$250,000, as described in the attached agreement. Staff is also recommending a 10% contingency of \$25,000 to be approved for this scope of services.

It is recommended that the Council authorize the City Administrator to implement minor amendments (upon review from the City Attorney) to the agreement while maintaining the fee and term approved by the Council.

Staff does not anticipate fully executing this contract until a consultant agreement between Sharks Sports and the City is completed and approved by Council at a future meeting.

ALTERNATIVES

Staff is proposing the services of Perkins & Will to comply with the terms of the agreement with Sharks Sports and to help complete the project in a timely and efficient manner. The Council could reject the proposal from Perkins & Will and direct staff to seek other firms through an RFP process. This will delay the overall process and may require the City to re-visit the agreement with the Sharks.

FISCAL IMPACT/FUNDING SOURCE

The Gilroy Ice Center project is in the adopted Capital Improvement Program (Project No. 800900) with funding from the Public Facilities Fund (440), Traffic Impact Fund (425), and bond proceeds. Expenditure for this scope of services will initially be funded by the Public Facilities Fund (440), with a 50% contribution from Sharks Sports, and will be 100% reimbursed from the future bond proceeds. A design fee of \$250,000 was anticipated for the CIP project. Staff recommends an additional spending authority for

Award of Contract to Perkins & Will for the Preparation of 'Basis of Design' Documents for the Gilroy Ice Center and Approve a Contract Expenditure of \$275,000

the City Administrator of \$25,000 as a contingency should an unexpected design issue arise.

PUBLIC OUTREACH

Regarding this recommendation, there has been no public outreach aside from being included on the publicly posted agenda for this meeting.

NEXT STEPS

If the recommendation is approved, staff will execute the contract and have Perkins & Will begin the preparation of the Basis of Design documents. Once those are completed in approximately 22 weeks, the City will start the pre-qualification process to shortlist the number of design-build firms.

Attachments:

1. Perkins & Will Agreement to prepare Basis of Design Documents

AGREEMENT FOR SERVICES
(For contracts over \$5,000 - CONTRACTOR)

This AGREEMENT made this 21st day of August, 2023, between:

CITY: City of Gilroy, having a principal place of business at
7351 Rosanna Street, Gilroy, California

and CONTRACTOR: Perkins & Will, having a principal place of business at 475 Lincoln Street, Suite 100, Denver, CO 80203.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 8/21/2023 and will continue in effect through 8/31/2024 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONTRACTOR is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONTRACTOR or any employee or agent of CONTRACTOR. Both parties acknowledge that CONTRACTOR is not an employee for state or federal tax purposes. CONTRACTOR shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONTRACTOR shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONTRACTOR

A. Specific Services

CONTRACTOR agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONTRACTOR shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONTRACTOR'S services.

C. Employment of Assistants

CONTRACTOR may, at the CONTRACTOR'S own expense, employ such assistants as CONTRACTOR deems necessary to perform the services required of CONTRACTOR by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONTRACTOR'S assistants in the performance of those services. CONTRACTOR assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONTRACTOR shall perform the services required by this Agreement at any place or location and at such times as CONTRACTOR shall determine is necessary to properly and timely perform CONTRACTOR'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONTRACTOR, CITY agrees to pay CONTRACTOR the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONTRACTOR exceed \$250,000.00.

B. Invoices

CONTRACTOR shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONTRACTOR has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONTRACTOR of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONTRACTOR shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONTRACTOR, all fees, fines, licenses, bonds or taxes required of or imposed against CONTRACTOR and all other of CONTRACTOR'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONTRACTOR in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONTRACTOR

A. Tools and Instrumentalities

CONTRACTOR shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONTRACTOR is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONTRACTOR agrees to provide workers' compensation insurance for CONTRACTOR'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONTRACTOR'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONTRACTOR shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONTRACTOR or CONTRACTOR'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONTRACTOR shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONTRACTOR or CONTRACTOR'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONTRACTOR shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of \$1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONTRACTOR must purchase so called “extended reporting” or “tail” coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY’S obligations under this Agreement, CONTRACTOR shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONTRACTOR under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONTRACTOR is not CITY’S employee, CONTRACTOR shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONTRACTOR acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONTRACTOR’S payments;
- CITY will not make state or federal unemployment insurance contributions on CONTRACTOR’S behalf;
- CITY will not withhold state or federal income tax from payment to CONTRACTOR;
- CITY will not make disability insurance contributions on behalf of CONTRACTOR;
- CITY will not obtain workers’ compensation insurance on behalf of CONTRACTOR.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONTRACTOR and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONTRACTOR'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONTRACTOR. Such assignment shall not release CONTRACTOR from any of CONTRACTOR'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of CONTRACTOR's Business/ Death of CONTRACTOR.

CONTRACTOR shall notify CITY of the proposed sale of CONTRACTOR's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONTRACTOR set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY's receipt of such notice of sale.

If CONTRACTOR is an individual, this Agreement shall be deemed automatically terminated upon death of CONTRACTOR.

B. Termination by City for Default of CONTRACTOR

Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONTRACTOR. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONTRACTOR'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.
2. CONTRACTOR'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONTRACTOR shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONTRACTOR. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONTRACTOR'S default in the performance of this Agreement or material breach by CONTRACTOR of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONTRACTOR shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONTRACTOR for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONTRACTOR all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONTRACTOR, at the CONTRACTOR'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONTRACTOR to CITY.

D. Transition after Termination

Upon termination, CONTRACTOR shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONTRACTOR shall cease such work as soon as it is safe to do so. CONTRACTOR shall incur no further expenses in connection with this Agreement. CONTRACTOR shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONTRACTOR's duties by any new CONTRACTOR hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONTRACTOR shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONTRACTOR shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONTRACTOR shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONTRACTOR, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONTRACTOR shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONTRACTOR agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONTRACTOR certifies that to the best of its knowledge, no CITY employee or officer of any public agency interested in this Agreement has any pecuniary interest in the business of CONTRACTOR and that no person associated with CONTRACTOR has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONTRACTOR for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONTRACTOR agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONTRACTOR:**CITY:**Perkins & Will

CITY OF GILROY

By: _____

Name: Joseph T. Dyer AIATitle: Associate Principal

By: _____

Name: Jimmy ForbisTitle: City Administrator

Social Security or Taxpayer
Identification Number _____

Approved as to Form

ATTEST:

City Attorney

City Clerk

DRAFT

EXHIBIT “A”

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONTRACTOR shall provide the services indicated on the attached **Exhibit “B”**, Scope of Services (“Services”). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONTRACTOR agrees to assign Joseph T. Dyer, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONTRACTOR shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONTRACTOR shall commence the Services upon delivery to CONTRACTOR of a written “Notice to Proceed”, which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Karl Bjarke shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONTRACTOR or if otherwise delivered as provided in the **Section V.H.** (“Notices”) of this **Exhibit “A”**.

B. COMPLETION OF SERVICES

When CITY determines that CONTRACTOR has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONTRACTOR written Notice of Final Acceptance, and CONTRACTOR shall not incur any further costs hereunder. CONTRACTOR may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONTRACTOR has not completed all of such Services as required by this Agreement, CITY shall so inform CONTRACTOR within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit “C”**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONTRACTOR as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit “B”**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONTRACTOR shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONTRACTOR represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONTRACTOR’S representations and warranties regarding its skills, qualifications and licenses. CONTRACTOR shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONTRACTOR shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY’S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONTRACTOR shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONTRACTOR’S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONTRACTOR for the purpose of verifying any and all charges made by CONTRACTOR in connection with this Agreement. CONTRACTOR shall maintain for a minimum period of three (3) years (from the date of final payment to CONTRACTOR), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONTRACTOR, all of which shall be made available to CITY at the CITY’S offices within five (5) business days after CITY’S request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONTRACTOR and all other written and oral information developed or received by or for CONTRACTOR and all other written and oral information submitted to CONTRACTOR in connection with the performance of this Agreement shall be held confidential by CONTRACTOR and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONTRACTOR which is otherwise known to CONTRACTOR or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONTRACTOR'S disclosure thereof) shall be deemed confidential. CONTRACTOR shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONTRACTOR may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONTRACTOR shall not be responsible for, and City shall indemnify CONTRACTOR from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY: Attn: Karl Bjarke
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONTRACTOR: Joseph T. Dyer
Perkins & Will
475 Lincoln Street, Suite 100
Denver, CO 80203

I. FEDERAL FUNDING REQUIREMENTS.

- ☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.
- ☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONTRACTOR shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONTRACTOR warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONTRACTOR, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT “B”
SCOPE OF SERVICES

DRAFT

Perkins&Will

August 6, 2023

Karl Bjarke, Project Manager
City of Gilroy, CA
Re: Gilroy Ice Center

Dear Karl,

We are pleased to submit this proposal to you for performing Design Services for the Gilroy Ice Center. This proposal is for Perkins&Will only and does not assume any consultant to be hired by Perkins&Will. The listed Consultants are excluded and assumed to be hired directly by the owner or design build contractor. Perkins&Will can submit design fees for the listed consultants if it's determined to be needed. The level of document completion will include Concept Design, Schematic Design, and Design Development as further defined below. This proposal assumes that at the end of Design Development, there will be a 4-week transition period between Perkins&Will and the hired Architect of Record brought on by the Design Build Contractor. We propose the following services:

DESIGN TEAM

- | | |
|--------------------------|---|
| 1. Design / Program – | Perkins&Will |
| 2. Architect of Record – | Hired direct by owner / Design Build Contractor |
| 3. Civil / Landscape – | Hired direct by owner / Design Build Contractor |
| 4. Structural Engineer – | Hired direct by owner / Design Build Contractor |
| 5. Mechanical Engineer – | Hired direct by owner / Design Build Contractor |
| 6. Electrical Engineer – | Hired direct by owner / Design Build Contractor |
| 7. Plumbing Engineer – | Hired direct by owner / Design Build Contractor |
| 8. Technology Engineer – | Hired direct by owner / Design Build Contractor |
| 9. Audio Visual – | Hired direct by owner / Design Build Contractor |
| 10. Food Service – | Hired direct by owner / Design Build Contractor |
| 11. LEED Consultant – | Hired direct by owner / Design Build Contractor |
| 12. Other Consultants – | Hired direct by owner / Design Build Contractor |

SCOPE AND DESCRIPTION

We understand the primary goal of the project is to design a two-sheet ice facility for the City of Gilroy and Sharks Sports & Entertainment. The total project cost as Perkins&Will understand is a total project budget of \$30 million and will be approximately 100,000 square feet on two levels. Level 1 (Rink Level) will have a building footprint of approximately 70,000 sf with access to an existing 387 parking spaces. Level 2 (Mezzanine Level) will be approximately 30,000 sf with a total building height of roughly 30'-0".

GENERAL PROGRAM LIST

1. Level 01 – Rink Level
 - a. Two NHL Sized Ice Rinks
 1. Including seating capacity of 150 – 200 seats per rink
 - b. Public Locker Rooms with Restrooms and Showers
 - c. Entrance Lobby / General reception area
 - d. Skate Rentals / Food Concessions / Merchandise / Retail Area
 - e. Administrative Offices
 - f. Support Spaces
 1. Electrical / Technology / Ice Equipment / Boiler Room / Water Entry / Fire Pump / Ice resurfacing room / Storage
2. Level 01 – Mezzanine Level
 - a. Viewing Deck
 1. Includes seating capacity of 100 – 150 seats per rink
 - b. Training Room / Fitness Area

475 Lincoln Street, Suite 100
Denver, Colorado 80203

www.perkinswill.com

Perkins&Will

- c. Multipurpose Rooms
- d. Conference Rooms
- e. Bar / Restaurant Space
- f. Facility Support Areas
 - 1. Restrooms / Concessions / Pantry / Kitchen
- g. Storage

DOCUMENTATION PHASE SERVICES:

Perkins & Will plan is to issue documents and services for all the phases listed below.

Concept Design Phase:

Deliverables

- 1. (6) Total Enscape Renderings to help convey design intent
- 2. Precedent Images representing design intent.
- 3. Concept Design Development and Diagrams of critical program areas
- 4. Overall Color Plans showing proposed layouts.
- 5. Enlarged Color Plans of scope areas.
 - a. Square footage and dimension shown as needed.
 - b. Multiple layout solutions for ownership consideration for all studied program elements
 - c. Furniture, Fixtures, and Equipment general layouts on all plans
 - i. Design Intent images shown for reference.
- 6. Reflected Ceiling Plans, Sections, Elevations
- 7. Architectural Level 3D images for design approval

Schematic Design Phase: Services provided per standard AIA contract B101 section 3.2

Design Development Phase: Services provided per standard AIA contract B101 section 3.3

In addition to the services listed above Perkins & Will, will also provide the following:

- 1. Design Schedule
- 2. Assist in early identification of long lead items.
- 3. Updates to Enscape Renderings provided at the Concept Design Deliverable
 - o 1 round of updates assumed.
- 4. Architectural Level 3D images for design approval
- 5. Interior Design Services and Documentation per issuance
- 6. Material and product research
- 7. Coordination with Owner Provided Design / Build team members.
 - o Consultants are assumed to be hired by the owner or design build contractor.
- 8. Attend all meetings as requested and review equipment list with the ownership team.
- 9. Meeting Minutes for all meetings with the client and/or stakeholders
- 10. Meetings with Code Official to discuss existing and proposed conditions and negotiated solutions.
- 11. Updated Building Plans / Reflected Ceiling Plans / Sections / Elevations / Interior Elevations / Interior Details / Schedules / Interior Finish Plans as needed to submit complete drawings per phase of issuance.

CLARIFICATIONS

- 1. Design Schedule Assumptions
 - a. Concept Design - 4 weeks (min)
 - b. Schematic Design - 6 weeks (min)
 - c. Design Development - 8 weeks (min)
 - d. Transition Period - 4 weeks (max)
 - e. **Total Duration - 22 weeks**

Perkins&Will

EXCLUSIONS FROM FEE

1. Construction Document Phase
2. Construction Administration Phase
3. Value Engineering efforts after the 100% Design Development documents are issued
4. Fixtures, Fixtures, and Equipment: Additional Services can be provide for this scope of work
 - a. Perkins & Will, will assist the owner in developing FF&E needs and will show general layout of furniture and equipment in the documentation. Fixtures, furnishings, and equipment research, pricing, specification development, or purchasing is not included within our scope.
5. Graphics Package: Additional Services can be provide for this scope of work
 - a. Content creation and documentation of signage, wayfinding, and branding. Perkins & Will, will assist in locating / visualizing graphic content and coordinating any associated architectural related details to accommodate.
6. Photo-realistic renderings outside of the quantity listed above.
7. Any building system design, other than those listed.
8. Any consultants other than those specifically listed.
9. Detailed cost estimate by trade or system. Cost estimating will be provided by the contractor
10. Formal survey of existing conditions, including measured as-builts. Field verification of critical dimensions is included.
11. Hazardous material investigation or abatement
12. Life cycle cost studies. Our analysis and recommendations will include general information about the lifespan of assets and building systems, but calculations of operational costs/savings based on capital investments are not included.
13. LEED certification/energy modeling/specialized sustainable design studies

Perkins&Will

FEE PROPOSAL

We have developed our base fee on the tasks outlined above. Fees listed below are for Perkins&Will only. Our fee breakout per phase is as follows:

1. Perkins&Will	
a. Concept Design	\$50,000
b. Schematic Design	\$75,000
c. Design Development	\$100,000
d. Transition Coordination	\$25,000

TOTAL FEE \$250,000

FEE CONDITIONS

- 1. Additional Services: For any additional services not included above, a lump sum fee will be negotiated, or we will be compensated on a time basis at our prevailing hourly rate schedule.
- 2. Reimbursable: Expenses will be billed monthly at cost for the following: travel cost to the site, included transportation and subsistence; messenger service; express mail, printing costs for distribution of plans and electronic submittal record copies.

We hope you find our scope and fee structure in line with project expectations. If so, please sign below in agreement.

Sincerely,

Joseph T. Dyer AIA
Associate Principal
joe.dyer@perkinswill.com

Approved and accepted this _____ day of _____, 2023.

City of Gilroy

By: _____ Title: _____

EXHIBIT “C” **MILESTONE SCHEDULE**

Design Schedule Assumptions:

- | | |
|-----------------------|----------|
| a. Concept Design | 4 weeks |
| b. Schematic Design | 6 weeks |
| c. Design Development | 8 weeks |
| d. Transition Period | 4 weeks |
| e. Total Duration | 22 weeks |

DRAFT

EXHIBIT “D”
PAYMENT SCHEDULE

DRAFT

Perkins&Will

Appendix A – Perkins & Will 2023 Rates

Principal	\$350
Associate Principal	\$310
Technical Director	\$275
Sr. Project Manager	\$275
Sr. Project Designer	\$250
Sr. Project Architect	\$250
Sr. Technical Coordinator	\$240
Project Manager	\$240
Project Designer	\$220
Project Architect	\$220
Technical Coordinator	\$220
Sr. Visualization Artist	\$190
Visualization Artist	\$160
Arch III/Design III	\$175
Arch II/Design II	\$150
Arch I/Design I	\$140/\$210 OT
Administrative	\$110/\$165 OT
Intern	\$90/\$135 OT

City of Gilroy - Billing Schedule

Gilroy Twin Ice Facility -

Phases	100.00%	Fee	\$250,000
Program / Concept	20.00%	SD	\$50,000
Schematic Design	30.00%	DD	\$75,000
Design Development	40.00%	CD	\$100,000
Transition Coord	10.00%	BN	\$25,000
			\$250,000

DESIGN FEE INVOICES			
		2023	
Program / Concept	PC	September 30	\$50,000
Schematic Design	SD	October 31	\$50,000
SD / DD	SD/DD	November 30	\$50,000
Design Development	DD	December 31	\$50,000
		2024	
DD / Transition Coord	DD/T	January 31	\$37,500
CD's / Bid / Award	T	February 28	\$12,500
CD's / Bid / Award	na	March 31	\$0
CD's / Bid / Award	na	April 30	\$0
CD's / Bid / Award	na	May 31	\$0
CD's / Bid / Award	na	June 30	\$0
CD's / Bid / Award	na	July 31	\$0
CD's / Bid / Award	na	August 31	\$0
Construction Admin	na	September 30	\$0
Construction Admin	na	October 31	\$0
Construction Admin	na	November 30	\$0
Construction Admin	na	December 31	\$0
			2023 \$200,000
			2024 \$50,000
TOTAL			\$250,000



City of Gilroy

STAFF REPORT

Agenda Item Title: Selection and Appointment of Youth Commission Members

Meeting Date: August 21, 2023

From: Jimmy Forbis, City Administrator

Department: City Clerk

Submitted By: Thai Nam Pham, City Clerk

Prepared By: Thai Nam Pham, City Clerk

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Review the applications and interviews from the candidates and proceed with the formal appointment of suitable candidates to the vacant positions within the Youth Commission.

BACKGROUND

On August 7, 2023, the Council interviewed candidates for the Youth Commission. These interviews aimed to fill the following:

- **One (1)** seat expiring on September 30, 2024. This was previously held by Commissioner James Dinh, who tendered his resignation on July 6, 2023.
- **Five (5)** seats, each with a term ending September 30, 2025. The breakdown of these is as follows:
 - **Two (2)** are currently occupied by Commissioners Lavender Hwang and Aiden Francis, both of whom have reapplied. These positions will become vacant starting October 1, 2023.
 - **Three (3)** previously held by Commissioners Issac Hwang, Alexis Miller, and Ezequiel Lopez, who resigned on August 8, 2023, August 1, 2023, and August 7, 2023, respectively. These seats will have a term starting on August 21, 2023.

During the recruitment window, applications were received from Crystal Garcia Pablo, Kuber Sihra, Chad Knauss, and Lavender Hwang (an incumbent). Post the September 21, 2023 application deadline, an additional five applications were submitted by Maya Beyret, Zara Ting-Tee, Thanmay Sarath, Aiden Francis (an incumbent), and Saed Mustafa.

At the regular meeting on August 7, 2023, the Council interviewed all applicants except for Aiden Francis. The Council is now poised to consider these individuals for appointment to the Youth Commission.

Attachments:

1. Application – Crystal Garica Pablo
2. Application – Kuber Sihra
3. Application – Chad Knauss
4. Application – Lavender Hwang
5. Application – Maya Beyret
6. Application – Zara Ting-Tee
7. Application – Thanmay Sarath
8. Application – Aiden Francis
9. Application – Saed Mustafa



City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Crystal Garcia Pablo			
Phone number(s):		email address*:	
Are you a registered voter within the City limits? No			
Physical Address*:			
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment:			
I possess a range of qualifications that make me well-suited for this position. My strong public speaking and communication skills allow me to effectively engage with adults and peers when seeking assistance or sharing ideas, a skill set I have practiced through my involvement in other boards and committees. I have a genuine openness to new ideas and enjoy collaborating with others, valuing the diverse perspectives they bring. In addition, I have expertise in social media management, graphic design for creating flyers, and spreading awareness through various channels. I am also skilled in editing and own a camera, which I frequently use to capture images for other boards and events. Furthermore, I have expertise in website creation and maintenance, ensuring a strong online presence for the board or committee. Together, these qualifications, like public speaking, communication, social media, graphic design, photography, and website development, make me a well-rounded and capable candidate for this position.			
List any service to the community including any prior appointments:			
I have dedicated my time to volunteering at events organized by the Gilroy Youth Commission, such as Dia de los Niños and the Christmas drive. Additionally, I played a role in reintroducing Girls Who Code to the Gilroy Library, where we successfully conducted 6-8 week coding programs for young girls, having 28 girls. As a member of Gilroy's Teen Advisory Board for the library, I manage social media, capture event photos, and collaborate with my peers to plan engaging activities. Furthermore, I actively contribute as a member of the YMCA Youth Board, where we work collectively to organize events for YMCA youth and raise funds for Power School and also the yearly toy drive during Christmas. Within my school, I tutor underclassmen and participate in various clubs, including the Women Empowerment STEM Club as treasurer, the Interact Club, and the Culture Club. Beyond the community and school, I am also involved with WriteCause, an organization that addresses global issues and amplifies the voices of teenagers. As the marketing director.			

What are your goals while serving on this Board/Commission/Committee?

I am eager to join the Gilroy Youth Commission and actively contribute to the community, making a significant impact. One thing I truly enjoy is collaborating with a team to share our ideas with the community. Supporting and uplifting our community by working together with others is a genuine passion of mine, and being a member of this board would provide me with the perfect platform to create a meaningful difference. I am enthusiastic about the opportunity to work with a team and collectively contribute to the improvement of our community through teamwork. I aim to represent the youth in our community and also raise awareness and participation in various events. Additionally, I hope to coordinate with my team to generate more opportunities and raise funds for the youth in our community.

Why are you the most qualified to serve on this Board/Commission/Committee?

I am highly qualified to serve on this Board/Commission/Committee due to my extensive leadership experience, both within the community and my school. I have demonstrated my ability to take charge and effectively communicate my ideas. Additionally, I have actively engaged with the public and sought assistance from various organizations such as YMCA, the Gilroy Library, and the Morgan Hill Library. My passion for the community is unwavering, and I genuinely believe that I can bring valuable contributions to this board. I am confident in my ability to engage with people, secure funding, and raise awareness, which are essential for the success of the Youth Commission. With my dedication and drive, I am eager to demonstrate the power and potential of the youth within the Gilroy community. * I just wanted to clarify that I lived in Gilroy for my whole life (El Roble Elementary, Luigi Aprea Elementary, Brownell Middle School) but I just recently moved this year to San Juan and truly want to continue to be apart of Gilroy's community.

✓	By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.
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City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Kuber Sihra			
Phone number(s):		email address*:	
Are you a registered voter within the City limits? No			
Physical Address*:			
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment: I have a great sense of leadership and teamwork, as well as a sense of creativity and being a helpful person in general overall which would be helpful when doing these tasks within the youth commission such as planning and organizing.			
List any service to the community including any prior appointments: I have volunteered tutoring kids at the CIEL center the past years and have also volunteered for backpack drives in Morgan Hill.			
What are your goals while serving on this Board/Commission/Committee? My goals are to be helpful when planning and organizing as well as be supportive to new ideas. My goals are also to help either improve or continue events in the City of Gilroy upon the youth commission.			
Why are you the most qualified to serve on this Board/Commission/Committee? My sense of teamwork, planning, and organizing all would make me the most qualified to serve for the youth commission. This would mean I am open to all ideas that the rest of the commission would agree to do together. My sense of teamwork, planning, and organizing would also be helpful as a whole when doing these events.			



By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.



City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Chad Knauss			
Phone number(s):		email address*:	
Are you a registered voter within the City limits? No			
Physical Address*:			
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment:			
I applied for and was selected by the Junior High faculty at my school to be a member of our student Campus Leadership Team. As a member, I served for two years. The goal of the Campus Leadership Team was to improve student morale for sixth, seventh and eighth graders and to act as a liaison between students and faculty. Some of my duties included mentoring incoming sixth graders, meeting with small groups monthly so that they felt comfortable throughout their first year of junior high. I was also involved in planning, budgeting and executing school events to foster student spirit throughout the school year. This included our Fall Festival, Cultural Fair, Christmas Rally, Summer Extravaganza and more. As part of the student leadership team, we also raised funds to distribute to local charities and homeless shelters.			
List any service to the community including any prior appointments:			
We moved to Gilroy in 2020 and unfortunately, COVID limited my ability to get involved in city events, but I am eager to get involved now.			
What are your goals while serving on this Board/Commission/Committee?			
I would like to be appointed to the Gilroy Youth Commission because I want to contribute to the betterment of my community. I believe in the power of youth voices and want to make a positive impact on the issues that affect the youth in our city. Civic engagement is extremely important to me and having an opportunity to serve on the Youth Commission and make a difference within my city truly excites me.			
Why are you the most qualified to serve on this Board/Commission/Committee?			
Being a two year member of my junior high Campus Leadership Team has given me an opportunity to find creative ways to improve student morale for over 700 students. I was part of			

a small leadership team that planned, budgeted and executed student led events and activities while also raising funds for local charities. I have a passion for, and closely follow, local, state, and federal government. My personal goal is to be civically engaged throughout high school and to pursue a degree in political science in college and continue to be involved in government at some level thereafter.

✓	By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.
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City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Lavender Hwang			
Phone number(s):		email address*:	
Are you a registered voter within the City limits?		No	
Physical Address*:			
Driver's License or ID No.:	Date of Birth*:	Last 4 of SSN:	
List your qualifications for this appointment:			
•Served as Youth Commission member for last two years (2021-2023 term) •Served as Youth Commission Chair for last year (2022-2023 term) •Leadership and public speaking skills •Extensive experience with teamwork and collaboration			
List any service to the community including any prior appointments:			
•Served on Youth Commission (2021-2023) •Founded club at Gilroy Library teaching STEM to young girls (2022-2023) •Completed over 200+ community service hours locally			
What are your goals while serving on this Board/Commission/Committee?			
I hope to continue implementing the projects that we proposed last year and have planned for this year such as a teen resource fair to foster youth engagement within the community and make local opportunities more accessible to teenagers. My primary goals are projects that emphasize making a lasting impact, as well as increased accessibility to resources and solutions for the local youth.			
Why are you the most qualified to serve on this Board/Commission/Committee?			
I have served on the Youth Commission for the last two years, where I have familiarized myself with the Brown Law under which we operate, as well as the programs and events we plan and coordinate. I believe, as a returning member, I have the knowledge and experience to offer insight to incoming members while still collaborating in a team effort to plan projects and events that serve the youth of our community.			

✓	By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and
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must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.



City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Maya Beyret			
Phone number(s):		email address*:	
Are you a registered voter within the City limits? No			
Physical Address*:			
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment:			
My qualifications for becoming a part of the Youth Commission are organizational, communication, and teamwork skills. These three skills make me qualified for the Youth Commission because they help create a productive environment in which problems can be resolved.			
List any service to the community including any prior appointments:			
I've volunteered within the Gilroy community on multiple occasions. most notably, I've volunteered for the downtown activities last summer and a few times throughout the school year last year. I've also participated as a tutor for the Academic & Wellness Center for over a year. Not only was I able to be more involved in our Gilroy community through these two endeavors, but I was able to make an impact of numerous people's lives.			
What are your goals while serving on this Board/Commission/Committee?			
I have a few goals while serving on the Youth Commission. I hope to be a valuable member of this group by providing accurate and helpful feedback about the youth in Gilroy. I also hope to encourage other people my age to be more involved in our tight-knit community. Being more involved would help everyone become more connected and create a safer, more welcoming environment in our city.			
Why are you the most qualified to serve on this Board/Commission/Committee?			
I am most qualified to serve on Youth Commission because of my past and current experiences. Being a part of Youth Commission requires good communication skills which I have gained from both taking a class in that specific area and also enacting those skills into my job. Currently, I work at Gilroy Gardens in the Admissions department which tends to receive various complaints			

throughout the day from guests. It is my job (and all of those whom work with me) to communicate back to the guests in a calm and respectful manner the appropriate information. This makes me most qualified to serve on the Youth Commission because in a similar way, I will listen to any specific youth issues that occur in our community and respond accordingly.

School: Dr. Tj Owens Gilroy Early College Academy / Grade: 11th

☐ By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.



City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Zara Ting-Tee			
Phone number(s):		email address*:	
Are you a registered voter within the City limits?		No	
Physical Address*:			
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment:			
My qualifications for this appointment are the following: 1) In 2022, I worked as a mentor in the STAR Arts Education program here in Gilroy. I was a part of the pioneer crew for the infamous Oak Tree Garden, which belonged to the Ohlone people for centuries. I was absolutely honored to share this rich history with the youth of the program. I worked with Mrs. Marilyn Cardinali to guide the students and introduce the children through the powerful concept of theater. Prior to this, I was also a part of STAR's podcasting class, in which I worked with Mr. Ethan Chargin to later help create a video to promote the new musical Puff's to other youth and expose them to the wonders of being in a community based musical. 2) As a Junior Olympic Gymnast from 2015 through 2020, I helped coach young and aspiring gymnasts who were interested in being a part of the competitive team. I absolutely loved teaching and guiding these junior gymnasts to embody the life and skills of a competitive gymnast. Some of these junior gymnasts have joined the team and have given back their knowledge to the community by being great role models and excellent leaders. 3) I have volunteered at various elementary/middle schools across Gilroy. I have also went back to mentor and give a presentation to upcoming middle-schoolers in my previous fifth grade GATE class in Rucker Elementary. I gave them honest and significant advice on the transition from elementary to middle school and the transition from middle school to high school. I was incredibly honored to stand in place of those who had done the same for me. 4) I was actively involved in Gavilan's Science Alive Gallery and really enjoyed assisting the middle schoolers in finding their passions in science and math. It was so fun to watch the kids experience real science and to watch their amazement. My wish is for these students to gain the knowledge and eventually contribute their expertise to our city. 5) In my middle schools years, I was passionately involved as a member of the Kindness Club ran by Ms. Fortino (Brownell), in which we would visit Wheeler Manor to brings smiles to the senior community and visit the local shelters to care for our city's animals. It brought a lot of happiness and contentment to be involved in such a positive motion for our Gilroy community. 6) During COVID, I made personal cards to all the seniors at Wheeler Manor. My yearning to be a part of the community during the			

pandemic, has given me the opportunity to bring a little smile and joy to the senior residents during the unfortunate lockdown period. I was delighted to be a part of this while also being able to recruit other youth to do the same. 7) I am always open and active in GECA's student body. I consistently participate in school events and provide advice and ideas for the members of the student council to promote a healthy and inclusive environment in our GECA community.

List any service to the community including any prior appointments:

I was a mentor at STAR Arts and also helped promote the arts and sciences to youth in both the STAR and Science Alive programs. I am a frequent volunteer to schools across Gilroy and enjoy introducing others to being active in the amazing Gilroy community.

What are your goals while serving on this Board/Commission/Committee?

While serving on this Board/Commission/Committee, my main goal is to allow the youth community in Gilroy to understand and feel that they have a voice and role in our community. I also hope to encourage people to get more involved in the community itself, and I hope to be able to provide affective advice to help the board and city in any way I can. Throughout my life, I had been a recipient from very kind people in Gilroy, so now, I want to give back to our city and to the wonderful people in it.

Why are you the most qualified to serve on this Board/Commission/Committee?

I am a person who loves analyzing problems and finding solutions to them, in both large or more private situations. I have a huge interest to how the world works through trial and error and changes, so that is why I took multiple sociology classes, in the past year, in Gavilan College to better understand the functioning of societies. I am a great listener and have public speaking skills that I've gained through speeches, theater, and Poetry Out Loud. I enjoy voicing my honest opinion and working as a team to acknowledge issues and create greater opportunities for others. After the many mentors I've had through the years, such as police officers, librarians, school counselors/teachers, and even running non-profits, I believe I have a strong understanding of community and will make a conscientious effort to be an effective member of the Gilroy City Youth Committee.

School: Dr. TJ Owen's Gilroy Early College Academy / Grade: 10th

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City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name:	Thanmay Sarath		
Phone number(s):		email address*:	
Are you a registered voter within the City limits?		No	
Physical Address*:	9591 Hummingbird Ln		
Driver's License or ID No.:		Date of Birth*:	Last 4 of SSN:
List your qualifications for this appointment: Advanced Academic Achievement: Completed High School Geometry in 7th grade and High School Algebra 2 Honors in 8th grade, showcasing dedication and strong academic performance. Continuous Learning: Currently enrolled in a High School History course during the summer break to further enhance knowledge and education. Artistic Accomplishments: Recognized as the Youngest Artist in the Bay Area and featured in ABC News and various local channels. Conducted numerous Solo Art exhibits throughout the Bay Area and received commendation from the City of Milpitas. Intellectual Aptitude: A member of the American Mensa society, demonstrating critical thinking skills and an eagerness for intellectual exchange. Programming Skills: Proficient in multiple programming languages, including HTML, CSS, JavaScript, Java, Python, and NodeJS. Developed web applications for reputable organizations like Geeknasium, Koalasoft, and DonerSiliconValley. Community Engagement: Volunteer at Gilroy Veterans Memorials, running the Vets and Tech program to assist veterans with technology, showcasing commitment to community service. Entrepreneurial Spirit: Founded Garlic Shield, organizing cybersecurity seminars for kids and the elderly, and provided free vulnerability scans and penetration tests to local vendors, displaying leadership and initiative. Covid Initiatives: Developed applications like BasicSupply.us to monitor local grocery levels and LonelyList.com to list free online events globally, contributing to the community during the Covid pandemic. Fundraising Experience: Successfully organized and raised \$45,000 through a fundraiser for Kerala flooding relief in 2018, exhibiting fundraising skills for charitable causes. Diverse Interests: Enthusiast of various hobbies, including dirt biking, MX Racing, machine building, and archery (Compound Free Style), showing a well-rounded personality and interests.			
List any service to the community including any prior appointments: Volunteer at Gilroy Veterans Memorials (January 2023 - Present): Run the Vets and Tech program, providing technology assistance and support to veterans. Founder, Garlic Shield (2021-2023): Organized cybersecurity seminars for kids and the elderly, promoting cyber awareness and safety. Provided free vulnerability scans and penetration tests to local vendors to enhance cybersecurity measures. Developed BasicSupply.us (2019): Created an application during Covid to monitor local grocery levels, facilitating easy navigation for shoppers. Enabled shoppers to update the grocery list, providing real-time information to assist others in their shopping needs. Developed LonelyList.com (2019): Developed an application during Covid to list free online events worldwide, encouraging global collaboration and engagement. Fundraiser			

for Kerala Flooding Relief (2018): Successfully organized a fundraiser during the Kerala flooding in 2018, raising \$45,000 for charity to aid relief efforts. 99Bridges Summer Intern (Summer 2020): Assisted in setting up Edge Devices and installing custom OS on the devices to support the organization's initiatives.

What are your goals while serving on this Board/Commission/Committee?

While serving on the City of Gilroy Youth Commission, my goals are centered on making a meaningful and positive impact on the youth and the community. I aim to bring a fresh perspective and a proactive approach to address the needs and concerns of young individuals in Gilroy. My goals include: Youth Empowerment: To advocate for the empowerment of youth in Gilroy, ensuring that their voices are heard, valued, and considered in decision-making processes that directly impact their lives. Community Engagement: To actively engage with the local youth community, encouraging their participation and involvement in civic activities, events, and initiatives. Education and Opportunities: To promote educational opportunities and support initiatives that enhance academic success, career exploration, and personal growth among the youth of Gilroy. Mental Health and Well-being: To focus on mental health awareness and resources, striving to create a supportive environment for youth facing mental health challenges. Diversity and Inclusion: To champion diversity and inclusion efforts, advocating for a welcoming and inclusive community where all youth feel accepted and celebrated. Youth Programs and Activities: To work with other commissioners and community leaders to develop and support various programs, events, and activities that cater to the interests and needs of the youth. Safety and Security: To prioritize the safety of the youth by collaborating with local authorities and organizations to address any safety concerns and promote a secure environment. Bridging the Generation Gap: To foster understanding and collaboration between different generations, promoting mutual respect and cooperation in the community. Environmental Awareness: To promote environmental awareness and sustainable practices among the youth, encouraging their active involvement in protecting and preserving the environment. Collaboration and Partnerships: To collaborate with various stakeholders, schools, non-profit organizations, and local businesses to create a unified effort in supporting the well-being and growth of the youth. By achieving these goals, I aspire to contribute to a vibrant and thriving community, where the youth of Gilroy can confidently face the challenges and opportunities that lie ahead. Through active engagement and dedicated service on the Youth Commission, I aim to represent the best interests of the youth and contribute positively to the overall development of our city.

Why are you the most qualified to serve on this Board/Commission/Committee?

I believe I am most qualified to serve on the City of Gilroy Youth Commission due to a combination of my diverse experiences, passion for community engagement, and dedication to making a positive impact on the lives of young individuals in Gilroy. Leadership and Initiative: As an accomplished artist, web developer, and founder of community initiatives such as Garlic Shield, BasicSupply.us, and LonelyList.com, I have demonstrated leadership, creativity, and initiative. These experiences have equipped me with problem-solving skills and the ability to drive meaningful projects to fruition. Academic Excellence: Completing High School Geometry in 7th grade and High School Algebra 2 Honors in 8th grade exemplifies my commitment to academic excellence and a thirst for knowledge. I believe in applying this same drive and dedication to serving on the Youth Commission. Strong Communication Skills: My experience as an artist, programmer, and public speaker has honed my communication skills, enabling me to effectively convey ideas, advocate for causes, and engage with individuals from diverse backgrounds. Community Service: Through volunteering at Gilroy Veterans Memorials and running the Vets and Tech program, I have demonstrated a genuine commitment to giving back to my community. I have also organized fundraisers and contributed to Kerala flooding relief efforts, showcasing a dedication to helping those in need. Entrepreneurial Spirit: Founding Garlic Shield and creating applications during Covid reflects my entrepreneurial spirit and willingness to take on challenges to benefit the community. Technological Expertise: My proficiency in various programming languages and web development skills will enable me to contribute to the commission's initiatives related to technology and digital engagement. Youth Perspective: As a member of the youth community myself, I understand the unique challenges and aspirations of young individuals. This perspective will allow me to represent the youth effectively and advocate for their needs. Collaborative Approach: I believe in the power of collaboration and am eager to work alongside other commissioners and community stakeholders to achieve common goals. Dedication to Inclusion: My passion for diversity and inclusion will ensure that all voices, regardless of background or identity, are heard and represented.

on the commission. Vision for a Better Future: Above all, I have a strong vision for a more vibrant and supportive community, and I am eager to contribute my skills and dedication to bring about positive change for the youth of Gilroy. I am confident that my qualifications and dedication make me the ideal candidate to serve on the City of Gilroy Youth Commission and contribute effectively to the betterment of our community.

School: / Grade: null

✓	By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.
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City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Aiden Francis			
Phone number(s):		Mobile - [REDACTED]	email address*: [REDACTED]
Are you a registered voter within the City limits?		No	
Physical Address*: [REDACTED]			
Driver's License or ID No.: [REDACTED]		Date of Birth*: [REDACTED]	Last 4 of SSN: [REDACTED]
List your qualifications for this appointment: Served as a youth commissioner for the past two years. I have been the youth commission treasurer for the past six months.			
List any service to the community including any prior appointments: I have been on the youth commission for the past two years. I also regularly volunteer at second harvest of Silicon Valley. I also volunteer at my high school.			
What are your goals while serving on this Board/Commission/Committee? my goal while serving on the Youth Commission is to increase our footprint on the Gilroy community. In these past two years, the youth commission has been suffering from a lack of applicants, and a lack of impact on the community. My goal is to increase this impact by implementing ideas and events that we have thought of, but not yet put into action.			
Why are you the most qualified to serve on this Board/Commission/Committee? I am most qualified to serve on the Gilroy Youth Commission, because I understand the issues affecting the youth of Gilroy. As a highschooler, I see both the mental and environmental issues that affect all students like drugs, mental health, gun violence, and bullying. Through my knowledge of these problems, I am able to be empathetic and lend a helping hand to those who are in need of help.			
School: / Grade: null			

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members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.



City of Gilroy Board, Committee, & Commission Application

**All Commission, Board, and Committee applications are a public record.*

Board/Committee/Commission of Interest:		Youth Commission	
Name: Saed Mustafa			
Phone number(s):	Mobile - [REDACTED]	email address*:	[REDACTED]
Are you a registered voter within the City limits?		No	
Physical Address*:	[REDACTED]		
Driver's License or ID No.:	[REDACTED]	Date of Birth*:	[REDACTED]
		Last 4 of SSN:	[REDACTED]
List your qualifications for this appointment:			
I have been playing football for a little over 11 years I maintain a hard work ethic by going to the gym 5 times a week After football season I do 7on7 for an athletic organization called Xios which goes through multiple seasons I run track I am a member of the following clubs at my highschool: NHS(National Honor Society),NAHS(National Arts Honor Society), Asu (Asian student union), CSF(California Scholarship Federation), Academic future club, young life club, fishing club , finance club, and business club) I am the President of the beginners baking club the biggest club on campus Some of my keys skills consist of the following : Quick thinker, Money skills, Adapt well, understanding, leader, good with customers, can speak publically, learn quickly, good under pressure, and I am dedicated to what I do). Technologically literate in word, google suite, and social medias Fluent in the computer languages(python and java) Fluent in Spanish language and can understand multiple other languages			
List any service to the community including any prior appointments:			
Community Service Experience Dates of 2022-2024 Help kids at the church with their faith Serve as a leader and role model to younger students. Collaborate with community leaders to advocate for youth needs and ideas at church I used to volunteer at gilroy gardens almost every weekend and received 16 hours of community service hours a weekend earning a whopping 2,000 dollars for the NHS(National honors society) I volunteered at jeff garcia camps to help kids with their football skills which were located at Gilroy high I volunteered at Christopher high girls volleyball games through out their season 60+ community service hours			
What are your goals while serving on this Board/Commission/Committee?			
If I were given the opportunity to serve on the committee my immediate instinct would be to bring about a sense of change in the community, a change that would have an affect for a years			

to come , this would include inspiring the rest of the members to do great things and do the best we can to give back to the community and take care of it after all that's it been to us .

Why are you the most qualified to serve on this Board/Commission/Committee?

I believe that I am most qualified to serve for the comities not only because I was born and raised in Gilroy and know it like the back of my hand but because I am also willing to do the above and beyond for my community to give back for what it has done for me . Thank you very much and I hope you accept my application 🙏.

☐	By clicking on this box, I declare under penalty of perjury that I am currently a registered voter within the City limits of the City of Gilroy. Furthermore, I understand that this application and any attachments are subject to disclosure under the Public Records Act and must complete mandatory Open Government Ordinance Training. I further understand that members of the Planning Commission, Building Boards of Appeals, and Physically Challenged Board of Appeals are also subject to filing the Fair Political Practice Commission's Statement of Economic Interest Form 700 relating to financial disclosures.
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City of Gilroy

STAFF REPORT

Agenda Item Title: Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

Meeting Date: August 21, 2023
 From: Jimmy Forbis, City Administrator
 Department: City Clerk
 Submitted By: Thai Nam Pham, City Clerk
 Prepared By: Thai Nam Pham, City Clerk

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

1. Motion to read the ordinance by title only and waive further reading of the ordinance; and
2. Introduce an ordinance of the City Council of the City of Gilroy amending Chapter 2 relating to the Regular Meeting Schedule of the City Council.

EXECUTIVE SUMMARY

This staff report presents a revised ordinance amendment for the City Council's consideration. The proposed amendment is based on the Council's direction provided at the August 7, 2023, City Council meeting. The revision addresses the timing of regular City Council meetings for the months of July and December. Specifically, the proposed amendment stipulates that the regular City Council meeting in July is moved to the last Monday of the month and that the City Council meeting in December be held on the second Monday of the month.

The rationale behind moving the July meeting is to offer a designated legislative recess during the summer months, allowing for a more substantial break for all stakeholders. This break recognizes the historically lower attendance during the summer season,

making it an opportune time for Council members and staff to take vacations and for the community to enjoy a break. The change aligns with practices observed in other cities and ensures that Council convenes in July when necessary. The proposed changes aim to accommodate the needs of the City while adhering to the City Charter's requirements.

BACKGROUND

The City of Gilroy currently holds regular City Council meetings on the first and third Mondays of each month, as outlined in Section 2.13(a) of the Gilroy City Code. The Council has recognized the need to modify the meeting schedule, particularly in December, due to the timing of installing newly elected council members following the certification of election results by the Santa Clara County Registrar of Voters (ROV).

Initially, Staff recommended that Council introduce the ordinance with the following changes (the previous staff report is attached as a reference):

- No regular meetings for the month of July; and
- One regular meeting in December scheduled for the second Monday of the month.

However, the City Charter mandates at least one regular meeting each month, which necessitated further evaluation of the proposed ordinance's feasibility.

As a result, staff asked Council to refrain from proceeding with the introduction of the proposed ordinance. Instead, staff sought additional direction from the Council to address the Charter's requirements while still pursuing the goal of providing a more extended legislative recess during the summer months. The revised ordinance now aims to strike a balance between these considerations, aligning with the Council's direction while respecting the Charter's stipulations.

ANALYSIS

The proposed ordinance amends Section 2.13(a) of the Gilroy City Code to establish the regular City Council meeting in December on the second Monday of the month and to move the regular City Council meeting in July to the last Monday of the month. The amended ordinance reads as follows (additions are **bolded** and *italicized*, and removals are ~~redlined~~ and ~~strikethrough~~):

2.13 Regular meetings.

(a) Time. Regular meetings of the City Council shall be held on the first and third Mondays of each month at 6:00 p.m. Whenever the day fixed for any regular meeting of the Council falls upon a day designated by law as a legal or national holiday, such meeting shall be held at the same hour on the next Monday. If said Monday is also a legal or national holiday, the Council meeting shall be held on the next weekday not a holiday following

said Monday.

~~Notwithstanding the above, at least one regular council meeting shall be held in July. The date of the first regular meeting shall be held on the first day of July not a holiday and excluding Friday, Saturday or Sunday. In July, there shall be at least one regular meeting of the council, held on the last Monday of the month at 6:00 p.m. If the last Monday of July is a legal or national holiday, the meeting shall be held on the immediately preceding weekday that is not a holiday or a Friday.~~

In December, there shall be at least one regular meeting of the council, held on the second Monday of the month at 6:00 p.m. If the second Monday of December is a legal or national holiday, the meeting shall be held on the next weekday not a holiday.

This amendment aims to provide a more suitable timeframe for the installation of newly elected council members in December and accommodates the holiday season while adhering to the City Charter.

Additionally, the proposed changes resonate with the Council's objective of offering an extended summer recess, providing council members, staff, and the public an opportunity to benefit from a more substantial break during the summer months.

ALTERNATIVES

The Council may choose to approve, modify, or reject the proposed ordinance. Any modifications to the ordinance will require a new introduction and first reading.

FISCAL IMPACT/FUNDING SOURCE

The proposed ordinance does not entail direct financial or operational implications for the City of Gilroy. It primarily addresses procedural matters to enhance the scheduling of regular City Council meetings.

PUBLIC OUTREACH

Public outreach efforts were conducted regarding the proposed amendment. The outreach activities included posting the proposed ordinance on the City's official website, accessible to the general public.

NEXT STEPS

Should Council introduce the proposed ordinance, Council will need to adopt it at the next regular meeting. Once adopted, staff will update the Gilroy City Code and prepare the 2024 meeting schedule.

Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

Attachments:

1. Proposed Ordinance
2. August 7, 2023 Staff Report

ORDINANCE NO. 2023-XX**AN ORDINANCE OF THE CITY OF GILROY AMENDING
SECTION 2.13 OF THE GILROY CITY CODE TO MODIFY
THE REGULAR MEETING SCHEDULE OF THE CITY
COUNCIL**

WHEREAS, the City of Gilroy currently holds regular meetings on the first and third Mondays of each month, as specified in Section 2.13(a) of the Gilroy City Code; and

WHEREAS, it is deemed necessary and in the best interest of the City to modify the City Code to establish the regular City Council meeting in December on the second Monday of the month; and

WHEREAS, it is further deemed necessary and in the City's best interest to move the regular City Council meeting for July to the last Monday of the month.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES
HEREBY ORDAIN AS FOLLOWS:**

SECTION I

The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION II

Section 2.13(a) of the Gilroy City Code shall be amended as follows:

Time. Regular meetings of the city council shall be held on the first and third Mondays of each month at 6:00 p.m. Whenever the day fixed for any regular meeting of the council falls upon a day designated by law as a legal or national holiday, such meeting shall be held at the same hour on the next Monday. If said Monday is also a legal or national holiday, the council meeting shall be held on the next weekday not a holiday following said Monday.

In July, there shall be at least one regular meeting of the council, held on the last Monday of the month at 6:00 p.m. If the last Monday of July is a legal or national holiday, the meeting shall be held on the immediately preceding weekday that is not a holiday or a Friday.

In December, there shall be at least one regular meeting of the council, held on the second Monday of the month at 6:00 p.m. If the second Monday of December is a legal or national holiday, the meeting shall be held on the next weekday not a holiday.

SECTION III

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the

remaining portions of this Ordinance. The City Council of the City of Gilroy hereby declares that it would have passed and adopted this ordinance and each section, subsection, sentence, clause, or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION IV

This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

PASSED AND ADOPTED this 11th day of September 2023 by the following roll call vote:

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

APPROVED:

 Marie Blankley, Mayor

ATTEST:

 Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

Meeting Date: August 7, 2023
 From: Jimmy Forbis, City Administrator
 Department: City Clerk
 Submitted By: Thai Nam Pham, City Clerk
 Prepared By: Thai Nam Pham, City Clerk

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

1. Motion to read the ordinance by title only and waive further reading of the ordinance; and
2. Introduce an ordinance of the City Council of the City of Gilroy amending Chapter 2 relating to the Regular Meeting Schedule of the City Council.

EXECUTIVE SUMMARY

This staff report proposes an amendment to Section 2.13 of the Gilroy City Code regarding regular meetings of the City Council. The purpose of this amendment is to address two items:

- 1) the removal of regular meetings for the month of July; and
- 2) timing of installing newly elected council members following the certification of election results by the Santa Clara County Registrar of Voters (ROV).

Historically, the City of Gilroy attempts to install newly elected council members during the first meeting of December. However, due to the ROV's certification timeline, this installation has been missed in recent years. To rectify this issue and ensure

compliance with the City Charter, it is recommended to modify the City Code to have only one regular meeting in December, scheduled on the second Monday of the month.

BACKGROUND

The Registrar of Voters is responsible for certifying election results within thirty days from the date of the election. In the past, the ROV has typically been able to provide the certification of the election before the first City Council meeting, allowing the City of Gilroy to install newly elected council members during the first meeting of December. However, in the recent municipal election held on November 8, 2022, the ROV certified the results on December 8, 2022, missing the December 5, 2022 Regular Meeting. This delay in certification caused the City to be unable to install the newly elected council members as scheduled.

Looking ahead, next year's General Municipal Election is scheduled for November 5, 2024. Based on experience and the fact that it is a presidential election year, it is anticipated that the ROV will require the full thirty-day period to certify the general election results. Consequently, the certification date for the general election is expected to fall on December 5, 2024, which would again result in the City missing the December 2, 2024 City Council Regular Meeting for the installation of newly elected council members.

Furthermore, the City Charter, specifically Section 402, outlines the term of office for the Mayor and City Council members. According to this section, elected officials assume office after the first regular meeting following the certification of the City Council election. Therefore, it is crucial to ensure that the installation of newly elected members aligns with the City Charter's requirements.

Given these circumstances, it is necessary to amend the City Code to address the timing of installing newly elected council members following the certification of election results by the ROV. By modifying the regular meeting schedule to have the first regular meeting in December scheduled on the second Monday of the month, the City can ensure compliance with the City Charter and provide a more suitable timeframe for installing newly elected council members.

ANALYSIS

To address the challenges mentioned above, it is proposed to amend Section 2.13(a) of the Gilroy City Code as follows (additions are ***bolded and italicized***, and removals are ~~strikethrough~~):

2.13 Regular meetings.

(a) Time. Regular meetings of the City Council shall be held on the first and third Mondays of each month at 6:00 p.m. Whenever the day fixed for any regular meeting of the council falls upon a day designated by law as a legal or national holiday, such meeting shall be held at the same hour on

the next Monday. If said Monday is also a legal or national holiday, the council meeting shall be held on the next weekday not a holiday following said Monday.

~~Notwithstanding the above, at least one regular council meeting shall be held in July. The date of the first regular meeting shall be held on the first day of July not a holiday and excluding Friday, Saturday or Sunday.~~

No regular council meetings shall be held in the month of July. Special meetings may be scheduled during the same month by the Council as needed.

Notwithstanding the above, at least one regular meeting shall be held in December. The regular meeting in December shall be held on the second Monday of the month at 6:00 p.m.

This amendment does two things:

1. It enables the City to have a designated summer recess from the 2nd meeting of June until the 1st meeting in August, providing an opportunity for council members, staff, and the community to enjoy a longer break during the summer season. This recess period allows for more efficient use of resources and acknowledges the historically lower attendance during the summer months. In addition, these changes ensure clarity allowing the Council to convene in July when necessary. Otherwise known as a "Legislative Recess," this break is common in many cities.
2. It codifies the City's current practice of having one regular meeting in December and canceling the second regular meeting. Formalizing this practice into the City Code ensures that there is only one regular meeting in December, providing council members, staff, and the community an opportunity to observe the holiday season. Furthermore, this amendment aligns with the requirements of the City Charter by allowing for the installation of newly elected members after the first regular meeting following the certification of the City Council election.

ALTERNATIVES

Council may choose to reject or modify the ordinance. Should Council determine to modify the proposed ordinance, the introduction process would be restarted with a new introduction and first reading.

FISCAL IMPACT/FUNDING SOURCE

The proposed amendment to the City Code does not have any direct financial or operational implications for the City of Gilroy. It primarily addresses procedural matters to ensure compliance with the City Charter and streamlines the installation of newly elected council members.

Introduction of an Ordinance of the City of Gilroy Amending Section 2.13 of the Gilroy City Code to Modify the Regular Meeting Schedule of the City Council

PUBLIC OUTREACH

Public outreach efforts were conducted regarding the proposed amendment. The outreach activities included:

- **Publication in the Gilroy Dispatch:** On July 28, 2023, the proposed amendment was publicized in the Gilroy Dispatch.
- **City's Website:** The proposed amendment was also posted on the City's official website, accessible to the general public.

NEXT STEPS

Should Council approve the introduction of the proposed ordinance at this meeting, Council will need to adopt it at its regular meeting on August 21, 2023. Once adopted, staff will update the Gilroy City Code and prepare the 2024 meeting schedule.

Attachments:

1. Proposed Ordinance



City of Gilroy

STAFF REPORT

Agenda Item Title: **Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates**

Meeting Date: August 21, 2023
 From: Jimmy Forbis, City Administrator
 Department: Finance
 Submitted By: Harjot Sangha, Finance Director
 Prepared By: Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
 Maintain and Improve City Infrastructure

RECOMMENDATION

1. Receive report; and
2. Adopt a resolution:
 - a. declaring intent to adjust water and wastewater rates;
 - b. commencing the Proposition 218 noticing process; and
 - c. Setting October 16, 2023, as the date for the Public Hearing to adopt the new proposed water and wastewater rates.

EXECUTIVE SUMMARY

The City engaged a consultant, NBS Government Finance Group, to conduct a Comprehensive Water and Wastewater Rate Study (Rate Study) with several objectives, including meeting revenue requirements, reviewing rising costs of providing services, funding capital improvements and change in costs, and complying with specific legal requirements, such as Proposition 218 which requires that rates not exceed the cost of providing the service and be proportionate to the cost of providing service to all customers. The City's goal is to ensure both utilities maintain adequate

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

funding for operational and capital costs, reasonable reserves, and revenue stability in the utility rates. The Rate Study has yielded that both utilities will need to establish multi-year rate adjustments to continue investing in the critical infrastructure and keep pace with the rising operating costs. The overall rate adjustments (as a percentage) necessary for both utilities for a five-year period are as follows:

	FY24*	FY25	FY26	FY27	FY28
Water	8%	8%	6%	4%	4%
Wastewater	4%	4%	4%	4%	4%

*First-year adjustments will vary for each customer based on their customer classification, as the cost-of-service analysis has been updated to reallocate costs recovered between customer classes.

Staff recommend the City Council accept the Rate Study report, authorize the commencement of the required Proposition 218 Noticing requirements, and set October 16, 2023, as the date for the Public Hearing to adopt the new proposed water and wastewater rates. If approved, the proposed rates for FY24 will become effective on January 1, 2024, and annually on January 1 for subsequent fiscal years thereafter.

BACKGROUND

As a full-service City, Gilroy owns and operates its own water and wastewater utilities, providing services to over 15,000 customers and growing. To ensure both utilities collect revenue sufficient to meet the growing demand, keep pace with the rising operational costs, and fund the multi-year capital improvement plans, the City has conducted a utilities' rate study. The last utility rate study was completed in 2015, and the City has kept its water and wastewater rates the same since 2019.

The City's operational costs for the water utility continue to increase due to inflationary cost increases for materials/services, electricity, and continued increases in water extraction charges from Valley Water. Statewide conservation efforts enacted in recent years due to the droughts also impacted the revenues collected as the City was mandated to reduce water consumption. In 2021, the City issued wastewater revenue bonds to finance the City's share (approximately \$50 million) of the \$86 million expansion of the South County Regional Wastewater Authority (SCRWA) plant due to be complete in 2025. In addition to the annual debt payment requirements, the City's cost for the wastewater utility is also expected to increase for its share of the treatment plant expense as the expansion becomes operational and state mandates require additional compliance.

In April 2023, the City approved the updated Water and Wastewater Master Plans. The Plans assess utility systems against the desired level of service and identify infrastructure improvements needed to fix existing systems' deficiencies and service growth. The plans collectively identified over \$50.3 million in new improvements, of which \$21.7 million is for existing users (ratepayers) and \$28.6 million for future developments.

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

For the City to continue investing in critical utilities' infrastructure and keep pace with rising operational costs, the City needs to establish multi-year rate adjustments.

ANALYSIS

A comprehensive rate study, such as the one City initiated, typically includes three components and is intended to follow industry standards:

1. Financial Plan – compares the current sources and uses of the funds and determines the revenue needed from rates and project rate adjustments. The net revenue requirement is the amount of rate revenue required to fund operations, capital improvement (including debt service), and reserves. As current rates fall short of that net revenue requirement, rate adjustments are typically warranted.
2. Cost-of-Service Analysis – An analysis that classifies expenses and allocates costs to different customer classes in a fair and equitable manner. These classifications include commodity, capacity, and customer service-related costs.
3. Rate Design Analysis – An analysis of the rate structure which considers the relationship between fixed (personnel, debt service, etc.) and variable costs (purchased water, electricity, etc.) to be recovered. Most rate structures contain a fixed, or a minimum, charge in combination with a volumetric charge. Ideally, utilities should recover all their fixed costs from fixed charges and all their variable costs from volumetric charges.

The Rate Study is attached to this staff report. The below sections highlight notable changes within respective utilities and the recommended rate adjustments for the next five-year period.

Water Utility and Rates

Financial Plan

- The Rate Study determined that the projected net revenue requirements for the water system range annually from \$15.9 million in Fiscal Year 2023-24 (FY24) to \$18.8 million in FY28. Without rate adjustments, the water utility is projected to have a gap in the net revenue requirement of approximately \$2.0 million in FY24, increasing to \$3.9 million by FY28.
- Reserves:
 - The operating reserve is recommended to equal six months of operating and maintenance expenses, which is approximately \$8.2 million in FY24. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns and variability in demand-based revenues (volumetric charges).
 - The capital rehabilitation/replacement reserve is recommended to be equal to 50% of the average annual capital improvement costs over the five-year period. The five-year average is approximately \$8.2 million, with

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

the recommended annual reserve being approximately \$4.1 million. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs.

- The water utility is projected to meet the total recommended operating and capital reserve target during the five-year period, FY24 through FY28.
- Capital improvement Projects: The water system has approximately \$41 million in planned capital expenditures over the next five years, an average of \$8.2 million annually. The City has accumulated fund balances programmed to be utilized for the capital improvement program. The Rate Study assumes the City will need to issue approximately \$16 million in revenue bonds in the latter years of the five-year period. However, whether the new debt will be required will depend on the actual delivery of capital projects (i.e., the timing and costs) in the current budget cycle.

Cost-of-Service and Rate Design Analysis

- The City currently charges residential and non-residential customers a monthly fixed water charge, also known as a base charge, based on meter size. In addition to a fixed monthly charge, all customers pay a variable charge, also known as volumetric rate, per 1,000 gallons consumed, consisting of two rate tiers of consumption (under and above 30,000 gallons) and three different pump pressure zones.
- The City's current rates collect revenue in proportions of approximately 30% fixed and 70% variable. The cost-of-service analysis determined the actual cost distribution of the fixed and variable costs to approximately 40% fixed and 60% variable. The current rate design is not reflective of the actual cost distribution; thus, a change in the water utility rate structure is recommended to align with the actual distribution. For comparison purposes, the Rate Study also evaluated the current rate structure (30%/70%), and it is presented as an alternative 2 in the study.
- The City's current variable (volumetric) charge consists of two rate tiers of consumption (under and above 30,000 gallons) and three different pump pressure zones. Given that the City receives its water supply from a single source, it is recommended that the City transition to a uniform tier for all customers.

Water Rate Adjustments

The table below outlines the current and proposed water rates for FY24 through FY28.

It is important to note that since the last rate study in 2015, factors such as the number of meters and consumption of each customer class have changed. The cost-of-service analysis rebalances the allocation based on these factors, including the shift to 40% fixed and 60% variable proportions. As a result, there is an uneven adjustment in the first year. In subsequent years, the proposed charges are adjusted by the proposed percentage increases in total rate revenue needed for the net revenue requirement.

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

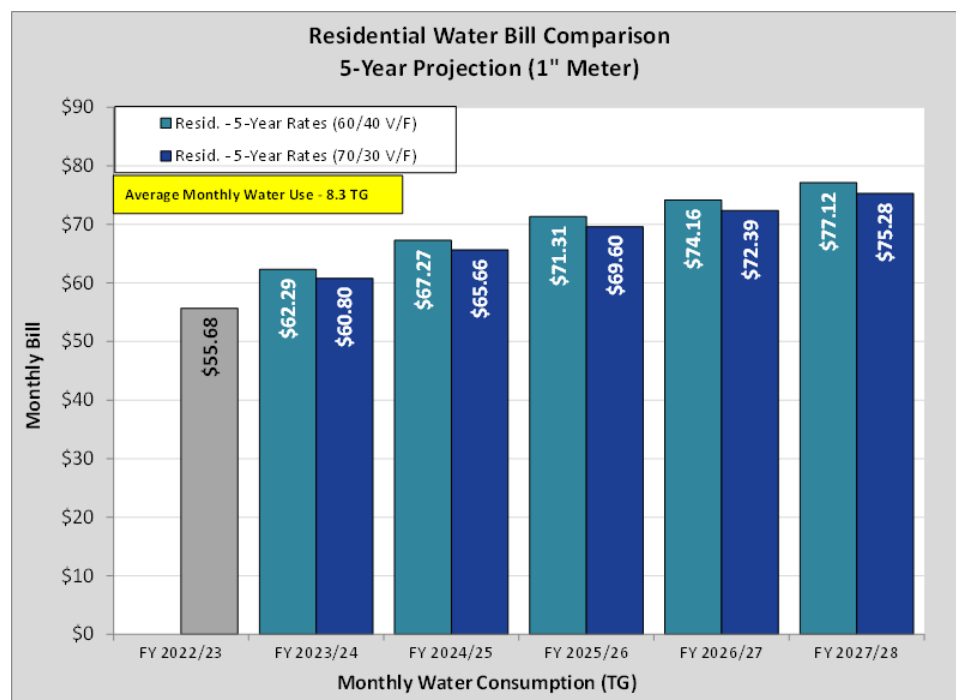
Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges						
Meter Size						
3/4 inch	\$11.53	\$20.67	\$22.32	\$23.66	\$24.61	\$25.59
1 inch	\$19.24	\$29.05	\$31.38	\$33.26	\$34.59	\$35.98
1 1/2 inch	\$38.47	\$50.02	\$54.02	\$57.26	\$59.55	\$61.93
2 inch	\$61.55	\$75.17	\$81.18	\$86.05	\$89.50	\$93.08
3 inch	\$115.39	\$142.24	\$153.62	\$162.84	\$169.36	\$176.13
4 inch	\$192.30	\$217.70	\$235.12	\$249.23	\$259.20	\$269.57
6 inch	\$384.62	\$427.32	\$461.50	\$489.19	\$508.76	\$529.11
8 inch	\$615.37	\$678.85	\$733.16	\$777.15	\$808.23	\$840.56
10 inch	\$884.50	\$1,768.83	\$1,910.34	\$2,024.96	\$2,105.95	\$2,190.19
Variable Charges for All Water Consumed (\$/1,000 gallons (or TG))						
Residential Customers - Tiered Volumetric Rates		Uniform Vol. Rates				
Tier 1 - Zone 1	\$4.39	\$4.00	\$4.32	\$4.58	\$4.77	\$4.96
Tier 1 - Zone 2	\$4.93	\$4.37	\$4.72	\$5.00	\$5.20	\$5.41
Tier 1 - Zone 3	\$5.52	\$4.73	\$5.11	\$5.41	\$5.63	\$5.85
Tier 2 (more than 20 TG)						
Tier 2 - Zone 1	\$4.93	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 2	\$5.47	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 3	\$6.06	N.A.	N.A.	N.A.	N.A.	N.A.

Note: The proposed rates for FY23/24 will be implemented on January 1, 2024, and annually on January 1 for subsequent fiscal years thereafter

Impact on Water Bills

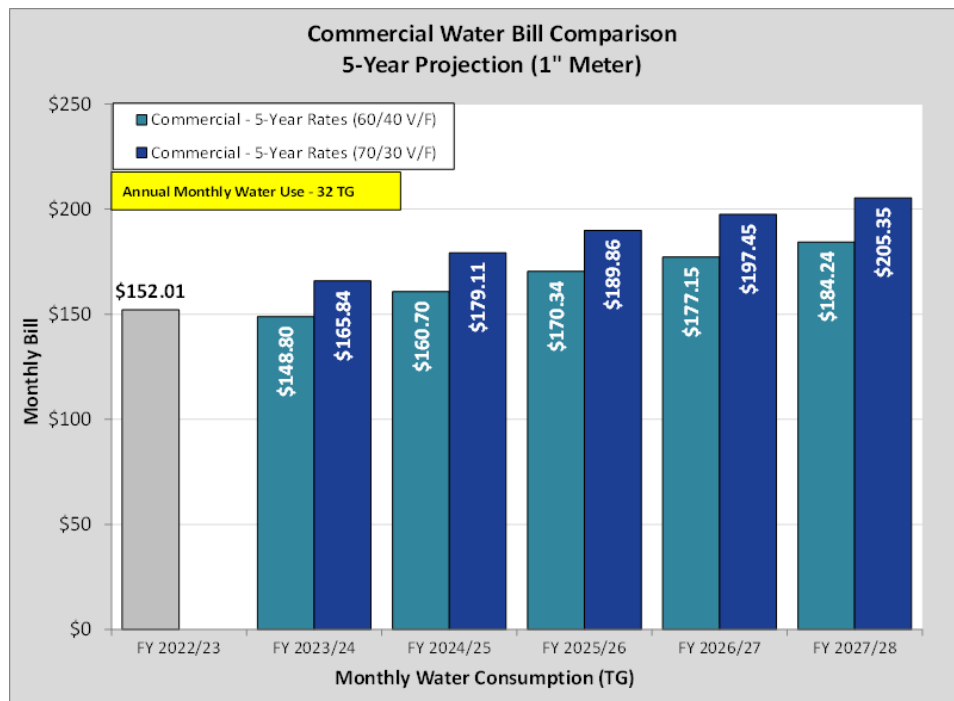
The Rate Study also compares the current and proposed water rates on the customer bills. The following two charts illustrate a five-year comparison of the average monthly water bill impact for a single-family residential and commercial customer.

Based on an average of 8,300 gallons monthly consumption for single-family residential, the water bill will increase from the current \$55.68/month to \$62.29/month in the first year and \$77.12/month by FY28.



Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

Based on an average of 32,000 gallons of monthly consumption for commercial customers, the water bill will decrease from the current \$152.01/month to \$148.80/month in the first year and subsequently increase annually to \$184.24/month by FY28. The change in the first year is attributed to the shift in rate design to align with the actual 60% fixed and 40% variable distribution.



Wastewater Utility and Rates

Financial Plan

- The Rate Study determined that the projected net revenue requirements for the wastewater system range annually from \$13.1 million in Fiscal Year 2023-24 (FY24) to \$17.1 million in FY28. Without rate adjustments, the wastewater utility is projected to have a gap in the net revenue requirement of approximately \$0.3 million in FY24, increasing to \$2.7 million by FY28, and would struggle to meet its debt service coverage requirements on the existing 2021A sewer revenue bonds.
- Reserves:
 - The operating reserve is recommended to equal six months of operating and maintenance expenses, which is approximately \$6.8 million in FY24. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns and variability in demand-based revenues (volumetric charges) or costs of wastewater treatment.
 - The capital rehabilitation/replacement reserve is recommended to be equal to 50% of the average annual capital improvement costs over the five-year period. The five-year average is approximately \$8.8 million, with

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

the recommended annual reserve being approximately \$4.4 million. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs.

- The wastewater utility is projected to meet the total recommended operating and capital reserve target during the five-year period, FY24 through FY28, as well as the debt service coverage ratio required by the 2021A bond covenants.
- Capital improvement Projects: The wastewater system has an average of \$8.8 million annually in planned capital expenditures over the next five years. The City has accumulated fund balances and bond proceeds (SCRWA Expansion Project) that are programmed to be utilized for the capital improvement program. Thus, the rate increases required for the wastewater utility are less than those needed for the water utility.

Cost-of-Service and Rate Design Analysis

- Currently, the wastewater utility's residential customers are charged a fixed monthly charge, and non-residential customers are charged a fixed monthly charge and a volumetric charge. The non-residential fixed monthly charge is based on City's wastewater monitoring and pretreatment program costs and is determined by the use of the facility. Similarly, the non-residential variable charge is based on the strength category (low to high), also determined by the use of the facility, which takes into account the biochemical oxygen demand (BOD) and total suspended solids (TSS) in accordance with industry standards.
 - Low Strength (example: offices, schools, retail, and department stores)
 - Domestic Strength (example: hotel/motel, auto dealers, service stations, and beauty shops)
 - Medium Strength (example: commercial laundries, multi-use facilities, and hotels with restaurants)
 - High Strength (example: food processors/manufacturers, restaurants, grocery stores, etc.)
- It is recommended that the wastewater utility maintain the existing rate design, which utilizes the wastewater strengths for various customer types based on State Water Resources Control Boards' guidelines, and it provides consistency and continuity for the customers.

Wastewater Rate Adjustments

The table below outlines the current and proposed wastewater rates for FY24 through FY28. Like the water rates, the first year's rates reflect the cost-of-service adjustments that occur based on changes in customer classes, consumption, and other factors. The projected rates for subsequent years are adjusted by the proposed 4% annual increases.

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

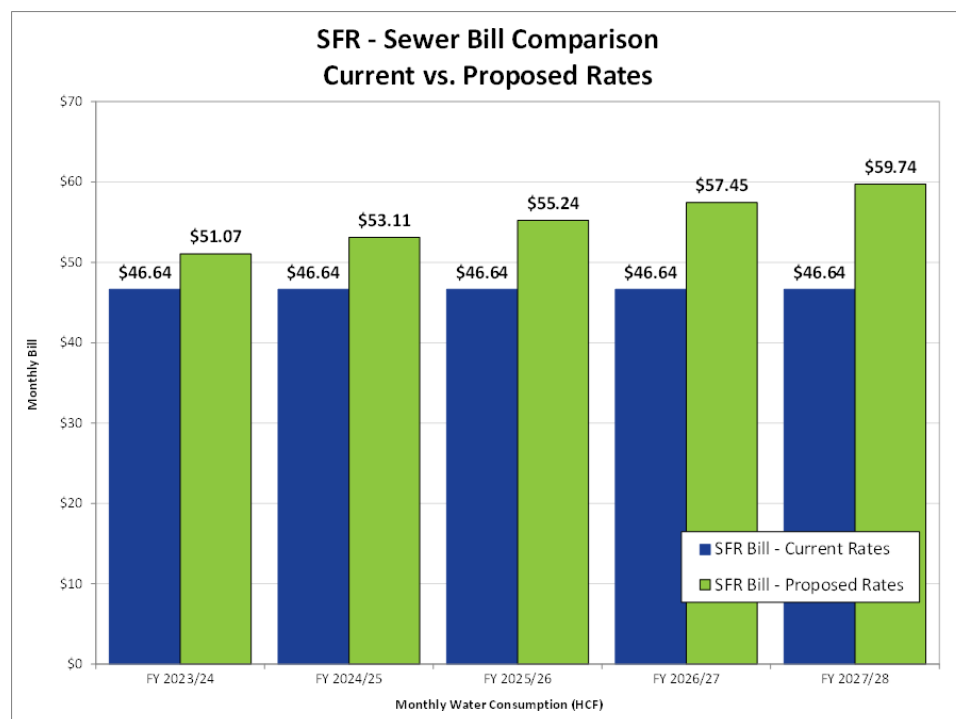
Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Charge						
Residential (100% Fixed)						
Single-Family Residence	\$46.64	\$51.07	\$53.11	\$55.24	\$57.45	\$59.74
Multi-Family Residence	\$33.13	\$34.39	\$35.77	\$37.20	\$38.69	\$40.23
Non-Residential Volumetric Rates						
Low Strength	\$7.41	\$8.36	\$8.69	\$9.04	\$9.40	\$9.78
Domestic Strength	\$9.21	\$9.51	\$9.89	\$10.29	\$10.70	\$11.12
Medium Strength	\$12.08	\$13.15	\$13.67	\$14.22	\$14.79	\$15.38
High Strength	\$18.63	\$21.56	\$22.42	\$23.32	\$24.25	\$25.22
Non-Residential - Monitoring & Pretreatment Program Base Rate Monthly Charges						
Significant/Categorical	\$240.95	\$287.19	\$298.68	\$310.63	\$323.05	\$335.98
Non-Significant/Categorical	\$95.22	\$114.64	\$119.22	\$123.99	\$128.95	\$134.11
Other Non-Residential	\$11.47	\$15.47	\$16.09	\$16.73	\$17.40	\$18.09

Note: The proposed rates for FY23/24 will be implemented on January 1, 2024, and annually on January 1 for subsequent fiscal years thereafter

Impact on Wastewater Bills

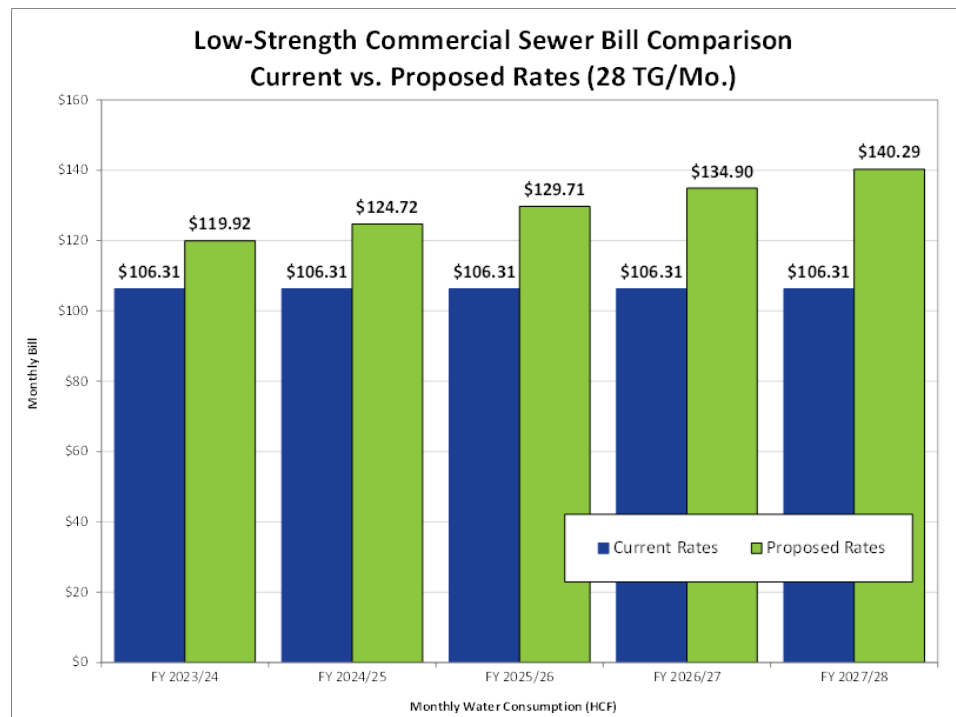
The Rate Study compares the current and proposed wastewater rates on the customer bills. The following two charts illustrate a five-year comparison of the average monthly wastewater bill impact for a single-family residential and commercial customer.

For single-family residential, the average monthly will increase from the current \$46.64/month to \$51.07/month in the first year and increase to \$59.74/month by FY28.



For non-residential customers, the average monthly will increase from the current \$106.31/month to \$119.92/month in the first year and increase to \$140.29/month by FY28. Bill comparisons for other strength categories are included in the Rate Study.

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates



Next Steps

In order to implement the fee adjustments, the City is required to follow Proposition 218 majority protest proceedings. Proposition 218 requires specific procedures to be followed with regard to property-related fee increases. The California Constitution requires local governments to give mailed notice of any property-related proposed fee changes at least 45 days before holding a public hearing where the City Council may adopt or reject the changes. Those opposed to the proposed rate adjustments can submit written protests to the City. If a majority (50% plus one) of customers oppose the proposed rate adjustments, City Council cannot implement the proposed increases.

This process includes the following steps:

- Schedule a public hearing requiring 45 days' of mailed public notice to adopt the rate adjustments. Draft of the 45-day Proposition 218 Public Notice is included as attachment 3.
- Mail the Public Notice describing the proposed rate adjustments to all property owners and occupants subject to the rate adjustments.
- During the 45 days following the Public Notice, the City will accept any eligible written protests from property owners and occupants subject to the rate adjustments (protests can be received until the end of the public hearing).
- Only one rate protest per property will be counted. For example, if the property owner and their tenant file a protest, only one will be counted for that property.

Presentation of the Comprehensive Water and Wastewater Utilities Rate Study; Adoption of a Resolution Commencing the Proposition 218 Noticing Process, and Setting October 16, 2023, as the Date for the Public Hearing to Adopt Water and Wastewater Rates

- After the public hearing, and assuming a majority of protests (50% plus one) is not received, conduct a vote of the City Council to adopt the rate adjustments.
- The proposed rate adjustments will become effective on January 1, 2024, after the public hearing and annually on January 1 of each subsequent fiscal year through FY28.

Staff recommends the City Council adopt a resolution (attachment 2) declaring intent to adjust the water and wastewater rates, authorizing the staff to commence the Proposition 218 noticing process, and setting October 16, 2023, as the date of the public hearing where Council will consider adoption of the rates.

ALTERNATIVES

Council could elect not to adopt the resolution of intent to adjust the water and wastewater rates. This is not recommended as the water and wastewater utility rates have not been adjusted since 2019, and it is vital for the City to continue investing in critical utilities' infrastructure and keep pace with rising operational costs.

FISCAL IMPACT/FUNDING SOURCE

The fiscal and resource impact of preparing the report is included in the staff's annual workplan. The total cost for the comprehensive water and wastewater rate study is \$72,325, which was budgeted and funded by the Water (705) and Wastewater (700) Funds.

The cost of printing/mailing the Proposition 218 notices is estimated at \$15,000 and will be funded by the Water and Wastewater Funds.

If the Proposition 218 process concludes without the majority protest, and the water and wastewater rates are adopted as presented, the new rates would generate an average of \$2.7 million annually for the water utility and an average of \$1.8 million for the wastewater utility, over the next five-year period.

PUBLIC OUTREACH

Each property owner will receive a mailed Proposition 218 public hearing notice. In addition, the notice will also be included with the monthly utility bills for the September statements to notify all current customers. Staff will also conduct a community meeting in September 2023, a date to be determined, to present the Rate Study.

Attachments:

1. Utilities Rate Study
2. Draft Resolution
3. Draft Proposition 218 Notice

Aerial view of City of Gilroy
via Google Earth



Draft Report for:

Comprehensive Water and Wastewater Utility Rate Study

August 2023



nbsgov.com

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Section 1. Purpose and Overview of the Study

A. Purpose

The City of Gilroy (City) retained NBS to conduct a comprehensive utility rate study for its water and wastewater enterprise funds. The City had several objectives and goals in mind for this study including meeting revenue requirements, reviewing the rising costs of providing services, funding capital improvements and changes in costs, and complying with certain legal requirements (e.g., California Constitution Article XIII D, Section 6, which is commonly referred to as Proposition 218 [Prop 218]). The City's broader objectives in this study include ensuring adequate funding for operating and capital costs, maintaining reasonable reserves, ensuring revenue stability in utility rates. The rates resulting from this study were developed in a manner that is consistent with industry standard cost-of-service principles. In addition to documenting the rate study methodology, this report is provided with the intent to assist the City in its continuing effort to maintain transparent communications with the residents and community it serves.

In developing new rates for the City's enterprise funds, NBS worked cooperatively with City staff and the City Council (Council) in selecting the appropriate rate alternatives that address the City's goals and objectives. Based on input provided by City staff, NBS proposes the rates summarized in this report. The Council has the final decision regarding the adoption of the proposed rates and whether to proceed with the Prop 218 approval process.

B. Overview of the Study

Comprehensive rate studies, such as this one, typically include three components: (1) preparation of a financial plan that identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges*,¹ also referred to as Manual M1, and the Water Environment Federation's *Financing and Charges for Wastewater Systems* (Manual of Practice No. 27).²

Rate studies also address requirements under Prop 218 that rates not exceed the cost of providing the service and be proportionate to the cost of providing service for all customers. In terms of the chronology of the study, the three steps shown in Figure 1 represent the order in which they were performed in this study.

Figure 1. Primary Components of a Rate Study

¹ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, American Water Works Association (AWWA), 7th Edition, 2017.

² *Financing and Charges for Wastewater Systems*, Manual of Practice No. 27, Water Environment Federation, Fourth Edition, 2018.

1 FINANCIAL PLAN

Compares current sources and uses of funds and determines the revenue needed from rates and projects rate adjustments.

2 COST-OF-SERVICE ANALYSIS

Proportionally allocates revenue requirements to the customer classes in compliance with industry standards and State Law.

3 RATE DESIGN ANALYSIS

Considers the rate structure that best meets the City's need to collect rate revenue from various types of customers.

NBS projected revenues and expenditures, developed net revenue requirements, performed cost-of-service rate analyses, and developed new water and wastewater rates for the City using this approach. The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed. Detailed tables and figures documenting the development of the proposed rates are provided in the *Appendices*.

The City provided NBS with the data necessary to conduct the study, including historical, current, and projected revenues and expenditures, number of customer accounts, and water consumption data along with other operational and capital cost information.

FINANCIAL PLAN

As a part of the rate study, NBS projected revenues and expenditures on a cash-flow basis for the next five (5) years. The amount of rate revenue required, that will allow reserves to be maintained at the recommended levels, is known as the net revenue requirement. As current rate revenue falls short of the net revenue requirement, rate adjustments – or more accurately, adjustments in the total revenue collected from rates – are recommended. This report presents an overview of the methodologies, assumptions, and data used along with the financial plan and proposed rates developed in this study.³

COST-OF-SERVICE ANALYSIS

The basic purpose of the cost-of-service analysis (COSA) is to fairly and equitably allocate costs to customer classes. The cost-of-service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. For example, a key task is the “classification” of the water revenue requirements into the following categories:

- Commodity related costs
- Capacity related costs
- Customer service related costs

For the sewer utility, the normal classification of sewer revenue requirements uses the following categories:

- Commodity related costs

³ The complete financial plans are available in the *Appendices*.

- Capacity related costs
- Customer service related costs

However, a unique aspect of the City's sewer rates is the use of separate fixed charges to recover the costs of the monitoring, sampling, and pretreatment program costs.⁴ These costs are significantly different between various non-residential customers, who have been placed into one of three categories:

- Significant/Categorical
- Non-Significant/Categorical
- Other Non-Residential

Because these costs are allocated directly to these three classes of non-residential customers, they are allocated directly to these classes; this adds a fourth classification category (i.e., monitoring, sampling, and pretreatment program costs). Together, these four allocation factors represent the cost allocation classifications used in the cost of service analysis. Further details are discussed below and documented in the *Appendices*.

RATE DESIGN ANALYSIS

During the rate design phase of the study, NBS and City staff worked together to develop rate alternatives that will meet the City's objectives. It is important for the City to send proper price signals to its customers about the actual cost of providing service. This objective is typically addressed through both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been well documented in several rate-setting manuals, such as AWWA's Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in *Principles of Public Utility Rates*,⁵ which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should be equitable and non-discriminating (i.e., cost-based).
- Rates should promote the efficient allocation of the resource.
- There should be continuity in the rate making philosophy over time.
- Rates should address other utility policies (e.g., conservation and economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

⁴ This methodology for recovering these program costs was first established in the City's 2015 rate study, and the City has decided to continue with this approach.

⁵ James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988, pp. 383-384.

RATE STRUCTURE TERMINOLOGY

This section covers basic rate design criteria that NBS and City staff considered as a part of their review of the rate structure alternatives. One of the most fundamental points in considering rate structures is the relationship between fixed and variable costs. Fixed costs, such as debt service and personnel costs, typically do not vary with the amount of water consumed. In contrast, variable costs, such as the cost of purchased water, chemicals, and electricity, tend to change with the quantity of water sold. Most rate structures contain a fixed, or minimum, charge in combination with a volumetric charge.

- **Fixed Charges** – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities typically increase by meter size. For example, a customer with a 2-inch meter has a fixed meter charge that is more than five times greater than the typical residential customer based on the safe operating capacity of the meter.⁶ Since a large portion of utility costs are typically related to meeting capacity requirements, individual capacity demands are important in establishing equitable rates for customers.
- **Variable (Consumption-Based) Charges** – In contrast to fixed charges, variable costs, such as purchased water, groundwater replenishment costs, and the cost of electricity used in pumping water and chemicals for treatment, tend to change with the quantity of water produced. For a water utility, variable charges are calculated based on a metered consumption per unit price (e.g., per 100 cubic feet, or HCF).
- **Uniform (Single-Tier) Water Rates** – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption and, therefore, provides a simple and straightforward approach from the customer's perspective and in terms of the City's rate administration.
- **Zonal Water Rates** – The City has chosen to reflect the cost variations due to pumping costs for moving water to the three elevation zones in the City. This is based on the higher costs for pumping-related energy costs and additional infrastructure for more pumping stations. However, the City has decided to only include the actual energy costs in the zonal water rates.
- **Tiered Water Charges** – The 2015 San Juan Capistrano court decision held that water agencies may only charge tiered rates if they can show that the tiered rates are proportionate to the agency's higher costs to serve those customers, meaning that caution must be used to ensure that customers are appropriately allocated costs that meet legal requirements. Although the City's current rates include two tiers for all water customers, tiered water rates have been discontinued because source of supply data and costs do not lend themselves to using tiered

⁶ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 151-152.

rates for the City's water customers and they would be difficult to defend under Prop 218 from a legal standpoint.

KEY FINANCIAL ASSUMPTIONS

The following is a summary of the key financial assumptions used in the analyses. The following capital and operational fund targets reflect input from City staff to meet specific utility objectives:

- **Funding of Capital Projects** – The capital improvement costs will be funded with a combination of cash in reserves and the additional revenue generated from the proposed rate increases. The capital projects listed in the financial plan are from the City's capital improvement program. The analysis assumes:
 - Capital costs attributable to existing customers are funded using rate revenue.
 - Capital costs attributable to growth are funded by revenue from the impact fee reserves.
- **Reserve Targets** – For each utility (i.e., water and wastewater), the City maintains reserves for operations, capital, and other specific needs. The details of each utility's reserve targets are covered in their respective section of this report.
- **Inflation and Growth Projections** – Assumptions were made in the analysis regarding cost inflation to project future revenues and expenses for the study period. The following inflation factors were used in the analysis:
 - Customer growth is estimated at 1.50% per year.
 - General cost inflation is set at 3.07% annually.
 - Labor cost inflation is set at 3.50% annually.
 - Energy cost inflation is set at 7.44% annually.
 - Fuel & Utilities cost inflation is set at 5.24% annually.
 - Water purchases inflation factor is set at 5.0% annually.

These inflation factors are based on long-term trends; therefore, the City should re-examine these factors in another year to assess the impacts on utility costs and whether projected rate increases will be sufficient for the remainder for the rate adoption period.

Section 2. Water Rate Study

A. Key Water Rate Study Issues

The City's water rate analysis was undertaken with a few specific objectives, including:

- Generating sufficient revenue to meet anticipated operating and maintenance costs and fund necessary capital improvement projects for the next five years.
- Continuing with a rate design that promotes revenue stability.
- Verifying the cost-of-service linkage between the current rate structure and the proposed water rates, including the zonal water rates.
- Maintaining adequate reserve levels to ensure continuity in operations.
- Complying with the legal requirements of Prop 218 to ensure the cost of providing service is properly allocated amongst user classifications. This was the basis for eliminating tiered water rates.

NBS developed various water rate alternatives as requested by City staff over the course of this study. All rate structure alternatives relied on industry standards and cost-of-service principles. The rate alternative that will ultimately be implemented is the decision of the City Council. The fixed and volume-based charges were calculated based on the net revenue requirements, number of customer accounts, water consumption and estimated water discharge, and other relevant data provided by the City.

The following are the basic components included in this analysis:

- **Developing Cost Allocations** – The water revenue requirements were “functionalized” into three categories: (1) commodity (or volume-based) costs; (2) fixed capacity costs; and (3) customer service costs. These functionalized costs were then used to develop unit costs based on various factors, such as water consumption, peaking factors, and number of accounts by meter size.
- **Determining Revenue Requirements by Customer Class** – The total revenue that needs to be collected from each customer class was determined using the functional costs and allocation factors. For example, customer costs are allocated based on the number of meters, while volume-related costs are allocated based on the water consumption of each customer class. Once the costs are allocated and the net revenue requirement for each customer class is determined, collecting the revenue requirements from each customer class is addressed within the rate design.
- **Evaluating Rate Design (Fixed vs. Variable Charges)** – The revenue requirements for each customer class are collected through a combination of fixed monthly service charges and volumetric rates. Based on direction from City staff, the rates proposed in this report will collect 40% of the rate revenue from the fixed charge and 60% from the variable charges.

B. Financial Plan

It is important for municipal utilities to not only collect sufficient revenues every year, but to also maintain reasonable reserves to handle emergencies, fund working capital, maintain a good credit rating, and

generally follow sound financial management practices. Rate adjustments are governed by the need to meet operating and capital costs as well as maintain reasonable reserve levels. The current state of the City's water utility, regarding these objectives, is as follows:

- **Meeting Net Revenue Requirements:** For FY 2023/24 through FY 2027/28, the projected net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the water system averages \$15.9 - \$18.8 million annually. If no rate adjustments are implemented, the City is projected to run an annual deficit of approximately \$2 million in FY 2023/24, increasing to more than \$3.9 million by FY 2027/28, and will be unable to meet its debt service coverage requirements in FY 2026/27 and FY 2027/28 when new debt service payments begin on the assumed bond issuance.
- **Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and unexpected emergencies.

The City's existing reserves are healthy and the challenge is to meet future revenue requirements and still maintain adequate reserves. NBS together with City staff have chosen to set the following reserve targets:

- **Operating Reserve** equal to 6 months of operating and maintenance expenses, or approximately \$8.2 million in FY 2023/24. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), and – particularly in periods of economic distress – changes or trends in the age of receivables. NBS considers a 6-month operating reserve to be a very conservative reserve fund target (i.e., most municipal water utilities use a 3- month target for the operating reserve).
 - **Capital Rehabilitation & Replacement Reserve** equal to 50% of the average capital improvement costs over the 5-year rate adoption period; the five-year average is approximately \$8.2 million, so the target reserve is \$4.1 million. This reserve is intended to be a cash resource set aside to address long-term capital system replacement and rehabilitation needs. NBS considers a 50% capital reserve target to be at the higher end of what most utilities aim for. Many utilities aim for 3% to 6% of net assets, which in the City's case would be \$1.8 to \$3.6 million.
- **Funding Capital Improvement Projects:** The City must fund necessary capital improvements to maintain current service levels. City staff has identified roughly \$41 million in expected capital expenditures over the next five years (FY 2023/24 through FY 2027/28) which is an average of \$8.2 million in capital expenditures annually. This rate study assumes the City will be issuing \$16 million in revenue bonds in FY 2025/26 through FY 2027/28. Proceeds from these revenue bonds along

with the recommended rate increases, enable the City to fund these capital expenditures without exhausting the existing reserves, although reserves will decrease significantly over the next five years, they are projected to end at about the target reserve level.

- **Inflation and Growth Projections:** Cost inflation and growth assumptions are necessary to project future revenues and expenses for the study period. Customer growth is expected to be nearly 1.5% annually. This factor was used in the analysis for rate revenues while inflation factors, including the Consumer Price Index,⁷ were used in projecting expenses.
- **Maintaining Adequate Bond Coverage:** Although the water utility currently has no outstanding debt, this analysis assumes that the City will be issuing \$16 million in new debt to fund capital projects. However, whether new debt will be needed will depend on the actual delivery of capital projects (i.e., the timing and costs). The rate covenants of the new revenue bonds include a minimum debt service coverage ratio of 1.25. The benefit of maintaining a higher coverage ratio is that it strengthens the City's credit rating which can help lower interest rates for debt-funded capital projects and, in turn, reduce annual debt service payments.

Figure 2 summarizes the sources and uses of funds, net revenue requirements, and the annual percent adjustments in total rate revenue recommended for the next 5 years.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Water Funds						
User Fees	\$ 13,665,000	\$ 13,939,000	\$ 14,218,000	\$ 14,431,270	\$ 14,647,739	\$ 14,867,455
Other Revenue	105,000	110,000	112,000	113,680	115,385	117,116
Bank Interest	488,737	499,621	509,514	5,075	5,151	5,228
Total Sources of Funds	\$ 14,258,737	\$ 14,548,621	\$ 14,839,514	\$ 14,550,025	\$ 14,768,275	\$ 14,989,800
Uses of Water Funds						
Water Administration	\$ 2,759,176	\$ 3,460,721	\$ 3,533,818	\$ 3,636,249	\$ 3,748,440	\$ 3,864,096
Finance Water Utility Billing	873,507	1,047,309	1,077,076	1,095,995	1,133,828	1,172,968
Water Operations	4,983,992	6,952,444	6,568,972	6,810,814	7,061,889	7,322,564
Valley Water	3,293,972	4,641,000	4,873,050	5,116,703	5,372,538	5,641,165
Additional Capital Expenditures	-	404,450	404,450	-	-	-
Debt Service	-	-	-	-	453,067	906,134
Rate-Funded Capital Expenses	-	-	-	-	-	-
Total Use of Funds	\$ 11,910,647	\$ 16,505,924	\$ 16,457,366	\$ 16,659,760	\$ 17,769,761	\$ 18,906,927
Surplus (Deficiency) before Rate Increase	\$ 2,348,090	\$ (1,957,303)	\$ (1,617,852)	\$ (2,109,735)	\$ (3,001,486)	\$ (3,917,128)
Additional Revenue from Rate Increases ¹	-	557,560	1,745,841	2,900,027	3,817,967	4,624,944
Net Revenue Requirement²	\$ 11,316,910	\$ 15,896,303	\$ 15,835,852	\$ 16,541,005	\$ 17,649,225	\$ 18,784,583
Surplus (Deficiency) after Rate Increase	\$ 2,348,090	\$ (1,399,743)	\$ 127,988	\$ 790,292	\$ 816,481	\$ 707,816
Projected Annual Rate Increase	0.00%	8.00%	8.00%	6.00%	4.00%	4.00%
Debt Coverage After Rate Increase	N/A	N/A	N/A	N/A	2.80	1.78

1. Revenue from rate increases assumes an implementation date of January 1, 2024 for new rates. For each year thereafter, the assumption is that new rates will also be implemented on January 1st of each year.

2. This is the annual amount needed from water rates. [Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Bank Interest)].

Figure 3 summarizes the projected reserve fund balances and reserve targets for the City's unrestricted funds. A detailed version of the proposed 5-year financial plan is included in *Appendix A*. The tables in the appendix include the revenue requirement, reserve funds, revenue sources, capital improvement costs, and the proposed rate adjustments needed to meet the City's funding requirements.

⁷ Consumer Price Index for all urban consumers in the San Francisco area. Source: Website: <https://www.bls.gov/cpi/>.

Figure 3. Summary of Primary Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Operating Reserve						
Ending Balance	\$ 5,955,000	\$ 4,555,257	\$ 4,683,245	\$ 5,473,537	\$ 6,290,019	\$ 6,997,835
<i>Recommended Minimum Target</i>	<i>5,955,000</i>	<i>8,253,000</i>	<i>8,229,000</i>	<i>8,330,000</i>	<i>8,658,000</i>	<i>9,000,000</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ 25,382,158	\$ 22,643,278	\$ 8,114,397	\$ 7,583,609	\$ 7,583,609	\$ 7,217,830
<i>Recommended Minimum Target</i>	<i>4,140,000</i>	<i>4,140,000</i>	<i>4,140,000</i>	<i>4,140,000</i>	<i>4,140,000</i>	<i>4,140,000</i>
Total Ending Balance	\$ 31,337,158	\$ 27,198,535	\$ 12,797,642	\$ 13,057,146	\$ 13,873,627	\$ 14,215,665
<i>Total Recommended Minimum Target</i>	<i>\$ 10,095,000</i>	<i>\$ 12,393,000</i>	<i>\$ 12,369,000</i>	<i>\$ 12,470,000</i>	<i>\$ 12,798,000</i>	<i>\$ 13,140,000</i>

C. Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to each customer class. Costs are classified according to the function they serve. All costs in the City's budget are allocated to each component of the rate structure in proportion to the level of service required by customers.

The level of service is related to the volume and strength of the water treated, infrastructure capacity, and customer service. These costs are based on allocation factors, such as water consumption, number of meters, and customer class. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

FUNCTIONALIZATION AND CLASSIFICATION OF COSTS

Most costs are not typically allocated just to fixed or variable categories but rather allocated to multiple functions of water service. The functionalization and classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity related costs** are costs associated with the change in the volume of water produced and delivered. These commonly include the costs of water quality testing, energy related to pumping for transmission and distribution, and source of supply.
- **Capacity related costs** are costs associated with sizing facilities to meet the maximum, or peak, demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer related costs** are costs associated with having a customer connected to the water system, such as meter reading, postage, billing, and other administrative duties.

The City's budgeted costs were reviewed and allocated to these cost causation components which are used as the basis for establishing new water rates and translated into fixed and variable charges. Tables in the *Appendices* show how the City's expenses were classified and allocated to these cost causation components. In the analysis, these cost causation components are also considered to be either fixed or variable.

FIXED AND VARIABLE COSTS

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses, which provides greater revenue stability for the utility. However, other factors are often considered when designing water rates, such as community values, water conservation goals, ease of understanding, and ease of administration.⁸

NBS functionalized the City's costs into categories that represent fixed and variable costs. This analysis resulted in a cost distribution that is approximately 40% fixed and 60% variable (i.e., volumetric). However, the City's current rates collect revenue from customers in proportions of approximately 30% fixed and 70% variable. City staff agrees with NBS that the current rate design is not reflective of the actual cost distribution as determined by the cost of service analysis. Therefore, the proposed new rates are based on the 40% fixed and 60% variable allocations. NBS also evaluated the current 30% fixed/70% variable rate structure and compares the results below.

Figure 4 summarizes how costs are allocated to each cost component and used to establish new water rates. **Figure 5** shows the resulting cost allocation to each cost classification component.

Figure 4. Allocation Percentages of Revenue Requirements

Classification Components	ALT. 1 (Preferred) (40% Fixed / 60% Variable)		ALT. 2 (30% Fixed / 70% Variable)	
	Net Rev. Reqts (FY 2023/24)		Net Rev. Reqts (FY 2023/24)	
Commodity-Related Costs	\$ 9,032,472	60.0%	\$ 10,537,884	70.0%
Capacity-Related Costs	4,516,236	30.0%	3,161,365	21.0%
Customer-Related Costs	1,505,412	10.0%	1,354,871	9.0%
Net Revenue Requirement	\$ 15,054,120	100.0%	\$ 15,054,120	100.0%

Figure 5. Allocated Net Revenue Requirements – Preferred Rate Alternative

Customer Classes	Classification Components			Cost of Service Net Revenue Requirements
	VARIABLE	FIXED		
	Commodity- Related Costs	Capacity- Related Costs	Customer- Related Costs	
Residential	\$ 5,470,437	\$ 2,758,274	\$ 1,312,941	\$ 9,541,651
Multi-Family	1,053,245	426,815	50,558	1,530,618
Commercial/Industrial	1,354,175	561,903	83,348	1,999,425
Institutional	155,983	103,540	3,302	262,825
Landscape	937,767	611,068	50,019	1,598,854
City Account	239	98	3,399	3,737
Hydrant	60,626	54,538	1,845	117,010
Total Net Revenue Requirement	\$ 9,032,472	\$ 4,516,236	\$ 1,505,412	\$ 15,054,120

⁸ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, pp. 6 and 96.

D. Characteristics of Water Customers by Customer Class

Customer classes are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. Customer classes are most often identified as single-family, multi-family, commercial, landscape, etc., and the City follows this common methodology. The rates proposed in this report follow a similar structure where the fixed charges within each customer class vary by meter size while all customers are charged a uniform volumetric rate based on zones.

The amount of consumption, the peaking factors, and the number of meters by size are used to allocate costs as a part of COSA to allocate costs to customer classes and determine the appropriate rate structures for each. These components of the COSA are presented in the following figures.

Commodity related costs are costs associated with the total annual consumption of water by customer class. **Figure 6** below summarizes the most recent consumption data by customer class and represents the expected percent of consumption over the 5-year rate period.

Figure 6. Water Consumption by Customer Class

Customer Class	FY 2021/22 (1,000 Gal.yr.)	FY 2021/22 % of Total Volume (TG/Yr.)
Residential	1,348,786	60.6%
Multi-Family	259,687	11.7%
Commercial/Industrial	333,884	15.0%
Institutional	38,459	1.7%
Landscape	231,215	10.4%
City Account	59	0.0%
Hydrant	14,948	0.7%
Total	2,227,038	100%

Figure 7 shows the peaking factors for each customer class. A “peaking factor” is the relationship between the average use by meter size to its peak use.

Figure 7. Peaking Factors by Customer Class

Customer Class	Average Monthly Use (TG)	Peak Monthly Use (TG)	Peak Monthly Factor	Max Month Capacity Factor
Residential	112,399	168,922	1.50	61.1%
Multi-Family	21,641	26,139	1.21	9.5%
Commercial/Industrial	27,824	34,412	1.24	12.4%
Institutional	3,205	6,341	1.98	2.3%
Landscape	19,268	37,423	1.94	13.5%
City Account	5	6	1.22	0.0%
Hydrant	1,246	3,340	2.68	1.2%
Total	185,586	276,583	1.49	100%

Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each meter size according to its contribution to peak capacity events. These peaking factors are used to allocate the capacity-related costs to each customer class and are described in more detail later in this study.

Figure 8 shows the number of meters for each customer class. The percentage of total customers by customer class is then used to develop the customer allocation factors to allocate customer costs. Customer costs are those costs associated with having customers connected to the water system and include costs related to meter reading, postage, and billing.

Figure 8. Number of Meters by Customer Class

Customer Class	No. of Meters FY 2021/22 ¹	Percent of Total
Residential	13,518	87.2%
Multi-Family	521	3.4%
Commercial/Industrial	858	5.5%
Institutional	34	0.2%
Landscape	515	3.3%
City Account	35	0.2%
Hydrant	19	0.1%
Total	15,500	100.0%

1. Meter count data is based on the City's billing data for June 2022.

E. Rate Design Analysis

Evaluating the water rate structure includes reviewing rate-design objectives and policies, including continuity of rate design, revenue stability, equity among customers, and water conservation. NBS discussed the 40%/60% (preferred) and 30%/70% rate designs with City staff over the course of this study. Ultimately, City staff selected the 40%/60% rate alternative, as it is closest to the actual cost of service based on NBS' analysis. Also, because of the difficulty meeting Prop 218 legal requirements of demonstrating the cost basis for tiered rates given the City's water supply costs, the preferred rate structure proposes a uniform tier for all customers rather than the existing two-tiers. The following section describe how the proposed water rates were determined.

DEVELOPMENT OF PROPOSED RATES

Fixed Service Charges

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers use water. There are two components that comprise the fixed meter charge: (1) the capacity component, and (2) the customer component. The capacity component recovers costs associated with sizing the water system to ensure there is sufficient capacity in the system to meet peak demand. A user class with a higher peaking ratio is allocated a proportionately higher share of the capacity-related costs compared to customer classes with lower peaking ratios. The customer component includes those costs related to reading and maintaining meters, customer billing and collection, and other customer service-related costs.

Fixed charges also vary based on meter sizes because larger meters have higher capacity requirements and reflect their potential to use more of the system's capacity.⁹ The potential capacity demands (peaking) is proportional to the maximum hydraulic flow through each meter size based on the hydraulic capacity ratios established by AWWA.¹⁰ The AWWA capacity ratios used for this report are shown in **Figure 9**.

Figure 9. Hydraulic Capacity Factors

Meter Size	Standard Meters	
	Meter Capacity (gpm) ¹	Equivalency to 1-inch
<u>Displacement Meters</u>		
3/4 inch	30	1.00
1 inch	50	1.67
1 1/2 inch	100	3.33
2 inch	160	5.33
<u>Compound Class I Meters</u>		
3 inch	320	10.67
4 inch	500	16.67
6 inch	1,000	33.33
8 inch	1,600	53.33
<u>Turbine Class II Meters</u>		
10 inch	4,200	140.00

1. Per AWWA M-1, Table B-1.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate "equivalent" meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. **Figure 10** summarizes the number of meters, the hydraulic capacity factors, and the number of equivalent meters (i.e., the number of meters multiplied by the hydraulic capacity factor) by customer class and meter size.

Figure 10. Equivalent Meters

Number of Meters by Class and Size ¹	FY2023/24									Total
	3/4inch	1 inch	1 1/2 inch	2 inch	3inch	4 inch	6 inch	8inch	10 inch	
Residential	4,445	8,273	172	459	167	2	0	0	0	13,518
Multi-Family	137	203	84	56	24	17	0	0	0	521
Commercial/Industrial	251	330	0	249	10	14	3	0	1	858
Institutional	0	1	0	15	8	9	1	0	0	34
Landscape	34	182	79	212	4	4	0	0	0	515
City Account	5	7	1	19	2	1	0	0	0	35
Hydrant	0	0	0	0	19	0	0	0	0	19
Total Meters/Accounts	4,872	8,996	336	1,010	234	47	4	0	1	15,500
Hydraulic Capacity Factor ²	1.00	1.67	3.33	5.33	10.67	16.67	33.33	53.33	140.00	
Total Equivalent Meters	4,872	14,993	1,120	5,387	2,496	783	133	0	140	29,925

1. Meter by Class and Size are based on June 2022 customer billing data.

2. Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1

Using the costs allocated to each customer class from Figure 5, **Figure 11** shows the calculation of the fixed monthly service charges for all customer classes based on meter size. As previously mentioned, the customer service charge is calculated by dividing the customer service-related costs by the total number of

⁹ System capacity is the system's ability to supply water to all delivery points at the time when demanded.

¹⁰ *Principles of Water Rates, Fees and Charges*, Manual of Water Supply Practices, Manual M1, AWWA, 7th Edition, 2017, p. 386. *Water Meters – Selection, Installation, Testing and Maintenance*, Manual M6, AWWA, 5th Edition, 2012, pp. 63-65.

meters, whereas the fixed capacity charge is calculated by dividing the capacity-related costs by the total number of equivalent meters for each meter size.

Figure 11. Calculation of Fixed Service Charges

Number of Meters by Class and Size ¹	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Residential	4,445	8,273	172	459	167	2	0	0	0	13,518
Multi-Family	137	203	84	56	24	17	0	0	0	521
Commercial/Industrial	251	330	0	249	10	14	3	0	1	858
Institutional	0	1	0	15	8	9	1	0	0	34
Landscape	34	182	79	212	4	4	0	0	0	515
City Account	5	7	1	19	2	1	0	0	0	35
Hydrant	0	0	0	0	19	0	0	0	0	19
Total Meters/Accounts	4,872	8,996	336	1,010	234	47	4	0	1	15,500
<i>Hydraulic Capacity Factor²</i>	<i>1.00</i>	<i>1.67</i>	<i>3.33</i>	<i>5.33</i>	<i>10.67</i>	<i>16.67</i>	<i>33.33</i>	<i>53.33</i>	<i>140.00</i>	
Total Equivalent Meters	4,872	14,993	1,120	5,387	2,496	783	133	0	140	29,925
Monthly Fixed Service Charges										
Customer Costs (\$/Acct/month) ³	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	
Capacity Costs (\$/Acct/month) ⁴	\$12.58	\$20.96	\$41.92	\$67.08	\$134.15	\$209.61	\$419.22	\$670.76	\$1,760.74	
Total Monthly Meter Charge	\$20.67	\$29.05	\$50.02	\$75.17	\$142.24	\$217.70	\$427.32	\$678.85	\$1,768.83	
Annual Fixed Costs Allocated to Monthly Meter Charges										
Customer Costs	\$ 1,505,412									
Capacity Costs	4,516,236									
Total Fixed Meter Costs	\$ 6,021,648									
Annual Revenue from Monthly Meter Charges										
Customer Charges	\$ 473,185	\$ 873,722	\$ 32,633	\$ 98,095	\$ 22,727	\$ 4,565	\$ 388	\$ -	\$ 97	\$ 1,505,412
Capacity Charges	\$ 735,283	\$ 2,262,797	\$ 169,031	\$ 812,957	\$ 376,697	\$ 118,221	\$ 20,123	\$ -	\$ 21,129	\$ 4,516,236
Total Rev. from Mo. Meter Charges	\$ 1,208,468	\$ 3,136,518	\$ 201,664	\$ 911,051	\$ 399,424	\$ 122,786	\$ 20,511	\$ -	\$ 21,226	\$ 6,021,648

1. Meter by Class and Size are based on June 2022 customer billing data.

2. Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1

3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.

4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

Volumetric Rates

Currently, the City uses a 2-tier rate structure for all customers; however, the proposed rates are based on a uniform, or single tier, volumetric rate. Given the single source of water supply, a uniform volumetric rate is more feasible from a Prop 218 perspective.

Figure 12 shows the calculation of the uniform tier rate per unit of water for all customers, including the basic commodity rate (without pumping costs) and rates for each zone (including pumping costs).

Figure 12. Uniform Tier Rates for FY 2023/24

Customer Classes	Water Use (TG/yr.) ¹	% of Total Water Use	Total Vol. Rev. Repts. (Excl. Pumping)	Uniform Commodity Rates (\$/TG)	Uniform Commodity Rates Including Pumping Costs (\$/TG)		
					Zone 1	Zone 2	Zone 3
Residential - Tier 1	1,348,786	60.6%	\$ 4,912,312	\$3.64	\$4.00	\$4.37	\$4.73
Multi-Family	259,687	11.7%	945,787	\$3.64	\$4.00	\$4.37	\$4.73
Commercial/Industrial	333,884	15.0%	1,216,014	\$3.64	\$4.00	\$4.37	\$4.73
Institutional	38,459	1.7%	140,069	\$3.64	\$4.00	\$4.37	\$4.73
Landscape	231,215	10.4%	842,091	\$3.64	\$4.00	\$4.37	\$4.73
City Account	59	0.0%	215	\$3.64	\$4.00	\$4.37	\$4.73
Hydrant	14,948	0.7%	54,441	\$3.64	\$4.00	\$4.37	\$4.73
Total Potable Water	2,227,038	39.4%	\$ 8,110,929				
Pumping Costs			921,543				
Total Volumetric Reve. Repts.			\$ 9,032,472				

F. Proposed Water Rates

The City's previous rate study was completed eight years ago in 2015. Since then, the underlying cost factors (e.g., consumption by class, number of meters, peaking factors) have changed. The cost-of-service analysis by nature "re-balances" how costs are allocated between customer classes and, as a result, there

are uneven adjustments in the first year of the 5-year rate adoption period. In contrast, in the subsequent four years of the rate planning period, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed to meet projected revenue requirements.

Figure 13 provides a comparison of the current and proposed water rates for FY 2023/24 through 2027/28 for each customer class and meter size. Projected rates for each fiscal year¹¹ reflect adjustments based on the cost-of-service analysis, the 40% fixed/60% variable rate design structure, and the recommended percent increases in rate revenue planned for each year. More detailed tables on the development of the proposed water rates are documented in Appendix A.

Figure 13. Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges						
Meter Size						
3/4 inch	\$11.53	\$20.67	\$22.32	\$23.66	\$24.61	\$25.59
1 inch	\$19.24	\$29.05	\$31.38	\$33.26	\$34.59	\$35.98
1 1/2 inch	\$38.47	\$50.02	\$54.02	\$57.26	\$59.55	\$61.93
2 inch	\$61.55	\$75.17	\$81.18	\$86.05	\$89.50	\$93.08
3 inch	\$115.39	\$142.24	\$153.62	\$162.84	\$169.36	\$176.13
4 inch	\$192.30	\$217.70	\$235.12	\$249.23	\$259.20	\$269.57
6 inch	\$384.62	\$427.32	\$461.50	\$489.19	\$508.76	\$529.11
8 inch	\$615.37	\$678.85	\$733.16	\$777.15	\$808.23	\$840.56
10 inch	\$884.50	\$1,768.83	\$1,910.34	\$2,024.96	\$2,105.95	\$2,190.19
Variable Charges for All Water Consumed (\$/1,000 gallons (or TG))						
Residential Customers - Tiered Volumetric Rates		Uniform Vol. Rates				
Tier 1 - Zone 1	\$4.39	\$4.00	\$4.32	\$4.58	\$4.77	\$4.96
Tier 1 - Zone 2	\$4.93	\$4.37	\$4.72	\$5.00	\$5.20	\$5.41
Tier 1 - Zone 3	\$5.52	\$4.73	\$5.11	\$5.41	\$5.63	\$5.85
Tier 2 (more than 20 TG)						
Tier 2 - Zone 1	\$4.93	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 2	\$5.47	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 3	\$6.06	N.A.	N.A.	N.A.	N.A.	N.A.

Note: The proposed rates for FY23/24 will be implemented January 1, 2024, and annually on January 1 for subsequent fiscal years thereafter

G. Comparison of Current and Proposed Water Bills

Figure 14 and **Figure 15** compare a range of monthly water bills under the current and proposed water rates for residential and commercial customers, including the bills for Alternative 2, the 70% fixed/30% variable option. These monthly bills are based on typical meter sizes and highlight the average consumption levels for each customer.

These bill comparisons assume that financial plan projections remain accurate. However, some costs that are outside of the City's control could change, such as the cost of water purchased from Valley Water.

¹¹ All rate adjustments are scheduled to be effective on January 1, 2024.

There is a “pass-through” provision that allows the City to make adjustments to water rates if these types of costs exceed those in the City’s projections.

Figure 14. Monthly Water Bill Comparison for Residential Customers

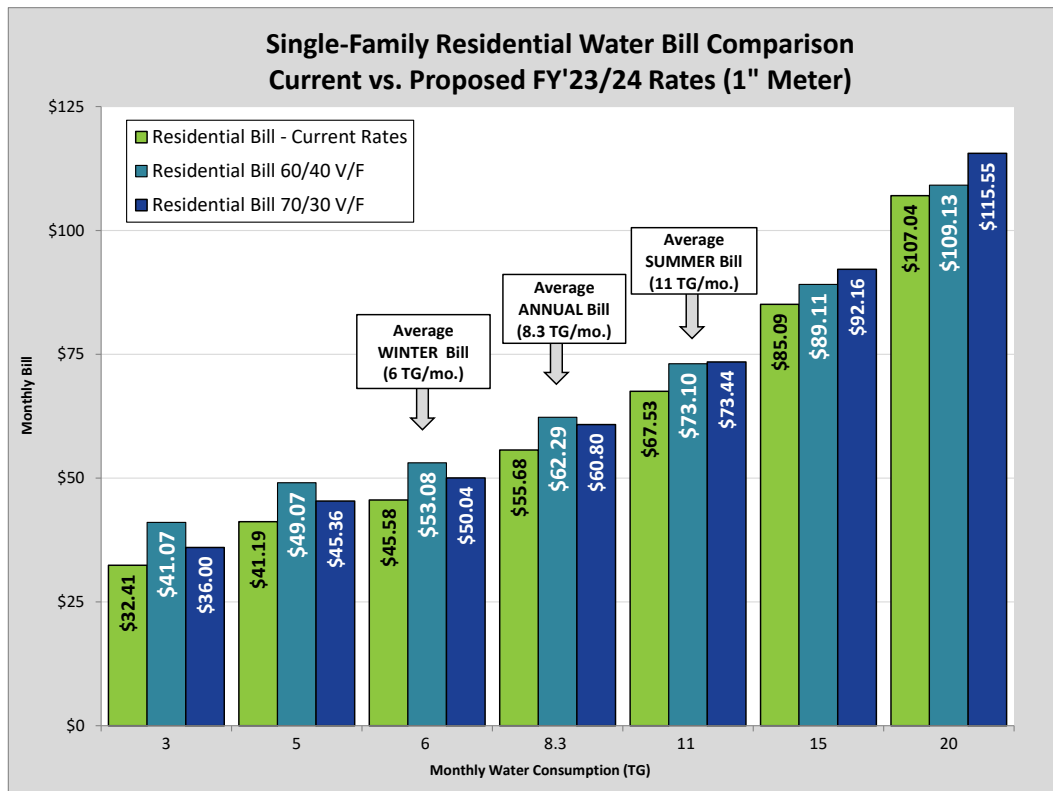


Figure 15. Monthly Water Bill Comparison for Commercial Customers

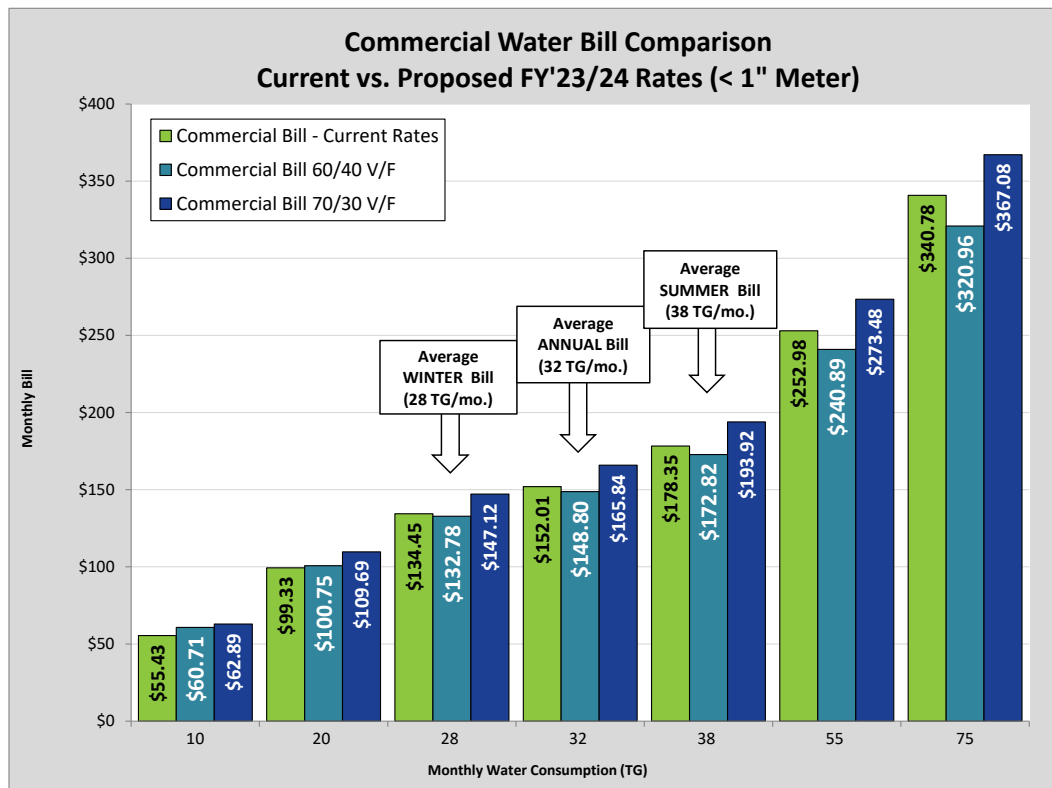


Figure 16 and Figure 17 compare the single-family and commercial water bills for the five-year rate adoption period assuming average consumption levels.

Figure 16. Residential Water Bills – 5-Years

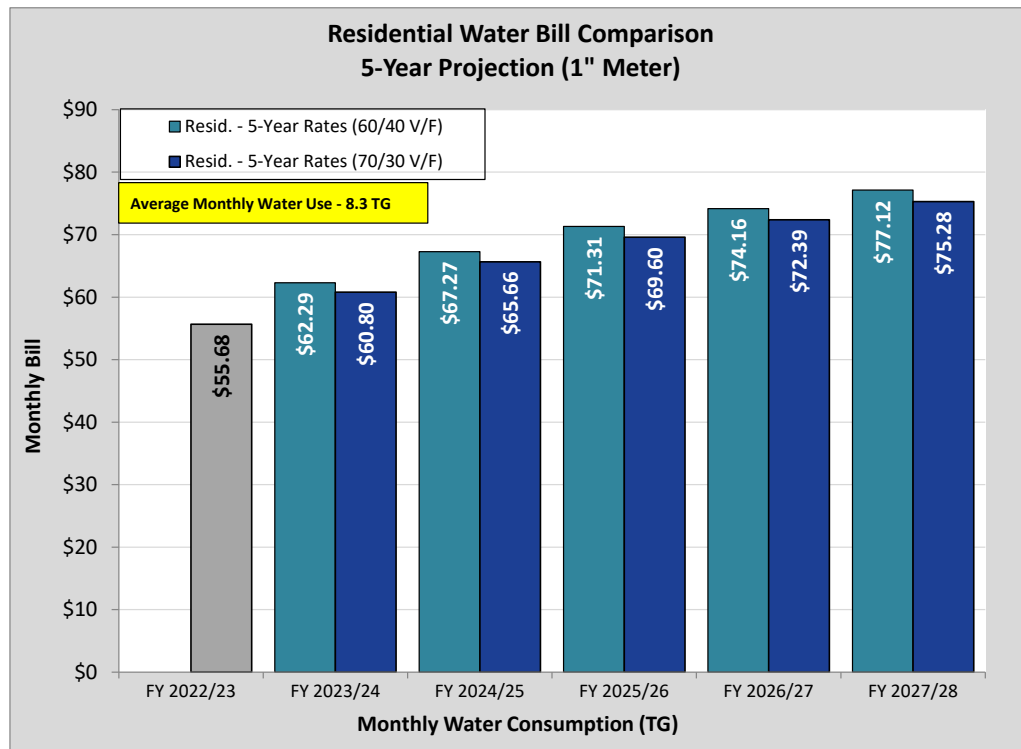


Figure 17. Commercial Water Bills – 5-Years

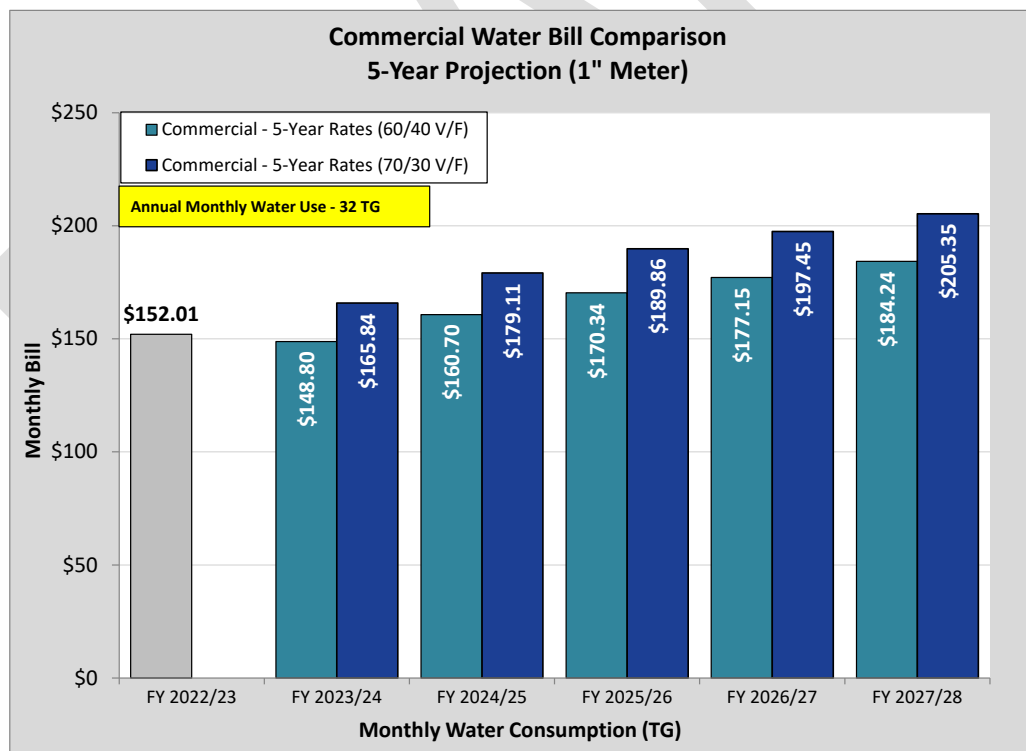
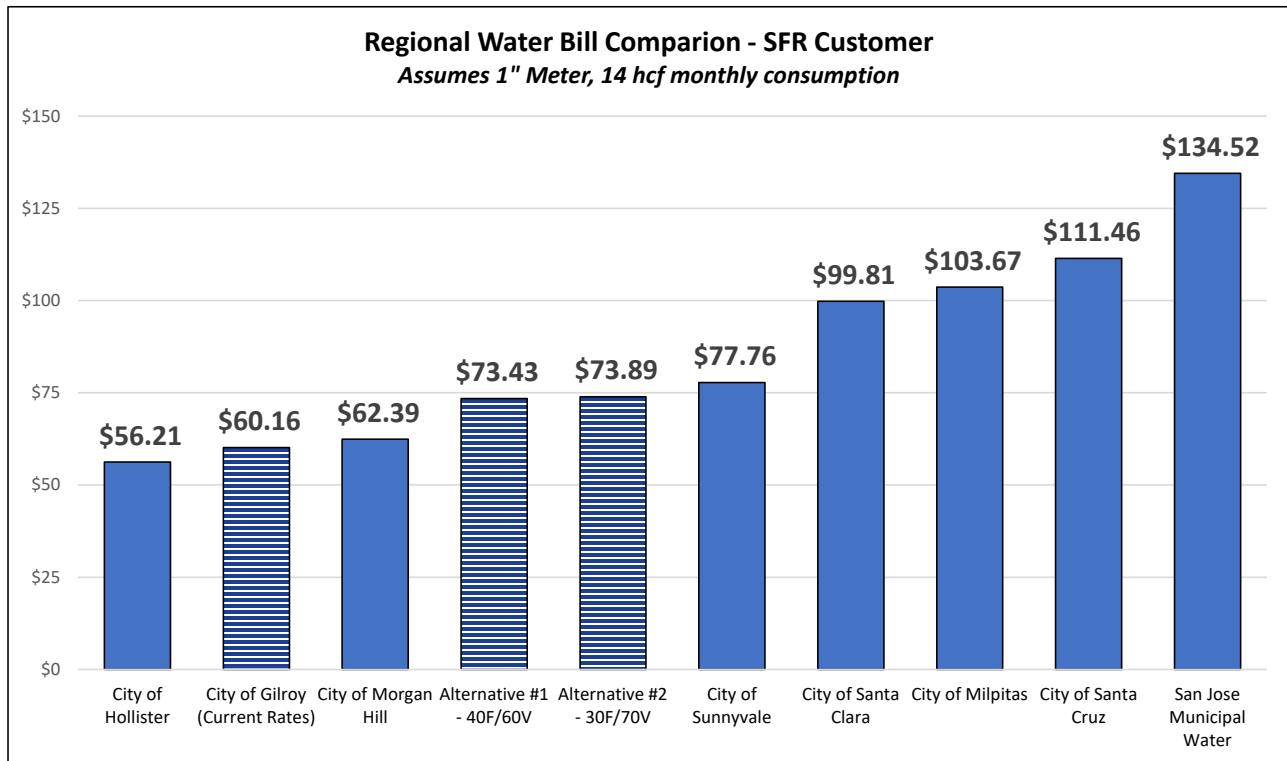


Figure 18 presents a comparison of residential water rates for similar communities.

Figure 18. Residential Bills Comparison for Similar Communities



Section 3. Wastewater Rate study

A. Key Wastewater Rate Study Issues

The City's wastewater rate analysis was undertaken with a few specific objectives, including:

- Ensuring equity among customer classes by collecting rate revenue through the cost-of-service process based on both fixed monthly charges and volumetric rates.
- Maintain adequate reserve levels to ensure continuity in operations.
- Ensure adequate funding for the utility's capital projects, due to the level of capital investment planned over the next five years.
- Comply with Prop 218 requirements to ensure costs are properly allocated between user classifications.

B. Financial Plan

Like the water utility, it is important for the wastewater utility to ensure rates provide sufficient funding to cover operating and maintenance costs, planned capital expenditures, and maintain reasonable reserves.

The wastewater utility's rate increases are governed by these needs, and the current state of the City's wastewater utility is as follows:

- **Meeting Net Revenue Requirements:** For FY 2023/24 through FY 2027/28, the projected net revenue requirements (that is, total operating expenses plus rate-funded capital costs less non-rate revenues) for the City averages approximately \$13.1 million to \$17.1 million annually. If no rate increases are implemented, the City is projected to run an annual deficit of approximately \$280,000 beginning in FY 2024/25 but increasing to \$2.7 million by FY 2027/28, and the utility would struggle to meet its debt service coverage requirements.
- **Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies such as revenue shortfalls, asset failure, and natural disasters, among other events. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. The reserve funds for the wastewater utility are considered unrestricted reserves and consist of the following:
 - **Operating Reserve:** The target ending fund balance for the operating reserve is equal to six months of operating expenses, or approximately \$6.8 million in FY 2023/24. An operating reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
 - **Capital Rehabilitation & Replacement Reserve** equal to 50% of the average capital improvement costs over the 5-year rate adoption period which is approximately \$4.4 million.

This reserve is set aside to address long-term capital system replacement and rehabilitation needs.

- **Maintaining Adequate Bond Coverage:** The City is required by the rate covenants of the 2021A Wastewater Revenue Bonds to maintain a minimum debt service coverage ratio of 1.25. The benefit of maintaining a coverage ratio higher than 1.25 is that it strengthens the City credit rating which helps lower interest rates for debt-funded capital projects and can reduce annual debt service payments. With the recommended rate increases, the City is projected to meet the debt coverage requirement for the five-year rate adoption period ending in FY 2027/28.

The recommended rate revenue increases are 4% annually throughout the 5-year rate adoption period.

Figure 19 summarizes the sources and uses of funds, net revenue requirements, and the recommended annual increases in wastewater rate revenue proposed for the next 5 years. **Figure 20** summarizes the projected reserve fund balances and reserve targets for the wastewater utility's unrestricted funds.

Figure 19. Summary of Wastewater Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Proj. Actuals	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Sewer Funds						
User Fees	\$ 13,247,000	\$ 13,512,000	\$ 13,782,000	\$ 13,988,730	\$ 14,198,561	\$ 14,411,539
Interfund Transfer In	1,533,500	2,244,000	2,244,000	2,244,000	2,244,000	2,244,000
Misc. Revenue & Interest Earnings ²	992,066	649,871	397,017	15,619	15,853	16,091
Total: Sources of Funds	\$ 15,772,566	\$ 16,405,871	\$ 16,423,017	\$ 16,248,349	\$ 16,458,414	\$ 16,671,630
Uses of Sewer Funds						
7500 - Sewer Administration	\$ 3,606,254	\$ 2,143,559	\$ 2,202,325	\$ 2,339,468	\$ 2,481,991	\$ 2,625,123
7510 - Finance Sewer Utility Billing	921,605	1,037,477	1,083,341	1,120,978	1,159,924	1,200,226
7520 - Sewer Operations	2,758,341	4,362,836	4,320,125	4,464,460	4,613,637	4,767,818
SCWRA Oper. Costs (less Monit., Sampl., Pre-Tr.Costs)	5,715,995	6,146,815	6,517,038	6,781,500	6,989,600	7,207,300
Monitoring, Sampling, Pretreatment (Non-Resid. Co	N.A.	365,700	440,200	388,500	400,400	412,700
Subtotal: Operating Expenses	\$ 13,002,195	\$ 13,690,686	\$ 14,122,829	\$ 14,706,406	\$ 15,245,153	\$ 15,800,467
Debt Service	\$ 1,533,500	\$ 2,244,000	\$ 2,244,400	\$ 2,243,600	\$ 2,241,600	\$ 2,243,300
Rate-Funded Capital Expenses	-	75,401	335,906	211,300	755,038	1,334,115
Total: Use of Funds	\$ 14,535,695	\$ 16,010,087	\$ 16,703,135	\$ 17,161,306	\$ 18,241,791	\$ 19,377,882
Surplus (Deficiency) before Rate Increase	\$ 1,236,871	\$ 395,784	\$ (280,118)	\$ (912,957)	\$ (1,783,377)	\$ (2,706,252)
Additional Revenue from Rate Increases ¹	\$ -	\$ 540,480	\$ 1,121,811	\$ 1,743,733	\$ 2,408,627	\$ 3,119,008
Surplus (Deficiency) after Rate Increase	\$ 1,236,871	\$ 936,264	\$ 841,693	\$ 830,775	\$ 625,250	\$ 412,756
Projected Annual Rate Increase	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Debt Coverage After Rate Increase (1.25 required)	1.81	1.45	1.52	1.46	1.62	1.78
Net Revenue Requirement²	\$ 12,010,129	\$ 13,116,216	\$ 14,062,118	\$ 14,901,687	\$ 15,981,938	\$ 17,117,791

1. Revenue from rate increases assumes an implementation date of January 1, 2024 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

2. This is the annual amount needed from water rates. [Net Revenue Requirement = Total Use of Funds - (Non-Rate Revenues + Bank Interest)].

Figure 20. Summary of Wastewater Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Projected Actuals	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Unrestricted Reserves						
Operating Reserve						
Ending Balance	\$ 6,501,000	\$ 6,845,000	\$ 7,061,000	\$ 7,353,000	\$ 7,623,000	\$ 7,900,000
<i>Recommended Minimum Target</i>	<i>6,501,000</i>	<i>6,845,000</i>	<i>7,061,000</i>	<i>7,353,000</i>	<i>7,623,000</i>	<i>7,900,000</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ 12,942,049	\$ 13,495,633	\$ 11,271,248	\$ 8,151,561	\$ 6,946,887	\$ 5,648,582
<i>Recommended Minimum Target</i>	<i>4,420,000</i>	<i>4,420,000</i>	<i>4,420,000</i>	<i>4,420,000</i>	<i>4,420,000</i>	<i>4,420,000</i>
Total Ending Balance	\$ 19,443,049	\$ 20,340,633	\$ 18,332,248	\$ 15,504,561	\$ 14,569,887	\$ 13,548,582
Total Recommended Minimum Target	\$ 10,921,000	\$ 11,265,000	\$ 11,481,000	\$ 11,773,000	\$ 12,043,000	\$ 12,320,000

A more detailed version of the utility's proposed 5-year financial plan is included in *Appendix B*. The appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, and the City's capital improvement program.

C. Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis (COSA) proportionately distributes the revenue requirements to each of the customer classes. The COSA consists of the classification of expenses and then the allocation of those expenses to customer classes based on allocation factors, such as water consumption and number of equivalent dwelling units (EDUs), or accounts. Ultimately, a COSA is intended to result in rates that are proportional to the cost of providing service to each customer class.

CUSTOMER CLASSES AND ALLOCATION FACTORS

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. The most recent water consumption data was the basis for estimating the amount of flow that each customer class sends to the treatment plant.

Figure 21 shows the development of the flow/volume allocation factors by customer class calculated by taking the lowest consecutive 3-month water usage for FY 2021/22 for residential customers, annualizing that usage, and using the annual consumption for non-residential customer classes.

Figure 21. Development of the Flow Allocation Factor

Customer Class	Consumption (TG/year) ¹	Number of Dwelling Units / Accounts ²	Winter Consumption (Dec-Feb '21) ³	Annualized Winter Consumption	Adjusted Annual Volume (gallons) ³	Percentage of Adjusted Volume
Residential Customers						
Single-Family Residence	1,135,486	12,330	201,429	805,715	805,715,371	61.6%
Multi-Family Residence ⁴	218,620	4,585	49,505	198,022	198,021,843	15.1%
Non-Residential Customers						
Low Strength	77,640	427			77,640,000	5.9%
Domestic Strength	98,610	253			98,610,000	7.5%
Medium Strength	53,149	55			53,149,000	4.1%
High Strength	74,067	128			74,067,000	5.7%
Total:	1,657,571	17,778	250,934	1,003,737	1,307,203,214	100.0%
1. Consumption data for residential customers is not available. Calculation of estimated consumption available in source file: FY 2021-22 Billing Journal Totals by Service v7.xlsx.						
2. SFR and MFR customers are based on the number of dwelling units and all other customers are based on the number of accounts.						
3. Annual consumption for all customer classes based on 12 months of water consumption.						
4. MFR dwelling units provided by the City. Source file: MFR Units.xlsx.						

Volumetric charges for non-residential customer classes were based on the annual consumption and their estimated effluent strengths (Residential customers do not have volumetric charges, just fixed monthly charges). **Figure 22** summarizes the development of the strength allocation factors by customer class. These strength-related percentages were used to allocate strength-related costs. (Note: Although residential customers do not have volumetric charges, their strengths, and their estimated pounds of BOD and TSS, are used to allocate capacity-related costs to single- and multi-family customers.)

Figure 22. Development of the Strength Allocation Factor

Customer Class	Annual Flow (gallons)	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Average Strength Factor (mg/l) ¹	Calculated BOD (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Calculated TSS (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total
Residential Customers									
Single-Family Residence	805,715,371	205	1,377,532	2,755,063	51.4%	205	1,377,532	1,744,176	51.4%
Multi-Family Residence	198,021,843	205	338,558	677,116	12.6%	205	338,558	428,669	12.6%
Non-Residential Customers									
Low Strength	77,640,000	167	108,135	216,271	4.0%	167	108,135	136,917	4.0%
Domestic Strength	98,610,000	225	185,042	370,083	6.9%	225	185,042	234,293	6.9%
Medium Strength	53,149,000	400	177,305	354,610	6.6%	400	177,305	224,497	6.6%
High Strength	74,067,000	800	494,175	988,350	18.4%	800	494,175	625,705	18.4%
Total:	1,307,203,214		2,680,747	5,361,493	100.0%		2,680,747	3,394,256	100.0%
Total Annual from WWTP Data				5,361,493	BOD (lbs./yr.)	3,394,256 TSS (lbs./yr.)			
				2.00	BOD Adj. Factor	1.27 TSS Adj. Factor			

1. Avg. strength factors for BOD and TSS are from the CA State Water Resources Control Board, Revenue Program Guidelines (Appendix G), March 1998 Edition.

1. Avg. strength factors for BOD and TSS are from the CA State Water Resources Control Board, *Revenue Program Guidelines* (Appendix G), March 1998 Edition.

Figure 23 summarizes the development of the customer allocation factor.

Figure 23. Development of the Customer Allocation Factor

Customer Class	Number of Dwelling Units / Accounts	Percent of Total
Residential Customers		
Single-Family Residence	12,330	66.2%
Multi-Family Residence	4,585	24.6%
Non-Residential Customers - Strength Classes		
Low Strength	427	2.29%
Domestic Strength	253	1.36%
Medium Strength	55	0.30%
High Strength	128	0.69%
Non-Residential Customers - Categorical Classes		
Significant/Categorical	6	0.03%
Non-Significant/Categorical	458	2.46%
Other Non-Residential	387	2.08%
Total:	18,628	100.0%

CLASSIFICATION AND ALLOCATION OF COSTS

As previously noted, costs are classified into the following four categories: (1) flow-related costs, (2) strength-related costs (BOD and TSS), (3) customer-related costs, and (4) direct allocation costs for monitoring, sampling, and pretreatment program costs. Most costs are typically allocated to more than one of these categories except for this last category in which costs, as implied by its name, are directly allocated to the three categories of non-residential customers (i.e., Significant/Categorical, Non-Significant/Categorical, and Other Non-Residential).

The City's budgeted costs were allocated to these four categories which serve as the basis for calculating the fixed and variable charges. Tables in Appendix B show how the City's expenses were classified and allocated to these cost-causation components.

Although the analysis of the classification of costs indicated that 44% of cost should be collected from volumetric charges and 56% from fixed charges¹², these percentages don't really apply in the City's case because:

- Residential classes do not have a volumetric charge.
- Non-residential customers do not have a typical fixed charge that recovers system capacity and related fixed costs, just a volumetric charge based on their strength category.
- As mentioned above, non-residential classes do have a separate fixed charge for monitoring, sampling, and pretreatment program costs, but this is only for these directly allocated costs, not system capacity costs.

Figure 24 summarizes the allocation of the net revenue requirements to each cost causation component for the proposed rates.

Figure 24. Allocation of Revenue Requirements by Customer Class

Customer Class	Cost Classification Components						Cost of Service Net Rev. Req'ts.	% of COS Net Revenue Req'ts.
	Commodity	Capacity		Direct Allocation (Monitoring, Pretreat., etc.)		Customer		
		BOD	TSS	\$	Alloca. %			
Residential Customers								
Single-Family Residence	\$ 3,811,046	\$ 1,733,046	\$ 1,733,046			\$ 279,038	\$ 7,556,175	53.8%
Multi-Family Residence	936,646	425,933	425,933			103,762	1,892,275	13.5%
Non-Residential Customers								
Low Strength	\$ 367,238	\$ 136,043	\$ 136,043			\$ 9,663	\$ 648,988	4.6%
Domestic Strength	466,427	232,797	232,797			5,726	937,747	6.7%
Medium Strength	251,396	223,064	223,064			1,245	698,768	5.0%
High Strength	350,338	621,712	621,712			2,897	1,596,659	11.4%
Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs Only)						Fixed Charge Rev. Reqts.		
Significant/Categorical				\$20,542	2.9%	136	\$20,678	0.1%
Non-Significant/Categorical				\$619,036	88.1%	10,354	\$629,390	4.5%
Other Non-Residential				\$63,046	9.0%	8,754	\$71,800	0.5%
Total	\$ 6,183,091	\$3,372,595	\$3,372,595	\$ 702,624		\$ 421,574	\$ 14,052,480	100.0%

1. Non-Residential Customers' (Monitoring, Sampling, Pretreatment Costs) are allocated on the basis of current/historical share of this program.

1. Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs) are allocated on the basis of current/historical share of this program.

D. Rate Design Analysis

During this rate study, NBS discussed with City staff various rate alternatives that collected revenue differently from fixed vs. variable charges. Ultimately, the rate alternative selected by City staff is one similar to the existing rate design. The reasons for selecting this alternative are (1) it maintains the existing rate design developed during the last study which utilize wastewater strengths for various customers types based on values in the State water Resources Control Board guidelines,¹³ (2) it provides continuity for sewer customers, and (3) it is easy to understand from a customer's perspective and easy to administrate from City staff's perspective.

FIXED CHARGES

The fixed charge recognizes that the wastewater utility incurs fixed costs regardless of whether customers send any wastewater into the City's collection system. There are three factors used to develop the fixed charge: 1) the number of dwelling units for residential customers, 2) the number of accounts for non-

¹² FY 2021/22 data indicate sewer rates currently collect 75% of rate revenue from fixed charges and 25% from volumetric charges.

¹³ The City's previous rate study showed domestic customer strengths for BOD and TSS of 200 to 225 mg/l (Table 1, page 5). Residential strength factors used here are the 205 mg/l shown in Table 22.

residential customers, and 3) the annual revenue requirement. The monthly fixed charge is calculated by taking 100% of total revenue requirements for residential customer classes and dividing by the number of accounts (for single-family) and by the number of dwelling units (for multi-family).

Non-residential fixed charges are based on the directly allocated monitoring, sampling, and pretreatment program costs and divided by the number of accounts in the three non-residential categorical customer classes (i.e., Non-Significant/Categorical, Significant/Categorical, and Other Non-Residential).

VARIABLE CHARGES

The variable charges are calculated by dividing 100% of the annual net revenue requirements for the non-residential strength-related customer classes by the annual consumption.

The residential and non-residential fixed and variable charge calculations are summarized in **Figure 25**. The typical single-family residential customer has an average winter flow of 5.4 TG/month and strength factors of 205 mg/l for both BOD and TSS. Multi-family customers have an average winter flow of 3.6 TG/month and the same strength factors as single-family customers.

Figure 25. Development of Fixed and Variable Charges

Customer Class	No. of Dwelling Units / Accounts ¹	Annualized Consumption (Gallons) ²	Annual Revenue Requirement			Mo. Fixed Charge Per EDU (Resid.) or Account (Non-Resid)	Volumetric Charge (\$/1,000 Gal.)
			Total	Fixed	Volumetric		
Residential - Monthly Fixed Rate							
Single-Family Residence	12,330	805,715,371	\$ 7,556,175	\$ 7,556,175		\$51.07	
Multi-Family Residence	4,585	198,021,843	1,892,275	1,892,275		\$34.39	
Non-Residential Customers							
Low Strength	427	77,640,000	\$ 648,988		\$ 648,988		\$8.36
Domestic Strength	253	98,610,000	937,747		937,747		\$9.51
Medium Strength	55	53,149,000	698,768		698,768		\$13.15
High Strength	128	74,067,000	1,596,659		1,596,659		\$21.56
Total	17,778	1,307,203,214	\$ 13,330,612	\$ 9,448,450	\$ 3,882,162		
Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs Only)							
Significant/Categorical ³	6		\$20,678	\$ 20,678		\$287.19	
Non-Significant/Categorical ³	458		629,390	629,390		\$114.64	
Other Non-Residential ³	387		71,800	71,800		\$15.47	
Percent of Non-Resid. Rev. from Fixed vs. Vol. Charges			100.0%	0.0%	100.0%		

1. SFR and MFR customers are based on the number of dwelling units and all other customers are based on the number of accounts.

2. Residential customer consumption is the annualized average winter water consumption. Non-residential customers is total annual consumption.

3. Number of accounts estimated by dividing the annual fixed charge revenues by the current fixed charges (\$/account/month).

Also, the Significant, Non-Significant and Other Non-Residential accounts are included in the non-residential strength classes. They are shown here only for the calculation of the Monitoring, Sampling, and Pre-Treatment fixed charges.

E. Proposed Wastewater Rates

The proposed wastewater rates are similar to existing rates in terms of the rate design and rate methodology. **Figure 26** compares the current and proposed rates for FY 2023/24 through FY 2027/28 by customer class. While proposed rates in the first year (FY 2023/24) reflect the cost-of-service adjustments that often occur when they have not been updated in eight years, the projected rates for future years are strictly tied to annual rate increase in an “across-the-board” adjustment. More detailed tables on the development of the proposed rates are documented in *Appendix B*.

Figure 26. Current vs. Proposed Wastewater Rates

Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Charge						
Residential (100% Fixed)						
Single-Family Residence	\$46.64	\$51.07	\$53.11	\$55.24	\$57.45	\$59.74
Multi-Family Residence	\$33.13	\$34.39	\$35.77	\$37.20	\$38.69	\$40.23
Non-Residential Volumetric Rates						
Low Strength	\$7.41	\$8.36	\$8.69	\$9.04	\$9.40	\$9.78
Domestic Strength	\$9.21	\$9.51	\$9.89	\$10.29	\$10.70	\$11.12
Medium Strength	\$12.08	\$13.15	\$13.67	\$14.22	\$14.79	\$15.38
High Strength	\$18.63	\$21.56	\$22.42	\$23.32	\$24.25	\$25.22
Non-Residential - Monitoring & Pretreatment Program Base Rate Monthly Charges						
Significant/Categorical	\$240.95	\$287.19	\$298.68	\$310.63	\$323.05	\$335.98
Non-Significant/Categorical	\$95.22	\$114.64	\$119.22	\$123.99	\$128.95	\$134.11
Other Non-Residential	\$11.47	\$15.47	\$16.09	\$16.73	\$17.40	\$18.09

Note: The proposed rates for FY23/24 will be implemented on January 1, 2024, and annually on January 1 for subsequent fiscal years thereafter

F. Comparison of Current and Proposed Wastewater Bills

The following figures compare monthly wastewater bills under current and proposed rates for various customers over the 5-year rate period. These bill comparisons are calculated at typical levels of consumption. The last figure presents a comparison of residential sewer rates for similar communities.

Figure 27. Single-Family Residential Wastewater Bill Comparison

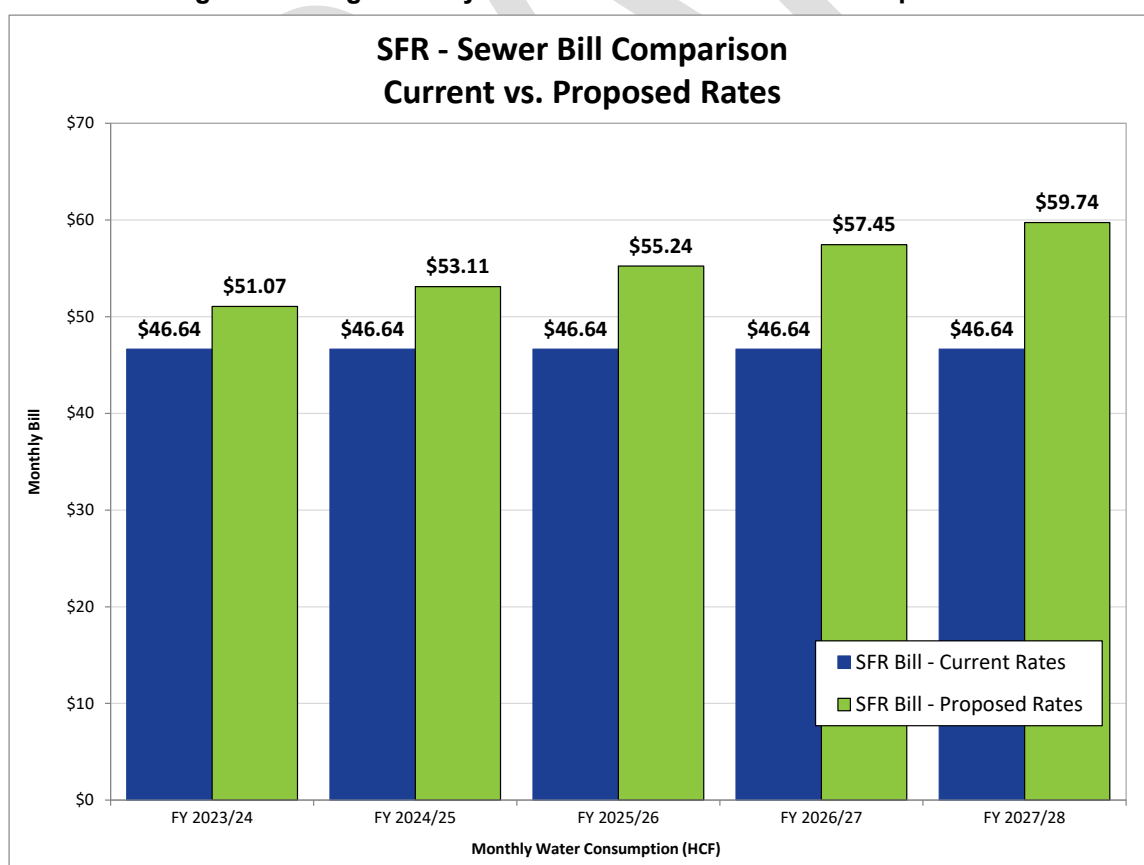


Figure 28. Multi-Family Residential Wastewater Bill Comparison

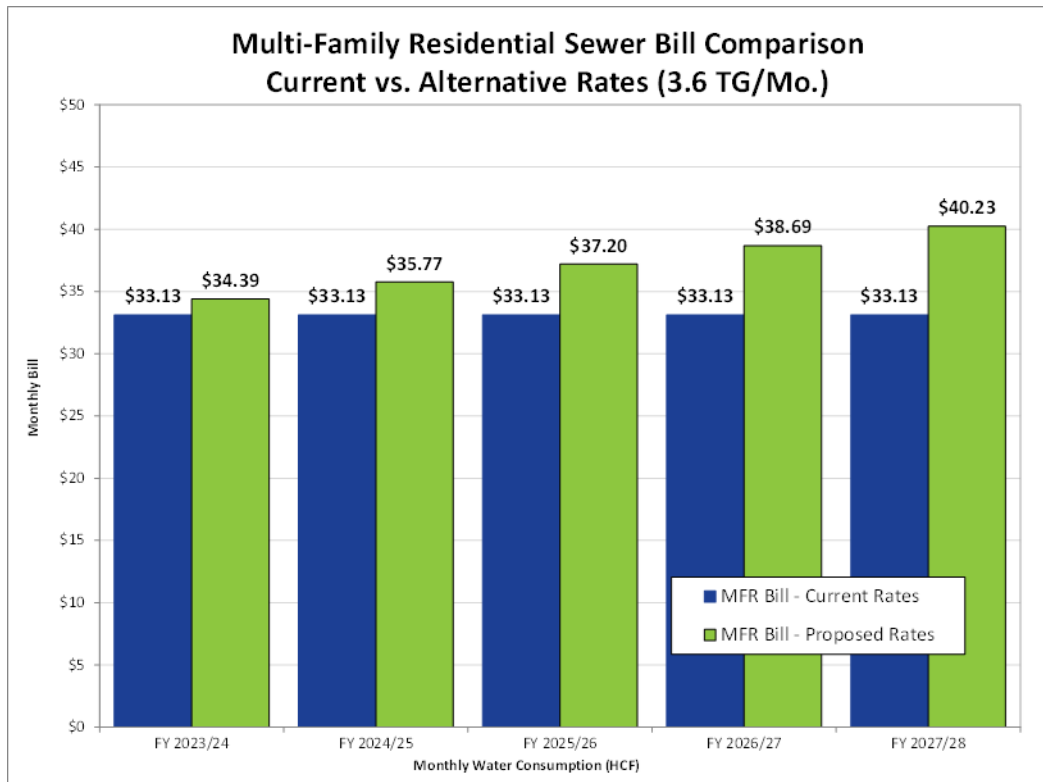


Figure 29. Non-Residential Low Strength Wastewater Bill Comparison

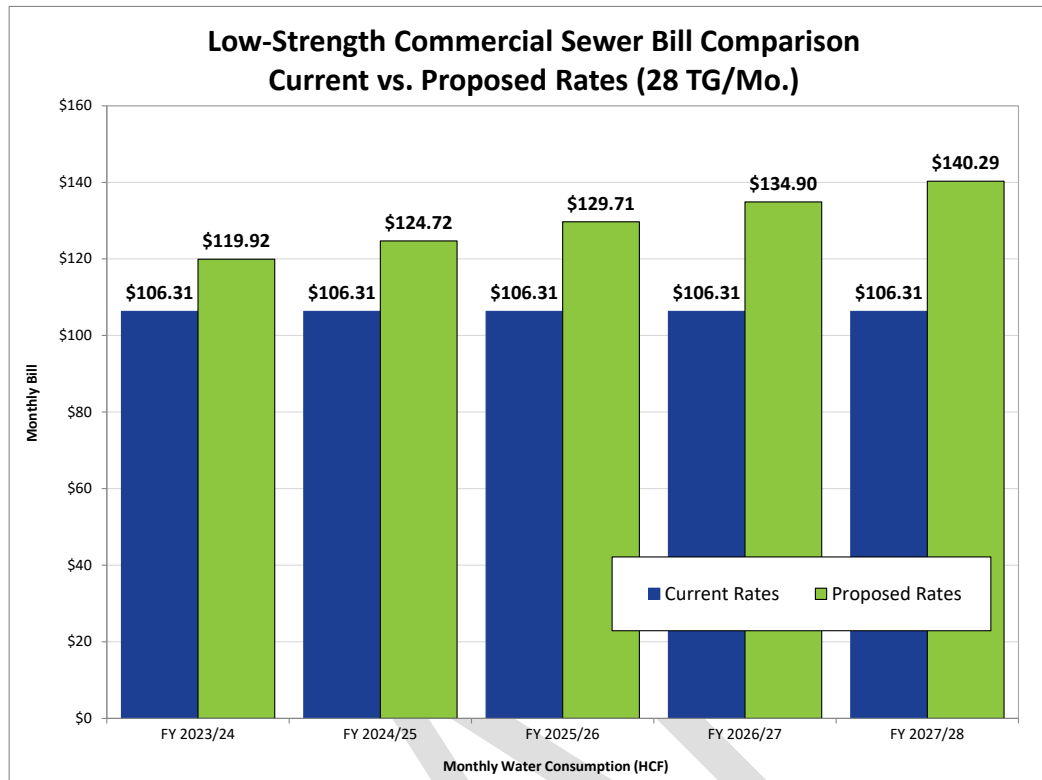


Figure 30. Non-Residential Domestic Strength Wastewater Bill Comparison

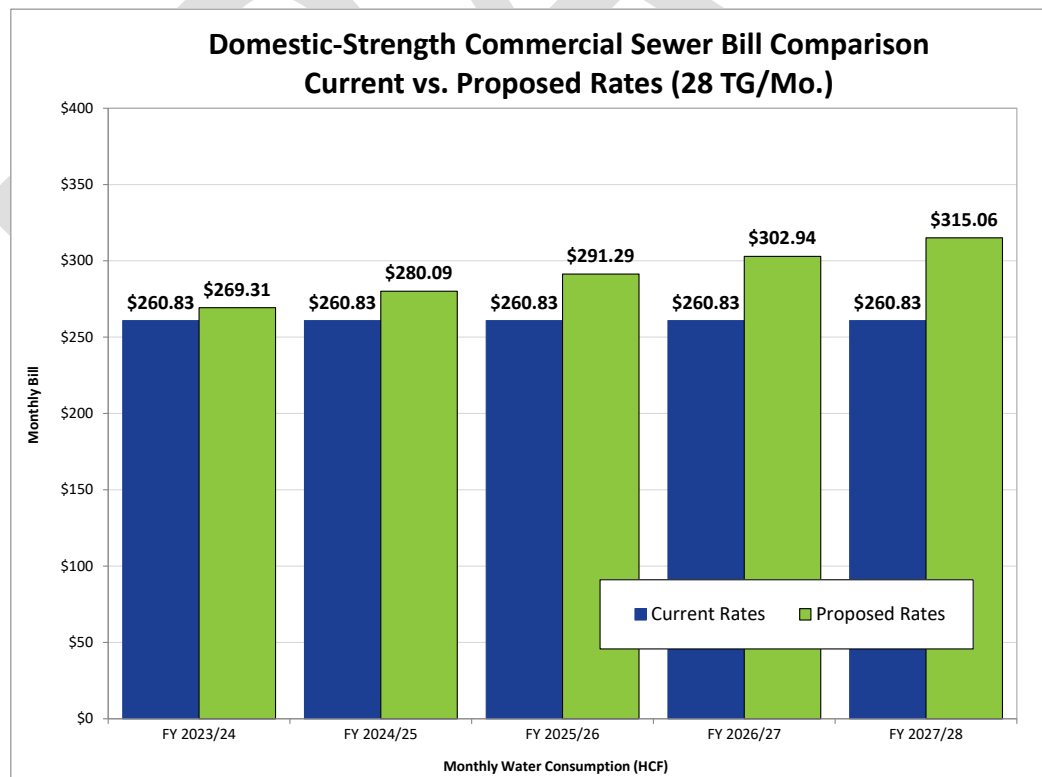


Figure 31. Non-Residential Medium Strength Wastewater Bill Comparison

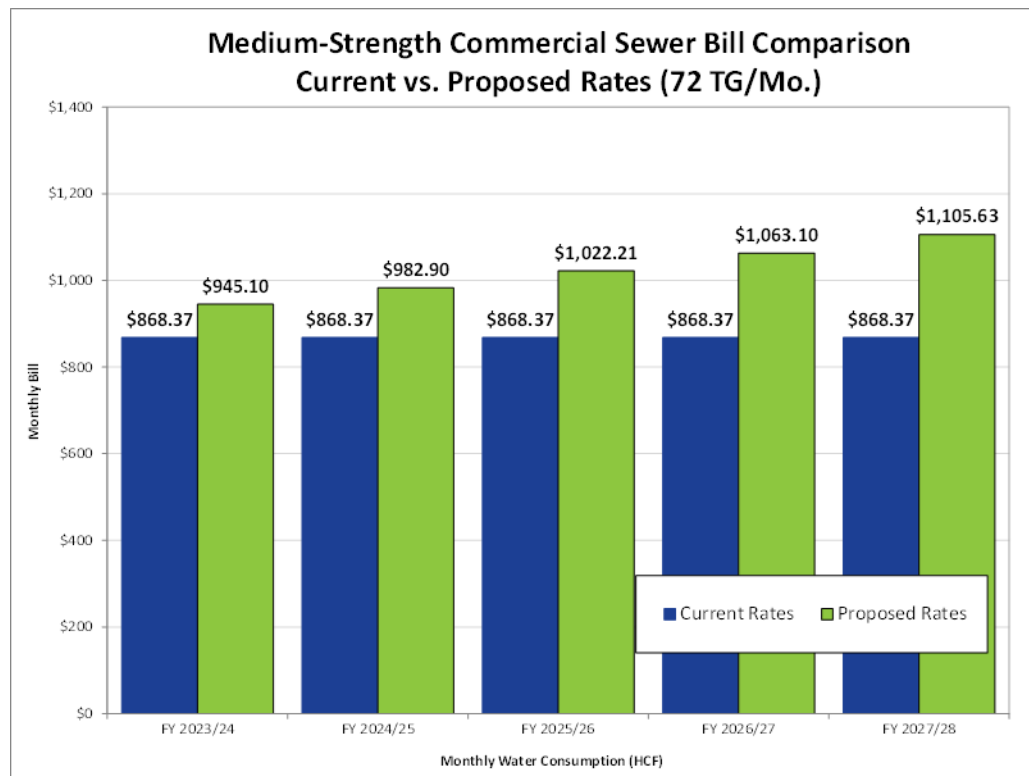


Figure 32. Non-Residential High Strength Wastewater Bill Comparison

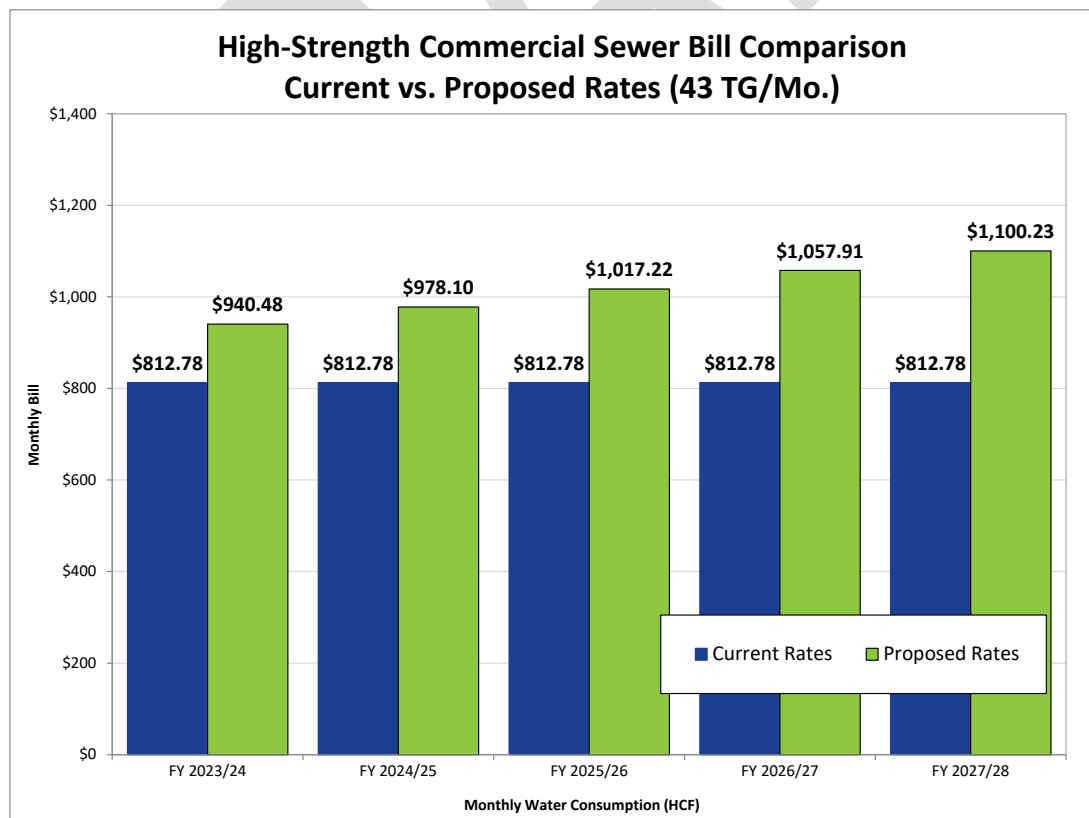
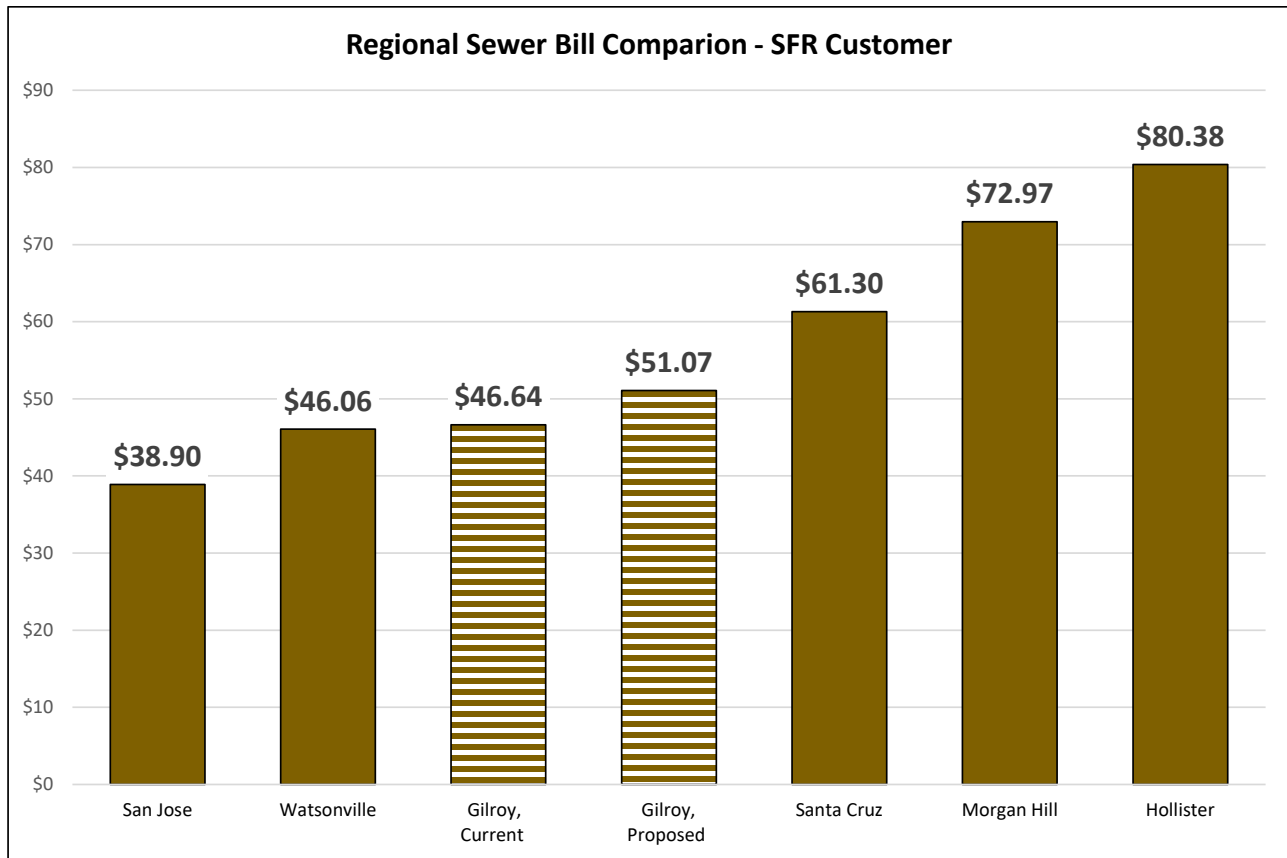


Figure 33. Residential Bills Comparison for Similar Communities



Section 4. Recommendations and Next Steps

A. Consultant Recommendations

NBS recommends the City take the following actions:

- **Approve and Accept this Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations and proceed with the next steps outlined below to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Prop 218 procedural requirements, the City should proceed with implementing the 5-year schedule of proposed rates and rate increases previously shown in Figure 13 and Figure 26. This will help ensure the continued financial health of City's utilities.

B. Next steps

Annually Review Rates and Revenue – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements — particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Technical Appendices provide more detailed information on the analysis of the financial plan, revenue requirements, cost-of-service, and the rate design analyses that have been summarized in this report.

C. NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on several principal assumptions and considerations regarding financial matters, conditions, and events that may occur in the future. This information and these assumptions, including the City's budgets, capital improvement costs, customer accounts and consumption, and information from City staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Technical Appendices

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Appendix A. Water Rate Study Tables and Figures

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CITY OF GILROY
WATER RATE STUDY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Water Funds						
Rate Revenue: ¹						
User Fees	\$ 13,665,000	\$ 13,939,000	\$ 14,218,000	\$ 14,431,270	\$ 14,647,739	\$ 14,867,455
Other Revenue:						
Connect/Install Charges	105,000	110,000	112,000	113,680	115,385	117,116
Bank Interest & Misc. ²	488,737	499,621	509,514	5,075	5,151	5,228
Total Sources of Funds	\$ 14,258,737	\$ 14,548,621	\$ 14,839,514	\$ 14,550,025	\$ 14,768,275	\$ 14,989,800
Uses of Water Funds						
Operating Expenses: ¹						
Water Administration	\$ 2,759,176	\$ 3,460,721	\$ 3,533,818	\$ 3,636,249	\$ 3,748,440	\$ 3,864,096
Finance Water Utility Billing	873,507	1,047,309	1,077,076	1,095,995	1,133,828	1,172,968
Water Operations	4,983,992	6,952,444	6,568,972	6,810,814	7,061,889	7,322,564
Valley Water	3,293,972	4,641,000	4,873,050	5,116,703	5,372,538	5,641,165
Additional Capital Expenditures	-	404,450	404,450	-	-	-
Subtotal: Operating Expenses	\$ 11,910,647	\$ 16,505,924	\$ 16,457,366	\$ 16,659,760	\$ 17,316,694	\$ 18,000,793
Other Expenditures:						
New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 453,067	\$ 906,134
Rate-Funded Capital Expenses	-	-	-	-	-	-
Subtotal: Other Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 453,067	\$ 906,134
Total Uses of Water Funds	\$ 11,910,647	\$ 16,505,924	\$ 16,457,366	\$ 16,659,760	\$ 17,769,761	\$ 18,906,927
plus: Revenue from Rate Increases ³	-	557,560	1,745,841	2,900,027	3,817,967	4,624,944
Annual Surplus/(Deficit) After Rate Increases	\$ 2,348,090	\$ (1,399,743)	\$ 127,988	\$ 790,292	\$ 816,481	\$ 707,816
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 11,316,910	\$ 15,896,303	\$ 15,835,852	\$ 16,541,005	\$ 17,649,225	\$ 18,784,583
Total Rate Revenue After Rate Increases	\$ 13,665,000	\$ 14,496,560	\$ 15,963,841	\$ 17,331,297	\$ 18,465,706	\$ 19,492,400
Projected Annual Rate Revenue Increase	0.00%	8.00%	8.00%	6.00%	4.00%	4.00%
Cumulative Increase from Annual Revenue Increases	0.00%	8.00%	16.64%	23.64%	28.58%	33.73%
Debt Coverage After Rate Increase	N/A	N/A	N/A	N/A	2.80	1.78

1. Revenue and expenses for FY 2022/23 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 9 (See Exhibit 1 (O&M) Tab). Source file: FY23 Budgets.xlsx.
2. Interest income for FY FY 2022/23 is from the City's Budget. For all other years, it is calculated based on historical LAIF returns.
3. Revenue from rate increases assumes an implementation date of April 1, 2023 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

3	<-- Select Financial Plan Scenario Here					
Financial Plan Alternatives	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
1 Alt 1 - No Annual Rate Increases/No New Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Alt 2 - Gen. Infl. Rate Increases/New Rev. Bonds	0.00%	3.50%	3.50%	3.50%	3.50%	3.50%
3 Alt 3 - Custom Rate Increases/New Rev. Bonds	0.00%	8.00%	8.00%	6.00%	4.00%	4.00%
4 Alt 4 - Full CIP/No New Debt	0.00%	12.00%	12.00%	12.00%	8.00%	6.00%
CIP Funding Plan:						
2	85% Funding of CIP, at actual cost & timing					

CITY OF GILROY
WATER RATE STUDY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Unrestricted Reserve:						
Total Beginning Cash¹	\$ 29,603,445					
Operating Reserve						
Beginning Reserve Balance ²	\$ 6,000,000	\$ 5,955,000	\$ 4,555,257	\$ 4,683,245	\$ 5,473,537	\$ 6,290,019
Plus: Net Cash Flow (After Rate Increases)	2,348,090	(1,399,743)	127,988	790,292	816,481	707,816
Less: Transfer out to Capital and Infrastructure Reserve	(2,393,090)	-	-	-	-	-
Ending Operating Reserve Balance	\$ 5,955,000	\$ 4,555,257	\$ 4,683,245	\$ 5,473,537	\$ 6,290,019	\$ 6,997,835
Target Ending Balance (6 Months of O&M)²	\$ 5,955,000	\$ 8,253,000	\$ 8,229,000	\$ 8,330,000	\$ 8,658,000	\$ 9,000,000
Capital Rehabilitation & Replacement Reserve						
Beginning Reserve Balance	\$ 23,603,445	\$ 25,382,158	\$ 22,643,278	\$ 8,114,397	\$ 7,583,609	\$ 7,583,609
Plus: Transfer of Operating Reserve Surplus	2,393,090	-	-	-	-	-
Less: Use of Reserves for Capital Projects	(614,378)	(2,738,879)	(14,528,882)	(530,788)	-	(365,779)
Ending Capital and Infrastructure Reserve Balance	\$ 25,382,158	\$ 22,643,278	\$ 8,114,397	\$ 7,583,609	\$ 7,583,609	\$ 7,217,830
Target Ending Balance (50% of Avg. CIP Costs)³	\$ 4,140,000	\$ 4,140,000	\$ 4,140,000	\$ 4,140,000	\$ 4,140,000	\$ 4,140,000
Ending Balance - Unrestricted Reserves	\$ 31,337,158	\$ 27,198,535	\$ 12,797,642	\$ 13,057,146	\$ 13,873,627	\$ 14,215,665
Min. Target Ending Balance -Excl. Restricted Reserves	\$ 10,095,000	\$ 12,393,000	\$ 12,369,000	\$ 12,470,000	\$ 12,798,000	\$ 13,140,000
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 21,242,158	\$ 14,805,535	\$ 428,642	\$ 587,146	\$ 1,075,627	\$ 1,075,665

1. Beginning cash balances provided by City staff for Fund 705 - Water Operations. Source file: *Account Trial Balance FY22 - 430-435-700-705.pdf*.
2. The target ending balance is set equal to 6 months of O&M expenses.
3. The target ending balance is set equal to 50% of average CIP costs for the 5-year rate adoption period. See *Exhibit 2 (CIP)* for details.

TABLE 3 : RESERVE FUND SUMMARY, cont.

SUMMARY OF CASH ACTIVITY	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Restricted Reserve:¹						
Water Impact Fee Reserve (provided for informational purposes only)						
Beginning Reserve Balance	\$ 6,053,344	\$ 5,887,790	\$ 2,632,956	\$ 4,254,889	\$ 5,195,043	\$ 5,540,615
Plus: Interest Earnings & Misc.	99,508	107,507	109,421	47,557	48,451	49,368
Plus: Capacity Fee Revenue	319,569	478,204	1,512,512	892,597	297,121	363,752
Less: Use of Reserves for Capital Projects	(584,631)	(3,840,545)	-	-	-	-
Ending Connection Fee Fund Balance	\$ 5,887,790	\$ 2,632,956	\$ 4,254,889	\$ 5,195,043	\$ 5,540,615	\$ 5,953,735
Debt Reserve						
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,067
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	453,067	453,067
Plus: Interest Earnings	-	-	-	-	-	3,838
Ending Debt Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ 453,067	\$ 909,972
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 453,067	\$ 906,134
Annual Interest Earnings Rate²	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%

1. The beginning cash balances provided by the City. Source file: *Account Trial Balance FY22 - 430-435-700-705.pdf*.
2. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2018-2022). The source is the California State Treasurer's website: <https://www.treasurer.ca.gov/pmio-laif/historical/annual.asp>.

CHART 1

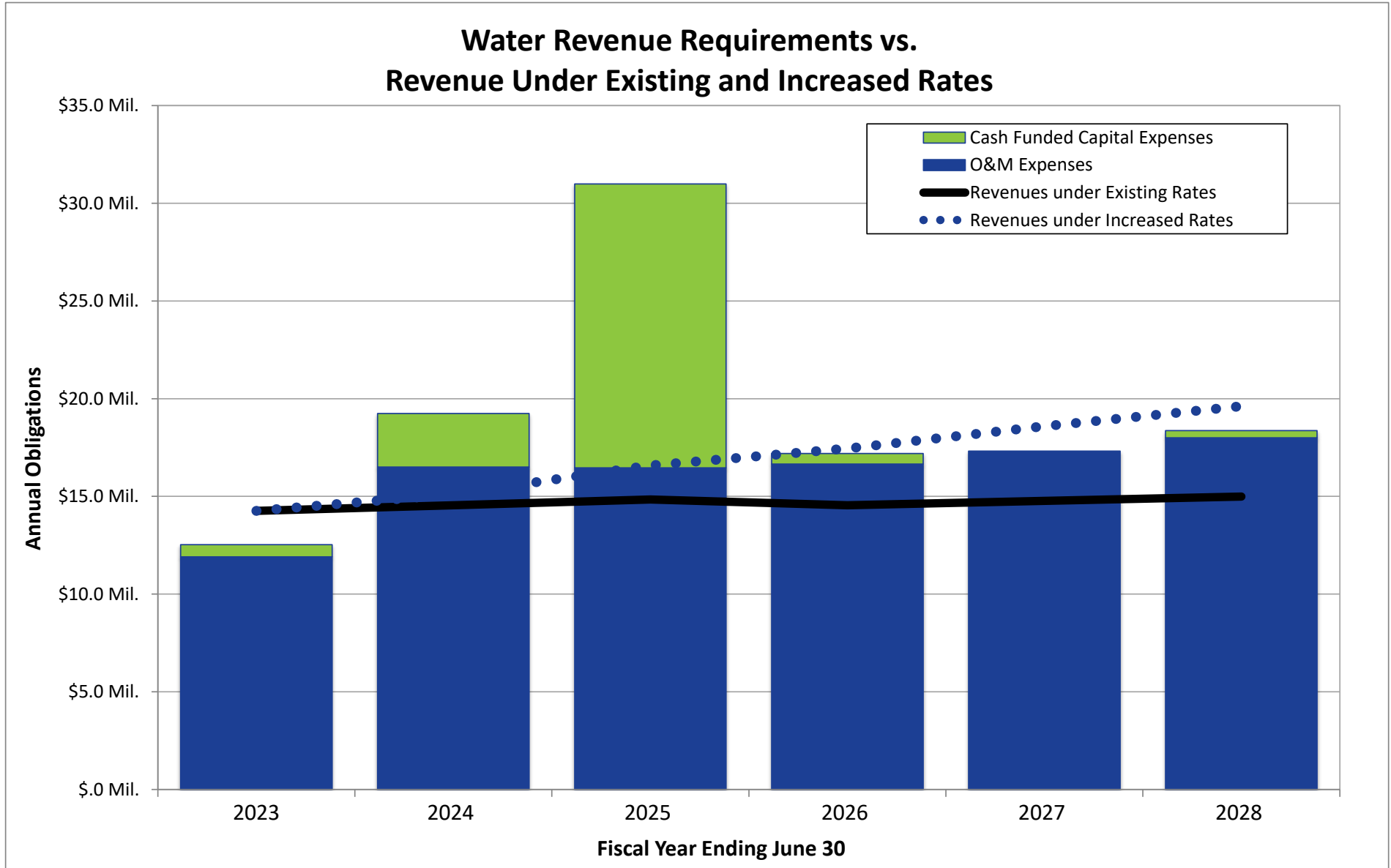
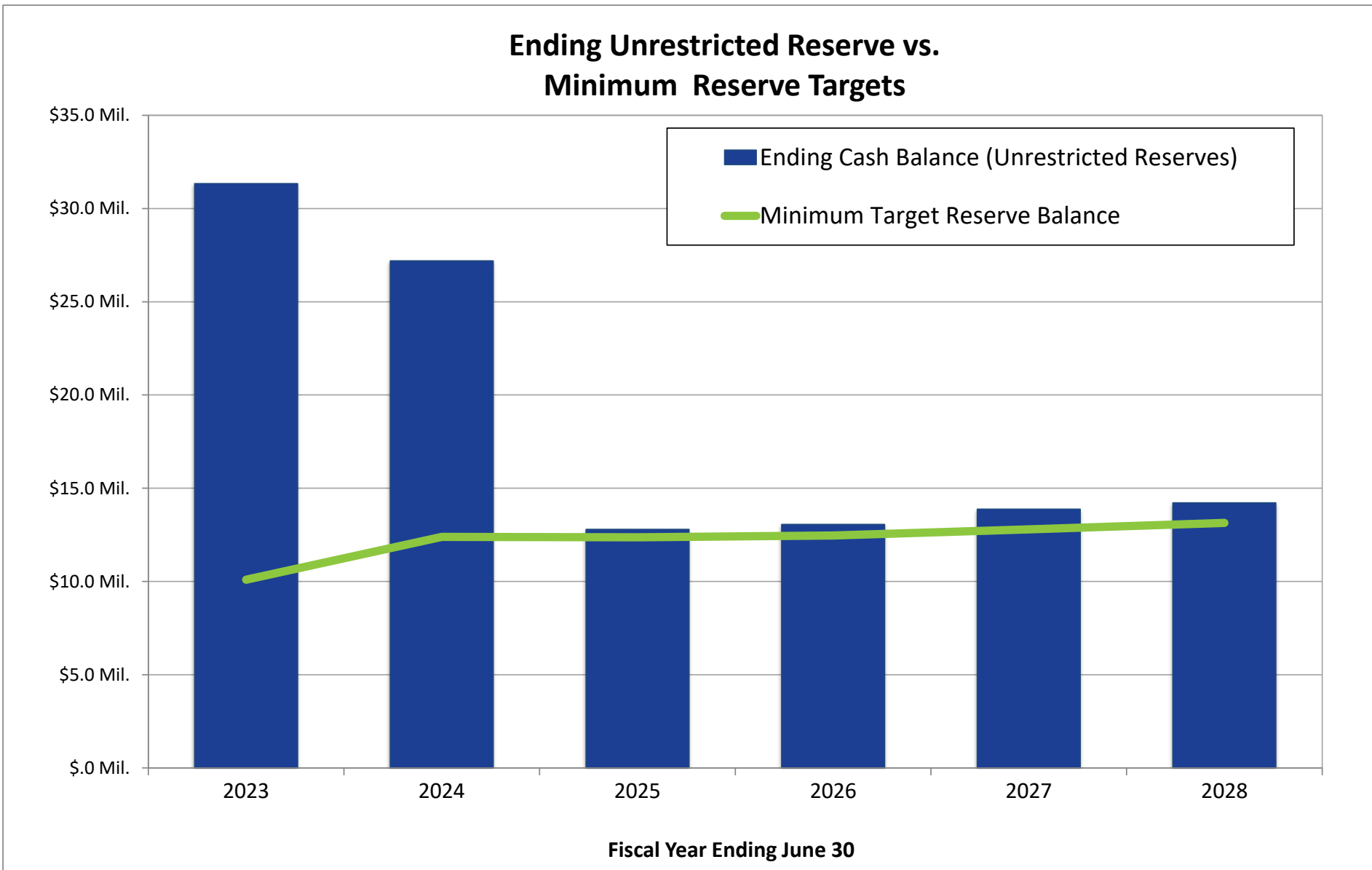


CHART 2



CITY OF GILROY
WATER RATE STUDY
Operating Revenue and Expenses

Exhibit 1

TABLE 4 REVENUE FORECAST¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Rate Revenue										
705	8000	705 -80-8000-000-45120	User Fees	1	\$ 13,665,000	\$ 13,939,000	\$ 14,218,000	\$14,431,270	\$14,647,739	\$14,867,455
Other Revenue										
705	8000	705 -80-8000-000-45140	Connect/Install Charges	1	105,000	110,000	112,000	113,680	115,385	117,116
705	8000	705 -80-8000-000-45145	Overhead Revenue	1	-	-	-	-	-	-
705	8000	705 -80-8000-000-46110	Bank Interest	See FP	483,737	494,621	504,514	-	-	-
705	8000	705 -80-8000-000-47810	Miscellaneous Revenues	1	5,000	5,000	5,000	5,075	5,151	5,228
Subtotal - Other Revenue					593,737	609,621	621,514	118,755	120,536	122,344
Water Impact Fee Revenue										
435	5500	435 -55-5500-000-45150	Developer's Impact Fee	1	319,569	478,204	1,512,512	892,597	297,121	363,752
435	5500	435 -55-5500-000-46110	Bank Interest	1	93,615	95,721	97,635	35,771	36,665	37,582
435	5500	435 -55-5500-000-48110	Interfund Transfer In	7	5,893	11,786	11,786	11,786	11,786	11,786
TOTAL: REVENUE					\$ 14,677,814	\$ 15,134,332	\$ 16,461,447	\$ 15,490,179	\$ 15,113,847	\$ 15,402,920

CITY OF GILROY
WATER RATE STUDY
Operating Revenue and Expenses

Exhibit 1

TABLE 5 OPERATING EXPENSE FORECAST¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 705 - Water Operations										
8000 - Water Administration										
705	8000	705 -80-8000-000-50120	Wages/Part Time	3	\$ 43,597	\$ 125,000	\$ 125,000	\$ 129,375	\$ 133,903	\$ 138,590
705	8000	705 -80-8000-000-50215	Retirement (Part Time)	3	632	2,813	2,813	2,911	3,013	3,119
705	8000	705 -80-8000-000-50220	Medicare	3	705	1,813	1,813	1,876	1,942	2,010
705	8000	705 -80-8000-000-51510	Professional Support	3	-	26,000	26,000	26,910	27,852	28,827
705	8000	705 -80-8000-000-51620	Audit Services	2	8,700	-	-	-	-	-
705	8000	705 -80-8000-000-51630	Contractual Services	2	-	6,500	6,400			
705	8000	706 -80-8000-000-54110	Interfund Transfer Out	2	13,796					
705	8000	705 -80-8000-000-54130	Fleet Service Charge	2	75,931	98,943	100,692	103,779	106,961	110,241
705	8000	705 -80-8000-000-54140	Facility Service Charge	2	124,543	294,076	316,145	325,838	335,829	346,126
705	8000	705 -80-8000-000-54145	Info Tech Service Charge	2	454,960	606,926	558,596	575,723	593,376	611,570
705	8000	705 -80-8000-000-54150	Overhead Charges	2	1,558,875	1,779,498	1,854,574	1,911,438	1,970,045	2,030,450
705	8000	705 -80-8000-000-54155	Liability Insurance Charges	2	401,933	430,902	452,735	466,617	480,924	495,669
705	8000	705 -80-8000-000-57145	Water Conservation	2	60,504	72,500	72,500	74,723	77,014	79,375
705	8000	705 -80-8000-000-58130	Claims	2	15,000	15,750	16,550	17,057	17,580	18,119
Subtotal - Water Administration					\$ 2,759,176	\$ 3,460,721	\$ 3,533,818	\$ 3,636,249	\$ 3,748,440	\$ 3,864,096
8010 - Finance Water Utility Billing										
705	8010	705 -80-8010-000-50110	Salaries	3	\$ 455,813	\$ 580,139	\$ 620,284	\$ 641,994	\$ 664,464	\$ 687,720
705	8010	705-80-8020-000-50110	Utility Billing Sup/Sen. Acct.	3	-	-	-	-	-	-
705	8010	705 -80-8010-000-50114	Earned Leave Cashout	3	5,519	-	-	-	-	-
705	8010	705 -80-8010-000-50120	Wages/Part Time	3	23,048	33,750	21,788	22,551	23,340	24,157
705	8010	705 -80-8010-000-50130	Overtime	3	14,000	10,000	10,000			
705	8010	705 -80-8010-000-50150	Overtime Meals	3	30	-	-			
705	8010	705 -80-8010-000-50205	Workers Comp	3	2,023	2,411	2,521	2,610	2,701	2,796
705	8010	705 -80-8010-000-50210	Retirement (Full Time)	3	48,749	69,133	71,870	74,385	76,989	79,683
705	8010	705 -80-8010-000-50212	Deferred Compensation	3	1,176	2,016	2,016	2,087	2,160	2,235
705	8010	705 -80-8010-000-50213	UAL Retirement	3	82,911	88,913	95,465	98,806	102,264	105,843
705	8010	705 -80-8010-000-50215	Retirement (Part Time)	3	18	759	490	507	525	544
705	8010	705 -80-8010-000-50220	Medicare	3	7,467	9,053	9,466	9,797	10,140	10,495
705	8010	705 -80-8010-000-50225	Health Insurance Benefits	3	105,332	113,442	113,594	117,570	121,685	125,944
705	8010	705 -80-8010-000-50230	Life Insurance Benefits	3	778	757	779	806	834	863
705	8010	705 -80-8010-000-50235	Employee Assistance Prog	3	935	1,087	1,109	1,148	1,188	1,230
705	8010	705 -80-8010-000-50240	Unemployment Insurance	3	805	912	959	992	1,027	1,063
705	8010	705 -80-8010-000-50255	Misc Disability Insurance	3	984	1,260	1,260	1,304	1,350	1,397
705	8010	705 -80-8010-000-50260	Retiree Medical	3	-	900	900			
705	8010	705 -80-8010-000-51110	Employee Training	2	-	3,400	3,400			
705	8010	705 -80-8010-000-51120	Employee Travel, Food,Lodge	2	669	1,250	1,250			
705	8010	705 -80-8010-000-51430	Postage	2	50	100	100			
705	8010	705 -80-8010-000-50510	Professional Support	2	2,200	-	-			
705	8010	705 -80-8010-000-51630	Contractual Services	2	119,000	126,025	117,825	121,438	125,161	128,999
705	8010	705 -80-8010-000-52110	Office/Computer Supplies	2	2,000	2,000	2,000			
Subtotal - Finance Water Utility Billing					\$ 873,507	\$ 1,047,309	\$ 1,077,076	\$ 1,095,995	\$ 1,133,828	\$ 1,172,968

CITY OF GILROY
WATER RATE STUDY
Operating Revenue and Expenses

Exhibit 1

TABLE 6 OPERATING EXPENSE FORECAST, cont.¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period					
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
Fund 705 - Water Operations											
8020 - Water Operations											
705	8020	705-80-8020-000-50110	Salaries	3	\$ 1,463,012	\$ 2,269,298	\$ 2,432,834	\$ 2,517,983	\$ 2,606,113	\$ 2,697,327	
705	8020	705-80-8020-000-50110	FT Engineer I/II (Water)	3	-	-	-	-	-	-	
705	8020	705-80-8020-000-50110	Employee Training	3	-	25,000	25,000	25,875	26,781	27,718	
705	8020	705-80-8020-000-50120	Employee Travel, Food, Lodging	3	-	5,000	5,000	5,175	5,356	5,544	
705	8020	705-80-8020-000-50114	Earned Leave Cashout	3	9,000	-	-	-	-	-	
705	8020	705-80-8020-000-50120	Wages/Part Time	3	37,812	-	-	-	-	-	
705	8020	705-80-8020-000-50130	Overtime	3	63,051	73,710	77,395	80,104	82,907	85,809	
705	8020	705-80-8020-000-50150	Overtime Meals	3	-	2,000	2,000	2,070	2,142	2,217	
705	8020	705-80-8020-000-50205	Workers Comp	3	77,758	101,497	106,072	109,785	113,627	117,604	
705	8020	705-80-8020-000-50210	Retirement (Full Time)	3	152,220	271,399	282,934	292,837	303,086	313,694	
705	8020	705-80-8020-000-50212	Deferred Compensation	3	3,772	7,326	7,326	7,582	7,848	8,122	
705	8020	705-80-8020-000-50213	UAL Retirement	3	293,133	353,639	383,140	396,550	410,429	424,794	
705	8020	705-80-8020-000-50215	Retirement (Part Time)	3	521	-	-	-	-	-	
705	8020	705-80-8020-000-50220	Medicare	3	24,353	33,996	36,422	37,697	39,016	40,382	
705	8020	705-80-8020-000-50225	Health Insurance Benefits	3	313,426	460,498	461,940	478,108	494,842	512,161	
705	8020	705-80-8020-000-50230	Life Insurance Benefits	3	2,448	3,144	3,243	3,356	3,474	3,595	
705	8020	705-80-8020-000-50235	Employee Assistance Prog	3	2,911	4,262	4,347	4,499	4,657	4,820	
705	8020	705-80-8020-000-50240	Unemployment Insurance	3	2,794	3,620	3,816	3,950	4,088	4,231	
705	8020	705-80-8020-000-50255	Misc Disability Insurance	3	2,999	4,964	4,964	5,138	5,318	5,504	
705	8020	705-80-8020-000-50260	Retiree Medical	3	2,400	2,400	-	-	-	-	
705	8020	705-80-8020-000-50310	Apparel, Boots, Ppe	2	22,291	30,000	30,000	30,920	31,868	32,845	
705	8020	705-80-8020-000-51410	Utilities	5	921,543	1,013,698	1,064,382	1,120,163	1,178,868	1,240,648	
705	8020	705-80-8020-000-51420	Telecommunications	2	50,000	8,100	8,100	8,348	8,604	8,868	
705	8020	705-80-8020-000-51510	Professional Support	2	2,153	5,000	5,000	5,153	5,311	5,474	
705	8020	705-80-8020-000-51630	Contractual Services	2	376,939	1,128,400	450,000	463,798	478,018	492,675	
705	8020	705-80-8020-000-52110	Office/Computer Supplies	2	4,026	15,000	15,000	15,460	15,934	16,423	
705	8020	705-80-8020-000-52150	Department Supplies	2	51,494	60,000	60,000	61,840	63,736	65,690	
705	8020	705-80-8020-000-52210	Repairs & Maintenance	2	147,625	250,000	250,000	257,665	265,566	273,708	
705	8020	705-80-8020-000-52220	Well System Maintenance	2	27,642	150,000	150,000	154,599	159,339	164,225	
705	8020	705-80-8020-000-52310	Equipment Rental	2	33	10,000	10,000	10,307	10,623	10,948	
705	8020	705-80-8020-000-52710	Permits	2	1,973	10,000	10,000	10,307	10,623	10,948	
705	8020	705-80-8020-000-53120	Equipment/Furniture	2	84,337	75,000	75,000	77,300	79,670	82,113	
705	8020	705-80-8020-000-53135	Improvements	2	365,770	-	-	-	-	-	
705	8020	705-80-8020-000-53142	Capital Improvement Plan	See Exh 2	-	-	-	-	-	-	
705	8020	705-80-8020-000-54110	Interfund Transfer Out	2	342,000	433,788	458,181	472,229	486,709	501,632	
705	8020	705-80-8020-000-57150	Valley Water	6	3,293,972	4,641,000	4,873,050	5,116,703	5,372,538	5,641,165	
Subtotal - Water Operations						\$ 8,143,407	\$ 11,451,740	\$ 11,295,146	\$ 11,775,500	\$ 12,277,089	\$ 12,800,885

CITY OF GILROY
WATER RATE STUDY
Operating Revenue and Expenses

Exhibit 1

TABLE 7 OPERATING EXPENSE FORECAST, cont. ¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 705 - Water Operations										
8030 - Water Backflow Prevention										
705	8030	705 -80-8030-000-50110	Salaries	3	\$ 79,465	\$ 74,991	\$ 79,074	\$ 81,842	\$ 84,706	\$ 87,671
705	8030	705 -80-8030-000-50130	Earned Leave Cashout	3	-	-	-	-	-	-
705	8030	705 -80-8030-000-50205	Wages/Part Time	3	-	-	-	-	-	-
705	8030	705 -80-8030-000-50210	Overtime	3	6,460	7,500	7,500	7,763	8,034	8,315
705	8030	705 -80-8030-000-50212	Overtime Meals	3	-	-	-	-	-	-
705	8030	705 -80-8030-000-50213	Compensated Absences	3	-	-	-	-	-	-
705	8030	705 -80-8030-000-50220	Workers Comp	3	5,789	4,450	4,590	4,751	4,917	5,089
705	8030	705 -80-8030-000-50225	Retirement (Full Time)	3	8,537	9,005	9,233	9,556	9,891	10,237
705	8030	705 -80-8030-000-50230	Deferred Compensation	3	249	-	-	-	-	-
705	8030	705 -80-8030-000-50235	Ual Retirement	3	16,763	11,703	12,455	12,891	13,342	13,809
705	8030	705 -80-8030-000-50240	Retirement (Part Time)	3	-	-	-	-	-	-
705	8030	705 -80-8030-000-50255	Medicare	3	1,340	1,197	1,256	1,300	1,345	1,393
705	8030	705 -80-8030-000-51430	Health Insurance Benefits	3	14,085	12,312	12,312	12,743	13,189	13,651
705	8030	705 -80-8030-000-51510	Life Insurance Benefits	3	104	90	92	95	99	102
705	8030	705 -80-8030-000-51630	Employee Assistance Prog	3	137	116	119	123	127	132
705	8030	705 -80-8030-000-52110	Unemployment Insurance	3	157	117	122	126	131	135
705	8030	705 -80-8030-000-50255	Misc Disability Insurance	3	141	123	123	127	132	136
705	8030	705 -80-8030-000-51110	Employee Training	3	-	1,000	1,000	1,035	1,071	1,109
705	8030	705 -80-8030-000-51120	Employee Travel, Food,Lodge	3	-	1,000	1,000	1,035	1,071	1,109
705	8030	705 -80-8030-000-51430	Postage	3	-	100	-	-	-	-
705	8030	705 -80-8030-000-51510	Professional Support	3	1,331	1,000	1,000	1,035	1,071	1,109
705	8030	705 -80-8030-000-51630	Contractual Services	3	-	6,000	6,000	6,210	6,427	6,652
705	8030	705 -80-8030-000-52110	Office/Computer Supplies	3	-	1,000	1,000	1,035	1,071	1,109
705	8030	705 -80-8030-000-52210	Repairs & Maintenance	3	-	10,000	10,000	10,350	10,712	11,087
Subtotal - Water Backflow Prevention					\$ 134,558	\$ 141,704	\$ 146,876	\$ 152,017	\$ 157,337	\$ 162,844

CITY OF GILROY
WATER RATE STUDY
Operating Revenue and Expenses

Exhibit 1

TABLE 8 OPERATING EXPENSE FORECAST, cont.¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 705 - Water Operations										
Additional Capital Expenditures										
705	8020	705-80-8020-000-53120	One-time Vehicles	One-Time	-	404,450	404,450	-	-	-
Subtotal - Additional Expenditures					\$ -	\$ 404,450	\$ 404,450	\$ -	\$ -	\$ -
TOTAL: WATER OPERATIONS EXPENSES					\$ 11,910,647	\$ 16,505,924	\$ 16,457,366	\$ 16,659,760	\$ 17,316,694	\$ 18,000,793

TABLE 9 FORECASTING ASSUMPTIONS

INFLATION FACTORS ²	Basis	2023	2024	2025	2026	2027	2028
Customer Growth ³	1	--	1.50%	1.50%	1.50%	1.50%	1.50%
General Cost Inflation ⁴	2	--	3.07%	3.07%	3.07%	3.07%	3.07%
Labor Cost Inflation ⁵	3	--	3.50%	3.50%	3.50%	3.50%	3.50%
Electricity ⁶	4	--	5.64%	5.64%	5.64%	5.64%	5.64%
Fuel & Utilities ⁷	5	--	5.24%	5.24%	5.24%	5.24%	5.24%
Water Purchases ⁸	6	--	5.00%	5.00%	5.00%	5.00%	5.00%
No Escalation	7	--	0.00%	0.00%	0.00%	0.00%	0.00%

- Revenue and expenses for FY 2022/23 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 9. Source file: *FY23 Budgets.xlsx*.
- Expenses are inflated each year by the following annual inflation factor categories.
- Customer growth is based on estimated service area population growth through FY 2044/45. Source file: *Gilroy 2020 UWMP.pdf*, page 3-9.
- General cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
- Labor cost inflation is based on the 5-year average annual change in the Quarterly Census of Employment and Wages for San Francisco County, CA.
- Electricity cost inflation is based on the 5-year average change in the Consumer Price Index for San Francisco County.
- Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.
- The growth for water purchases is estimated at 4% annually and calculated using the City's budgets for FY 2021/22 and FY 2022/23. Source file: *FY23 Budgets.xlsx*.

CITY OF GILROY
WATER RATE STUDY
Capital Improvement Plan Expenditures

TABLE 10 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST		Budget	5-Year Projected Rate Period				
Funding Sources:		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Grants		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Fee Reserves		584,631	3,840,545	-	-	-	-
SRF Loan Funding		-	-	-	-	-	-
Use of New Revenue Bond Proceeds		-	-	-	6,000,000	6,000,000	4,000,000
Use of Capital Rehabilitation and Replacement Reserve		614,378	2,738,879	14,528,882	530,788	-	365,779
Rate Revenue		-	-	-	-	-	-
Total Sources of Capital Funds		\$ 1,199,009	\$ 6,579,425	\$ 14,528,882	\$ 6,530,788	\$ 6,000,000	\$ 4,365,779
Uses of Capital Funds:							
Total Project Costs		\$ 1,199,009	\$ 6,579,425	\$ 14,528,882	\$ 6,530,788	\$ 3,199,919	\$ 4,365,779
Capital Funding Surplus (Deficiency)		\$ -	\$ -	\$ -	\$ -	\$ 2,800,082	\$ -
SRF Loan Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Revenue Bond Proceeds		\$ -	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000	\$ 4,000,000

Financial Plan Scenario:

3	Alt 3 - Custom Rate Increases/New Rev. Bonds
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CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Insert policy choice in box to right, based on options listed below:		2					
Policy Choice		2023	2024	2025	2026	2027	2028
1	Full Funding of CIP, at actual cost & timing	\$ 1,410,599	\$ 7,740,500	\$ 17,092,802	\$ 7,683,280	\$ 3,764,610	\$ 5,136,210
2	85% Funding of CIP, at actual cost & timing	\$ 1,199,009	\$ 6,579,425	\$ 14,528,882	\$ 6,530,788	\$ 3,199,919	\$ 4,365,779
3	60% Funding of CIP, at actual cost & timing	\$ 846,359	\$ 4,644,300	\$ 10,255,681	\$ 4,609,968	\$ 2,258,766	\$ 3,081,726
Capital Improvement Program Funding Choice		2023	2024	2025	2026	2027	2028
Effective Annual Funding Amount		\$ 1,199,009	\$ 6,579,425	\$ 14,528,882	\$ 6,530,788	\$ 3,199,919	\$ 4,365,779

CITY OF GILROY
WATER RATE STUDY
Capital Improvement Plan Expenditures

CAPITAL IMPROVEMENT PROGRAM

TABLE 11 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year Dollars)

Project No.	Description	2023	2024	2025	2026 ²	2027	2028
<i>Capital Improvement Program - Fiscal Year 2023 to Fiscal Year 2028</i>							
800250	Casey and Swanston Water Line Replacement	\$ -	\$ 466,707	\$ 2,825,800	\$ -	\$ -	\$ -
800310	Automated Flexnet Water Meter Installation	794,200	612,700	612,700	-	-	-
800590	Broadway and Sargent Water Line Replacement	-	-	185,295	877,600	-	-
800600	Church and Gurries Water Line Replacement	-	86,966	314,600	-	-	-
800610	Church Street - Welburn to First Water Line Replacement	-	-	250,335	1,173,400	-	-
800620	Forest and Eighth Water Line Replacement	-	89,974	369,200	-	-	-
800630	Steel Water Service Line Replacement Citywide	-	104,280	104,280	104,280	104,280	104,280
900740	Monterey-Leavesley to Ronan Water Line Replacement	-	-	821,473	4,651,900	-	-
800640	Monterey and Eighth Water Line Replacement	-	-	101,325	406,700	-	-
800650	Abandon 2" Water Line from 7041 to 7161 Monterey Street	-	108,900	847,000	-	-	-
800660	Murray at Burke Water Line Reroute	-	-	133,794	469,400	-	-
800670	Saint Louise Hospital Large Water Meter Replacement	-	63,200	-	-	-	-
800690	Water Reservoirs A and B - Painting	-	483,200	-	-	-	-
800700	Water Reservoirs A and B - Retrofit Overflow Piping	-	482,000	-	-	-	-
800710	Water Well Nos. 1 and 4 Compliance Improvements	-	82,600	-	-	-	-
800720	Water Well Nos. 1, 2, 4 and 6 Upgrade Improvements	-	1,025,200	10,527,000	-	-	-
9000730	Martin and Railroad Water Line	-	-	-	-	-	1,371,600
Subtotal - Capital Improvement Program		\$ 794,200	\$ 3,605,727	\$ 17,092,802	\$ 7,683,280	\$ 104,280	\$ 1,475,880
<i>Water System Master Plan Projects ³</i>							
<i>Pipeline Improvements</i>							
P1-1	Zone 1	\$ -	\$ -	\$ -	\$ -	\$ 163,250	\$ 163,250
P1-2	Monterey Hwy / Orsetti Rd / Hwy 101	-	-	-	-	244,430	244,430
P1-3	Monterey Hwy	-	-	-	-	11,690	11,690
P1-4	Murray Ave	-	-	-	-	111,650	111,650
P1-5	Arroyo Cir	-	-	-	-	3,580	3,580
P1-6	Lewis St	-	-	-	-	8,120	8,120
P1-7	Forest St	-	-	-	-	13,550	13,550
P1-8	Gilman Rd / Camino Arroyo	-	-	-	-	15,240	15,240
P1-9	Pacheco Pass Hwy	-	-	-	-	87,810	87,810
P1-10	Camino Arroyo	-	-	-	-	154,290	154,290
P1-11	Cameron Blvd	-	-	-	-	106,580	106,580
P1-12	ROW	-	-	-	-	82,230	82,230
P1-13	ROW / Cameron Blvd	-	-	-	-	230,400	230,400
P1-14	Luchessa Ave	-	-	-	-	328,850	328,850
P1-15	Thomas Rd	-	-	-	-	155,300	155,300
P1-16	Rossi Ln	-	-	-	-	138,560	138,560
P1-17	ROW	-	-	-	-	91,860	91,860
P1-18	ROW	-	-	-	-	146,670	146,670
P1-19	Garlic Farm Wy / Southside Dr	-	-	-	-	234,970	234,970
P1-20	Southside Dr	-	-	-	-	33,510	33,510
P1-21	Southside Dr	-	-	-	-	152,770	152,770
P1-22	Santa Teresa Blvd	-	-	-	-	14,230	14,230
<i>Storage Reservoir Improvements</i>							
3H-1	Construct an additional storage at existing 3D site	-	-	-	-	20,790	20,790
<i>Groundwater Well Improvements</i>							
GW-10	Intersection of San Ysidro Ave and Las Animas Ave	-	-	-	-	370,000	370,000
GW-11	Intersection of Camino Arroyo and Renz Lane	-	-	-	-	370,000	370,000
GW-12	Intersection of Wren Ave and Vickery Lane	-	-	-	-	370,000	370,000
Subtotal - Master Plan Projects		\$ -	\$ -	\$ -	\$ -	\$ 3,660,330	\$ 3,660,330
<i>Impact Fee Projects ⁴</i>							
800050	McCarthy Site Well (Well #9)	\$ 562,145	\$ 3,550,800	\$ -	\$ -	\$ -	\$ -
Subtotal - Impact Fee Projects		\$ 562,145	\$ 3,550,800	\$ -	\$ -	\$ -	\$ -
<i>Estimated Future Projects</i>							
Future Projects ⁵		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: CIP Program Costs (Current-Year Dollars)		\$ 1,356,345	\$ 7,156,527	\$ 17,092,802	\$ 7,683,280	\$ 3,764,610	\$ 5,136,210

CITY OF GILROY
WATER RATE STUDY
Capital Improvement Plan Expenditures

Exhibit 2

TABLE 12 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Future-Year Dollars) ⁶

Project No.	Description	2023	2024	2025	2026 ²	2027	2028
<i>Capital Improvement Program - Fiscal Year 2023 to Fiscal Year 2028</i>							
800250	Casey and Swanston Water Line Replacement	\$ -	\$ 504,790	\$ 2,825,800	\$ -	\$ -	\$ -
800310	Automated Flexnet Water Meter Installation	825,968	662,696	612,700	-	-	-
800590	Broadway and Sargent Water Line Replacement	-	-	185,295	877,600	-	-
800600	Church and Gurries Water Line Replacement	-	94,062	314,600	-	-	-
800610	Church Street - Welburn to First Water Line Replacement	-	-	250,335	1,173,400	-	-
800620	Forest and Eighth Water Line Replacement	-	97,316	369,200	-	-	-
800630	Steel Water Service Line Replacement Citywide	-	112,789	104,280	104,280	104,280	104,280
900740	Monterey-Leavesley to Ronan Water Line Replacement	-	-	821,473	4,651,900	-	-
800640	Monterey and Eighth Water Line Replacement	-	-	101,325	406,700	-	-
800650	Abandon 2" Water Line from 7041 to 7161 Monterey Street	-	117,786	847,000	-	-	-
800660	Murray at Burke Water Line Reroute	-	-	133,794	469,400	-	-
800670	Saint Louise Hospital Large Water Meter Replacement	-	68,357	-	-	-	-
800690	Water Reservoirs A and B - Painting	-	522,629	-	-	-	-
800700	Water Reservoirs A and B - Retrofit Overflow Piping	-	521,331	-	-	-	-
800710	Water Well Nos. 1 and 4 Compliance Improvements	-	89,340	-	-	-	-
800720	Water Well Nos. 1, 2, 4 and 6 Upgrade Improvements	-	1,108,856	10,527,000	-	-	-
9000730	Martin and Railroad Water Line	-	-	-	-	-	1,371,600
Subtotal - Capital Improvement Program		\$ 825,968	\$ 3,899,954	\$ 17,092,802	\$ 7,683,280	\$ 104,280	\$ 1,475,880
<i>Water System Master Plan Projects ³</i>							
<i>Pipeline Improvements</i>							
P1-1	Zone 1	\$ -	\$ -	\$ -	\$ -	\$ 163,250	\$ 163,250
P1-2	Monterey Hwy / Orsetti Rd / Hwy 101	-	-	-	-	244,430	244,430
P1-3	Monterey Hwy	-	-	-	-	11,690	11,690
P1-4	Murray Ave	-	-	-	-	111,650	111,650
P1-5	Arroyo Cir	-	-	-	-	3,580	3,580
P1-6	Lewis St	-	-	-	-	8,120	8,120
P1-7	Forest St	-	-	-	-	13,550	13,550
P1-8	Gilman Rd / Camino Arroyo	-	-	-	-	15,240	15,240
P1-9	Pacheco Pass Hwy	-	-	-	-	87,810	87,810
P1-10	Camino Arroyo	-	-	-	-	154,290	154,290
P1-11	Cameron Blvd	-	-	-	-	106,580	106,580
P1-12	ROW	-	-	-	-	82,230	82,230
P1-13	ROW / Cameron Blvd	-	-	-	-	230,400	230,400
P1-14	Luchessa Ave	-	-	-	-	328,850	328,850
P1-15	Thomas Rd	-	-	-	-	155,300	155,300
P1-16	Rossi Ln	-	-	-	-	138,560	138,560
P1-17	ROW	-	-	-	-	91,860	91,860
P1-18	ROW	-	-	-	-	146,670	146,670
P1-19	Garlic Farm Wy / Southside Dr	-	-	-	-	234,970	234,970
P1-20	Southside Dr	-	-	-	-	33,510	33,510
P1-21	Southside Dr	-	-	-	-	152,770	152,770
P1-22	Santa Teresa Blvd	-	-	-	-	14,230	14,230
<i>Storage Reservoir Improvements</i>							
3H-1	Construct an additional storage at existing 3D site	-	-	-	-	20,790	20,790
<i>Groundwater Well Improvements</i>							
GW-10	Intersection of San Ysidro Ave and Las Animas Ave	-	-	-	-	370,000	370,000
GW-11	Intersection of Camino Arroyo and Renz Lane	-	-	-	-	370,000	370,000
GW-12	Intersection of Wren Ave and Vickery Lane	-	-	-	-	370,000	370,000
Subtotal - Master Plan Projects		\$ -	\$ -	\$ -	\$ -	\$ 3,660,330	\$ 3,660,330
<i>Impact Fee Projects ⁴</i>							
800050	McCarthy Site Well (Well #9)	\$ 584,631	\$ 3,840,545	\$ -	\$ -	\$ -	\$ -
Subtotal - Impact Fee Projects		\$ 584,631	\$ 3,840,545	\$ -	\$ -	\$ -	\$ -
<i>Estimated Future Projects</i>							
Future Projects ⁵		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: CIP Program Costs (Future-Year Dollars)		\$ 1,410,599	\$ 7,740,500	\$ 17,092,802	\$ 7,683,280	\$ 3,764,610	\$ 5,136,210

CITY OF GILROY
WATER RATE STUDY
Capital Improvement Plan Expenditures

Exhibit 2

TABLE 13 : FORECASTING ASSUMPTIONS

Project No.	Description	2023	2024	2025	2026 ²	2027	2028
	Annual Construction Cost Inflation, Per Engineering News Record ⁷	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
	Cumulative Construction Cost Multiplier from 2023	1.04	1.08	1.12	1.17	1.22	1.27

1. Capital project costs provided by City Staff. Source file: *11. Adopted-CIP-FY24-28.pdf*, pages 43, 80-107.
2. Capital projects beginning in FY 2025/26 are unfunded and identified in the City's Capital Improvement Program. These costs have been allocated over a 5-year period from FY 2025/26 through FY 2029/30. Source: *11. Adopted-CIP-FY21-FY25.pdf*, pages 243-246.
3. Capital project costs are from the City's Draft Water System Master Plan (May 2022). Source file: *Draft Water Master Plan.pdf*, Table 8.2, pages 107-108.
4. Capital project funded by impact fees. Source file: *11. Adopted-CIP-FY21-FY25.pdf*, pages 98-99.
5. Future project costs beyond FY 2029/30 were calculated based on the City's 7-year average.
6. The project costs in future-year dollars have been inflated by 4% annually.
7. For reference purposes, the annual Construction Cost Inflation percentage is the 5-year average change in the Construction Cost Index for September 2017-2022 (4.0%). Source: Engineering News Record website (<http://enr.construction.com>).

CITY OF GILROY
WATER RATE STUDY
Debt Service

Exhibit 3

**Currently, the City does not have any outstanding revenue bonds or loans.*

TABLE 14 : EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Repayment Schedules:						
<u>SRF Loan/Revenue Bond</u>						
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	-	-	-	-	-	-
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (\$-Amnt above annual payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE 15 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY WATER RATES

<i>Existing Annual Debt Service</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Existing Annual Coverage Requirement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Existing Debt Reserve Target</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF GILROY
WATER RATE STUDY
Projected Water Rates Under Existing Rate Schedule

Exhibit 4

TABLE 16 : CURRENT WATER RATE SCHEDULE

Water Rate Schedule ^{1,2}	Current Rates July 1, 2019
Base Charges	
Meter Size	
3/4 inch	\$11.53
1 inch	\$19.24
1 1/2 inch	\$38.47
2 inch	\$61.55
3 inch	\$115.39
4 inch	\$192.30
6 inch	\$384.62
8 inch	\$615.37
10 inch	\$884.50
Volumetric Charge for All Water Consumed (in \$/1,000 Gallons)	
Tier 1 - 1-30,000 Gallons	
Zone 1	\$4.39
Zone 2	\$4.93
Zone 3	\$5.52
Tier 2 -30,000+ Gallons	
Zone 1	\$4.93
Zone 2	\$5.47
Zone 3	\$6.06

1. Rates available on the City website. Source: <https://www.cityofgilroy.org/758/Water-and-Wastewater-Rates> .

2. Senior citizens who qualify for PG&E's Care Program may apply for a senior low income discount that gives them an exemption for the monthly base charge and the first 5,000 gallons per month.

CITY OF GILROY
WATER RATE STUDY
Cost-of-Service Analysis & Rate Design

TABLE 17 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Fund 705 - Water Operations							
8000 - Water Administration							
Wages/Part Time	\$ 125,000	\$ 31,250	\$ 31,250	\$ 62,500	25.0%	25.0%	50.0%
Retirement (Part Time)	2,813	703	703	1,407	25.0%	25.0%	50.0%
Medicare	1,813	453	453	907	25.0%	25.0%	50.0%
Professional Support	26,000	6,500	6,500	13,000	25.0%	25.0%	50.0%
Audit Services	-	-	-	-	25.0%	25.0%	50.0%
Contractual Services	6,500	1,625	1,625	3,250	25.0%	25.0%	50.0%
Fleet Service Charge	98,943	24,736	24,736	49,472	25.0%	25.0%	50.0%
Facility Service Charge	294,076	73,519	73,519	147,038	25.0%	25.0%	50.0%
Info Tech Service Charge	606,926	151,732	151,732	303,463	25.0%	25.0%	50.0%
Overhead Charges	1,779,498	444,875	444,875	889,749	25.0%	25.0%	50.0%
Liability Insurance Charges	430,902	107,726	107,726	215,451	25.0%	25.0%	50.0%
Water Conservation	72,500	18,125	18,125	36,250	25.0%	25.0%	50.0%
Claims	15,750	3,938	3,938	7,875	25.0%	25.0%	50.0%
Subtotal - Water Administration	\$ 3,460,721	\$ 865,180	\$ 865,180	\$ 1,730,361	25.0%	25.0%	50.0%
8010 - Finance Water Utility Billing							
Salaries	\$ 580,139	\$ 232,056	\$ 290,070	\$ 58,014	40.0%	50.0%	10.0%
Utility Billing Sup/Sen. Acct.	-	-	-	-	40.0%	50.0%	10.0%
Earned Leave Cashout	-	-	-	-	40.0%	50.0%	10.0%
Wages/Part Time	33,750	13,500	16,875	3,375	40.0%	50.0%	10.0%
Overtime	10,000	4,000	5,000	1,000	40.0%	50.0%	10.0%
Overtime Meals	-	-	-	-	40.0%	50.0%	10.0%
Workers Comp	2,411	964	1,206	241	40.0%	50.0%	10.0%
Retirement (Full Time)	69,133	27,653	34,566	6,913	40.0%	50.0%	10.0%
Deferred Compensation	2,016	806	1,008	202	40.0%	50.0%	10.0%
Ual Retirement	88,913	35,565	44,456	8,891	40.0%	50.0%	10.0%
Retirement (Part Time)	759	304	380	76	40.0%	50.0%	10.0%
Medicare	9,053	3,621	4,527	905	40.0%	50.0%	10.0%
Health Insurance Benefits	113,442	45,377	56,721	11,344	40.0%	50.0%	10.0%
Life Insurance Benefits	757	303	379	76	40.0%	50.0%	10.0%
Employee Assistance Prog	1,087	435	544	109	40.0%	50.0%	10.0%
Unemployment Insurance	912	365	456	91	40.0%	50.0%	10.0%
Misc Disability Insurance	1,260	504	630	126	40.0%	50.0%	10.0%
Retiree Medical	900	360	450	90	40.0%	50.0%	10.0%
Employee Training	3,400	1,360	1,700	340	40.0%	50.0%	10.0%
Employee Travel, Food,Lodge	1,250	500	625	125	40.0%	50.0%	10.0%
Postage	100	40	50	10	40.0%	50.0%	10.0%
Professional Support	-	-	-	-	40.0%	50.0%	10.0%
Contractual Services	126,025	50,410	63,013	12,603	40.0%	50.0%	10.0%
Office/Computer Supplies	2,000	800	1,000	200	40.0%	50.0%	10.0%
Subtotal - Finance Water Utility Billing	\$ 1,047,309	\$ 418,923	\$ 523,654	\$ 104,731	40.0%	50.0%	10.0%

CITY OF GILROY
WATER RATE STUDY
Cost-of-Service Analysis & Rate Design

TABLE 18 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Fund 705 - Water Operations							
8020 - Water Operations							
Salaries	\$ 2,269,298	\$ 1,021,184	\$ 1,134,649	\$ 113,465	45.0%	50.0%	5.0%
Ft Engineer I/li (Water)	-	-	-	-	45.0%	50.0%	5.0%
Employee Training	25,000	11,250	12,500	1,250	45.0%	50.0%	5.0%
Employee Travel, Food, Lodging	5,000	2,250	2,500	250	45.0%	50.0%	5.0%
Earned Leave Cashout	-	-	-	-	45.0%	50.0%	5.0%
Wages/Part Time	-	-	-	-	45.0%	50.0%	5.0%
Overtime	73,710	33,170	36,855	3,686	45.0%	50.0%	5.0%
Overtime Meals	2,000	900	1,000	100	45.0%	50.0%	5.0%
Workers Comp	101,497	45,674	50,749	5,075	45.0%	50.0%	5.0%
Retirement (Full Time)	271,399	122,130	135,700	13,570	45.0%	50.0%	5.0%
Deferred Compensation	7,326	3,297	3,663	366	45.0%	50.0%	5.0%
Ual Retirement	353,639	159,138	176,820	17,682	45.0%	50.0%	5.0%
Retirement (Part Time)	-	-	-	-	45.0%	50.0%	5.0%
Medicare	33,996	15,298	16,998	1,700	45.0%	50.0%	5.0%
Health Insurance Benefits	460,498	207,224	230,249	23,025	45.0%	50.0%	5.0%
Life Insurance Benefits	3,144	1,415	1,572	157	45.0%	50.0%	5.0%
Employee Assistance Prog	4,262	1,918	2,131	213	45.0%	50.0%	5.0%
Unemployment Insurance	3,620	1,629	1,810	181	45.0%	50.0%	5.0%
Misc Disability Insurance	4,964	2,234	2,482	248	45.0%	50.0%	5.0%
Retiree Medical	2,400	1,080	1,200	120	45.0%	50.0%	5.0%
Apparel, Boots, Ppe	30,000	13,500	15,000	1,500	45.0%	50.0%	5.0%
Utilities	1,013,698	456,164	506,849	50,685	45.0%	50.0%	5.0%
Telecommunications	8,100	3,645	4,050	405	45.0%	50.0%	5.0%
Professional Support	5,000	2,250	2,500	250	45.0%	50.0%	5.0%
Contractual Services	1,128,400	507,780	564,200	56,420	45.0%	50.0%	5.0%
Office/Computer Supplies	15,000	6,750	7,500	750	45.0%	50.0%	5.0%
Department Supplies	60,000	27,000	30,000	3,000	45.0%	50.0%	5.0%
Repairs & Maintenance	250,000	112,500	125,000	12,500	45.0%	50.0%	5.0%
Well System Maintenance	150,000	67,500	75,000	7,500	45.0%	50.0%	5.0%
Equipment Rental	10,000	4,500	5,000	500	45.0%	50.0%	5.0%
Permits	10,000	4,500	5,000	500	45.0%	50.0%	5.0%
Equipment/Furniture	75,000	33,750	37,500	3,750	45.0%	50.0%	5.0%
Improvements	-	-	-	-	45.0%	50.0%	5.0%
Capital Improvement Plan	-	-	-	-	45.0%	50.0%	5.0%
Interfund Transfer Out	433,788	195,205	216,894	21,689	45.0%	50.0%	5.0%
Valley Water	4,641,000	4,641,000	-	-	100.0%	0.0%	0.0%
Subtotal - Water Operations	\$ 11,451,740	\$ 7,705,833	\$ 3,405,370	\$ 340,537	67.3%	29.7%	3.0%

CITY OF GILROY
WATER RATE STUDY
Cost-of-Service Analysis & Rate Design

TABLE 19 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Fund 705 - Water Operations							
8030 - Water Backflow Prevention							
Salaries	\$ 74,991	\$ 33,746	\$ 37,496	\$ 3,750	45.0%	50.0%	5.0%
Earned Leave Cashout	-	-	-	-	45.0%	50.0%	5.0%
Wages/Part Time	-	-	-	-	45.0%	50.0%	5.0%
Overtime	7,500	3,375	3,750	375	45.0%	50.0%	5.0%
Overtime Meals	-	-	-	-	45.0%	50.0%	5.0%
Compensated Absences	-	-	-	-	45.0%	50.0%	5.0%
Workers Comp	4,450	2,003	2,225	223	45.0%	50.0%	5.0%
Retirement (Full Time)	9,005	4,052	4,503	450	45.0%	50.0%	5.0%
Deferred Compensation	-	-	-	-	45.0%	50.0%	5.0%
Ual Retirement	11,703	5,266	5,852	585	45.0%	50.0%	5.0%
Retirement (Part Time)	-	-	-	-	45.0%	50.0%	5.0%
Medicare	1,197	539	599	60	45.0%	50.0%	5.0%
Health Insurance Benefits	12,312	5,540	6,156	616	45.0%	50.0%	5.0%
Life Insurance Benefits	90	41	45	5	45.0%	50.0%	5.0%
Employee Assistance Prog	116	52	58	6	45.0%	50.0%	5.0%
Unemployment Insurance	117	53	59	6	45.0%	50.0%	5.0%
Misc Disability Insurance	123	55	62	6	45.0%	50.0%	5.0%
Employee Training	1,000	450	500	50	45.0%	50.0%	5.0%
Employee Travel, Food,Lodge	1,000	450	500	50	45.0%	50.0%	5.0%
Postage	100	45	50	5	45.0%	50.0%	5.0%
Professional Support	1,000	450	500	50	45.0%	50.0%	5.0%
Contractual Services	6,000	2,700	3,000	300	45.0%	50.0%	5.0%
Office/Computer Supplies	1,000	450	500	50	45.0%	50.0%	5.0%
Repairs & Maintenance	10,000	4,500	5,000	500	45.0%	50.0%	5.0%
Subtotal - Water Backflow Prevention	\$ 141,704	\$ 63,767	\$ 70,852	\$ 7,085	45.0%	50.0%	5.0%
Additional Capital Expenditures							
One-Time Vehicles	\$ -	\$ -	\$ -	\$ -	100.0%	0.0%	0.0%
Subtotal - Additional Expenditures	404,450	404,450	-	-	100.0%	0.0%	0.0%
Subtotal - Additional Expenditures	\$ 404,450	\$ 404,450	\$ -	\$ -	100.0%	0.0%	0.0%
Rate-Funded CIP	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%
TOTAL: WATER OPERATIONS EXPENSES	\$ 16,505,924	\$ 9,458,154	\$ 4,865,057	\$ 2,182,714	57.3%	29.5%	13.2%

TABLE 20 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses, continued							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2023/24	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Debt Service Payments							
Outstanding Debt	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%
New Debt Issue - SRF Loan	-	-	-	-	0.0%	100.0%	0.0%
New Debt Issue - Revenue Bond	-	-	-	-	0.0%	100.0%	0.0%
Total Debt Service Payments	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%
Capital Expenditures							
Rate Funded Capital Expenses	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 16,505,924	\$ 9,458,154	\$ 4,865,057	\$ 2,182,714	57.3%	29.5%	13.2%
Less: Non-Rate Revenues							
Other Revenue							
Connect/Install Charges	\$ (110,000)	\$ (63,032)	\$ (32,422)	\$ (14,546)	57.3%	29.5%	13.2%
Overhead Revenue	-	-	-	-	57.3%	29.5%	13.2%
Bank Interest	(494,621)	(283,426)	(145,788)	(65,408)	57.3%	29.5%	13.2%
Miscellaneous Revenues	(5,000)	(2,865)	(1,474)	(661)	57.3%	29.5%	13.2%
NET REVENUE REQUIREMENTS	\$ 15,896,303	\$ 9,108,831	\$ 4,685,373	\$ 2,102,098			
Allocation of Revenue Requirements	100.0%	57.3%	29.5%	13.2%			

CITY OF GILROY
WATER RATE STUDY
Cost-of-Service Analysis & Rate Design

TABLE 21 : ADJUSTMENT TO CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses				
Adjustment for Current Rate Level:	Total	(COM)	(CAP)	(CA)
Test Year (FY 2023/24) Target Rate Rev. After Rate Increases	\$ 15,054,120			
Projected Rate Revenue at Current Rates	\$ 13,939,000			
Test Year (FY 2023/24) Projected Rate Adjustment	8%			
Adjusted Net Revenue Req'ts	\$ 15,054,120	\$ 8,626,247	\$ 4,437,143	\$ 1,990,730
<i>Percent of Revenue</i>	<i>100.0%</i>	<i>57.3%</i>	<i>29.5%</i>	<i>13.2%</i>

TABLE 22 : NET REVENUE REQUIREMENTS PER COSA RESULTS

<i>Net Revenue Requirements - Per COSA Results</i> <i>57% Fixed / 43% Variable</i>	Total Rate Revenue Requirements FY 2023/24	Commodity Related Costs	Capacity Related Costs	Customer Related Costs
Rate-Design Adjustments to Fixed/Variable %	100.0%	57.3%	29.5%	13.2%
Rate-Design Adjustments to Fixed/Variable (\$)	\$15,054,120	\$8,626,247	\$4,437,143	\$1,990,730

TABLE 23 : REVISED NET REVENUE REQUIREMENTS PER COSA RESULTS - ALT. #1

Rate-Design Adjustments to Fixed/Variable %	100.0%	57.0%	30.0%	13.0%
Rate-Design Adjustments to Fixed/Variable % (Rounded)	100.0%	60.0%	30.0%	10.0%
Rate-Design Adjustments to Fixed/Variable (\$)	\$15,054,120	\$9,032,472	\$4,516,236	\$1,505,412

TABLE 24 : REVISED NET REVENUE REQUIREMENTS - 30% FIXED/70% VOLUMETRIC) - ALT. #2

Rate-Design Adjustments to Fixed/Variable %	100.0%	70.0%	21.0%	9.0%
Rate-Design Adjustments to Fixed/Variable (\$) ¹	\$15,054,120	\$10,537,884	\$3,161,365	\$1,354,871

TABLE 25 : REVISED NET REVENUE REQUIREMENTS - (50% FIXED/50% VOLUMETRIC) - ALT. #3

Rate-Design Adjustments to Fixed/Variable %	102.0%	50.0%	40.0%	12.0%
Rate-Design Adjustments to Fixed/Variable (\$) ¹	\$15,054,120	\$7,527,060	\$6,021,648	\$1,806,494

CITY OF GILROY
WATER RATE STUDY
Cost-of-Service Analysis & Rate Design

TABLE 26 : DEVELOPMENT OF THE COMMODITY ALLOCATION FACTOR

Development of the Volumetric/Variable Allocation Factor ¹				
Customer Class	FY 2021/22 (1,000 Gal.yr.)	% Adjustment for Conservation	Est. FY 2021/22 Volume Adjusted for Conservation	FY 2021/22 % of Total Volume (TG/Yr.)
Residential	1,348,786	0.0%	1,348,786	60.6%
Multi-Family	259,687	0.0%	259,687	11.7%
Commercial/Industrial	333,884	0.0%	333,884	15.0%
Institutional	38,459	0.0%	38,459	1.7%
Landscape	231,215	0.0%	231,215	10.4%
City Account	59	0.0%	59	0.0%
Hydrant	14,948	0.0%	14,948	0.7%
Total	2,227,038		2,227,038	100%

1. Consumption data is based on the City of Gilroy's billing data.

Commodity Related Costs: Costs associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

TABLE 27 : DEVELOPMENT OF THE CAPACITY ALLOCATION FACTORS

Development of the PEAK CAPACITY (MAX MONTH) Allocation Factors				
Customer Class	Average Monthly Use (TG)	Peak Monthly Use (TG)	Peak Monthly Factor	Max Month Capacity Factor
Residential	112,399	168,922	1.50	61.1%
Multi-Family	21,641	26,139	1.21	9.5%
Commercial/Industrial	27,824	34,412	1.24	12.4%
Institutional	3,205	6,341	1.98	2.3%
Landscape	19,268	37,423	1.94	13.5%
City Account	5	6	1.22	0.0%
Hydrant	1,246	3,340	2.68	1.2%
Total	185,586	276,583	1.49	100%

1. Based on peak monthly data (peak day data not available).

Capacity Related Costs: Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

TABLE 28 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTORS

Development of the Customer Allocation Factor		
Customer Class	No. of Meters FY 2021/22 ¹	Percent of Total
Residential	13,518	87.2%
Multi-Family	521	3.4%
Commercial/Industrial	858	5.5%
Institutional	34	0.2%
Landscape	515	3.3%
City Account	35	0.2%
Hydrant	19	0.1%
Total	15,500	100.0%

1. Meter count data is based on the City's billing data for June 2022.

Customer Related Costs: Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

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TABLE 29 : ALLOCATION OF WATER REVENUE REQUIREMENTS

Classification Components	ALT. 1 (Preferred) (40% Fixed / 60% Variable)		ALT. 2 (30% Fixed / 70% Variable)	
	Net Rev. Reqts (FY 2023/24)		Net Rev. Reqts (FY 2023/24)	
Commodity-Related Costs	\$ 9,032,472	60.0%	\$ 10,537,884	70.0%
Capacity-Related Costs	4,516,236	30.0%	3,161,365	21.0%
Customer-Related Costs	1,505,412	10.0%	1,354,871	9.0%
Net Revenue Requirement	\$ 15,054,120	100.0%	\$ 15,054,120	100.0%

ALTERNATIVE 3 (50% Fixed / 50% Variable) Cost-of-Service Net Revenue Requirements (FY 2023/24) ¹	
\$ 7,527,060	49.0%
6,021,648	39.0%
1,806,494	12.0%
\$ 15,355,202	100.0%

TABLE 30 : COST-OF-SERVICE SUMMARY OF REVENUE REQUIREMENTS

Customer Class	Allocated Costs FY 2020/21		Allocated Costs FY 2020/21	
	2023/24 COS Rev. Req't	% of COS Rev. Req't.	2023/24 COS Rev. Req't	% of COS Rev. Req't.
Residential	\$ 9,541,651	63.4%	\$ 9,494,615	63.1%
Multi-Family	1,530,618	10.2%	1,573,058	10.4%
Commercial/Industrial	1,999,425	13.3%	2,048,215	13.6%
Institutional	262,825	1.7%	257,430	1.7%
Landscape	1,598,854	10.6%	1,566,826	10.4%
City Account	3,737	0.0%	3,407	0.0%
Hydrant	117,010	0.8%	110,568	0.7%
Total	\$ 15,054,120	100%	\$ 15,054,120	100%

COSA Allocated Costs FY 2020/21	
2023/24 COS Rev. Req't	% of COS Rev. Req't.
\$ 9,811,925	63.9%
1,507,461	9.8%
1,977,699	12.9%
272,002	1.8%
1,656,253	10.8%
4,409	0.0%
125,454	0.8%
\$ 15,355,202	100%

TABLE 31 : ALLOCATION OF UNADJUSTED NET REVENUE REQUIREMENTS - FY 2023/24

Alt. 1 - 40% Fixed / 60% Variable					
Customer Classes	Classification Components			Cost of Service Net Revenue Requirements	% of COS Net Revenue Req'ts
	VARIABLE	FIXED			
	Commodity- Related Costs	Capacity-Related Costs	Customer- Related Costs		
Residential	\$ 5,470,437	\$ 2,758,274	\$ 1,312,941	\$ 9,541,651	63.4%
Multi-Family	1,053,245	426,815	50,558	1,530,618	10.2%
Commercial/Industrial	1,354,175	561,903	83,348	1,999,425	13.3%
Institutional	155,983	103,540	3,302	262,825	1.7%
Landscape	937,767	611,068	50,019	1,598,854	10.6%
City Account	239	98	3,399	3,737	0.0%
Hydrant	60,626	54,538	1,845	117,010	0.8%
Total Net Revenue Requirement	\$ 9,032,472	\$ 4,516,236	\$ 1,505,412	\$ 15,054,120	100%
Total Net Revenue Requirement by Classification Component	VARIABLE \$9,032,472	FIXED \$6,021,648		\$15,054,120	

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TABLE 32 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2023/24 - ALTERNATIVE 2

Number of Meters by Class and Size ¹	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Residential	4,445	8,273	172	459	167	2	0	0	0	13,518
Multi-Family	137	203	84	56	24	17	0	0	0	521
Commercial/Industrial	251	330	0	249	10	14	3	0	1	858
Institutional	0	1	0	15	8	9	1	0	0	34
Landscape	34	182	79	212	4	4	0	0	0	515
City Account	5	7	1	19	2	1	0	0	0	35
Hydrant	0	0	0	0	19	0	0	0	0	19
Total Meters/Accounts	4,872	8,996	336	1,010	234	47	4	0	1	15,500
<i>Hydraulic Capacity Factor</i> ²	<i>1.00</i>	<i>1.67</i>	<i>3.33</i>	<i>5.33</i>	<i>10.67</i>	<i>16.67</i>	<i>33.33</i>	<i>53.33</i>	<i>140.00</i>	
Total Equivalent Meters	4,872	14,993	1,120	5,387	2,496	783	133	0	140	29,925
Monthly Fixed Service Charges										
Customer Costs (\$/Acct/month) ³	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	\$8.09	
Capacity Costs (\$/Acct/month) ⁴	\$12.58	\$20.96	\$41.92	\$67.08	\$134.15	\$209.61	\$419.22	\$670.76	\$1,760.74	
Total Monthly Meter Charge	\$20.67	\$29.05	\$50.02	\$75.17	\$142.24	\$217.70	\$427.32	\$678.85	\$1,768.83	
Annual Fixed Costs Allocated to Monthly Meter Charges										
Customer Costs	\$ 1,505,412									
Capacity Costs	4,516,236									
Total Fixed Meter Costs	\$ 6,021,648									
Annual Revenue from Monthly Meter Charges										
Customer Charges	\$ 473,185	\$ 873,722	\$ 32,633	\$ 98,095	\$ 22,727	\$ 4,565	\$ 388	\$ -	\$ 97	\$ 1,505,412
Capacity Charges	\$ 735,283	\$ 2,262,797	\$ 169,031	\$ 812,957	\$ 376,697	\$ 118,221	\$ 20,123	\$ -	\$ 21,129	\$ 4,516,236
Total Rev. from Mo. Meter Charges	\$ 1,208,468	\$ 3,136,518	\$ 201,664	\$ 911,051	\$ 399,424	\$ 122,786	\$ 20,511	\$ -	\$ 21,226	\$ 6,021,648

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

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TABLE 33 : ALLOCATION OF UNADJUSTED NET REVENUE REQUIREMENTS - FY 2023/24

Alt. 2 - 30% Fixed / 70% Variable					
Customer Classes	Classification Components			Cost of Service Net Rev. Req'ts	% of COS Net Revenue Req'ts
	VARIABLE	FIXED			
	Commodity- Related Costs	Capacity-Related Costs	Customer- Related Costs		
Residential	\$ 6,382,176	\$ 1,930,792	\$ 1,181,647	\$ 9,494,615	63.1%
Multi-Family	1,228,786	298,771	45,502	1,573,058	10.4%
Commercial/Industrial	1,579,871	393,332	75,013	2,048,215	13.6%
Institutional	181,980	72,478	2,972	257,430	1.7%
Landscape	1,094,062	427,748	45,017	1,566,826	10.4%
City Account	279	69	3,059	3,407	0.0%
Hydrant	70,731	38,176	1,661	110,568	0.7%
Total Net Revenue Requirement	\$ 10,537,884	\$ 3,161,365	\$ 1,354,871	\$ 15,054,120	99%
Total Net Revenue Requirement by Classification Component	VARIABLE \$10,537,884	FIXED \$4,516,236		\$15,054,120	

TABLE 34 : CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES FOR FY 2023/24 - ALTERNATIVE 1

Alt. 2 - 30% Fixed / 70% Variable										
Number of Meters by Class and Size ¹	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Residential	4,445	8,273	172	459	167	2	0	0	0	13,518
Multi-Family	137	203	84	56	24	17	0	0	0	521
Commercial/Industrial	251	330	0	249	10	14	3	0	1	858
Institutional	0	1	0	15	8	9	1	0	0	34
Landscape	34	182	79	212	4	4	0	0	0	515
City Account	5	7	1	19	2	1	0	0	0	35
Hydrant	0	0	0	0	19	0	0	0	0	19
Total Meters/Accounts	4,872	8,996	336	1,010	234	47	4	0	1	15,500
<i>Hydraulic Capacity Factor²</i>	<i>1.00</i>	<i>1.67</i>	<i>3.33</i>	<i>5.33</i>	<i>10.67</i>	<i>16.67</i>	<i>33.33</i>	<i>53.33</i>	<i>140.00</i>	
Total Equivalent Meters	4,872	14,993	1,120	5,387	2,496	783	133	0	140	29,925
Monthly Fixed Service Charges										
Customer Costs (\$/Acct/month) ³	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	\$7.28	
Capacity Costs (\$/Acct/month) ⁴	\$8.80	\$14.67	\$29.35	\$46.95	\$93.91	\$146.73	\$293.46	\$469.53	\$1,232.51	
Total Monthly Meter Charge	\$16.09	\$21.96	\$36.63	\$54.24	\$101.19	\$154.01	\$300.74	\$476.81	\$1,239.80	
Annual Fixed Costs Allocated to Monthly Meter Charges										
Customer Costs	\$ 1,354,871									
Capacity Costs	3,161,365									
Total Fixed Meter Costs	\$ 4,516,236									
Annual Revenue from Monthly Meter Charges										
Customer Charges	\$ 425,866	\$ 786,350	\$ 29,370	\$ 88,285	\$ 20,454	\$ 4,108	\$ 350	\$ -	\$ 87	\$ 1,354,871
Capacity Charges	514,698	1,583,958	118,321	569,070	263,688	82,755	14,086	-	14,790	3,161,365
Total Revenue from Monthly Meter Charges	\$ 940,565	\$ 2,370,307	\$ 147,692	\$ 657,355	\$ 284,142	\$ 86,863	\$ 14,436	\$ -	\$ 14,878	\$ 4,516,236

1. Meter by Class and Size are based on June 2022 customer billing data.
2. Source: AWWA Manual M1, "Principles of Water Rates, Fees, and Charges", Table B-1
3. Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.
4. Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

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TABLE 35 : FIXED CHARGES REVENUE CHECK

Number of Meters by Class and Size	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Residential	4,445	8,273	172	459	167	2	0	0	0	13,518
Multi-Family	137	203	84	56	24	17	0	0	0	521
Commercial/Industrial	251	330	0	249	10	14	3	0	1	858
Institutional	0	1	0	15	8	9	1	0	0	34
Landscape	34	182	79	212	4	4	0	0	0	515
City Account	5	7	1	19	2	1	0	0	0	35
Hydrant	0	0	0	0	19	0	0	0	0	19
Total Meters/Accounts	4,872	8,996	336	1,010	234	47	4	0	1	15,500

TABLE 36 : PROJECTED FIXED REVENUE CHECK

										Alt. 2 - 30% Fixed / 70% Variable
Projected Revenue From Fixed Charges by Customer Class	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Charges by Meter Size	\$16.09	\$21.96	\$36.63	\$54.24	\$101.19	\$154.01	\$300.74	\$476.81	\$1,239.80	
Revenue from Fixed Charges										
Residential	\$ 858,130	\$ 2,179,808	\$ 75,604	\$ 298,738	\$ 202,785	\$ 3,696	\$ -	\$ -	\$ -	\$ 3,618,762
Multi-Family	26,449	53,487	36,923	36,447	29,143	31,418	-	-	-	213,867
Commercial/Industrial	48,457	86,950	-	162,061	12,143	25,874	10,827	-	14,878	361,189
Institutional	-	263	-	9,763	9,714	16,633	3,609	-	-	39,983
Landscape	6,564	47,954	34,725	137,979	4,857	7,393	-	-	-	239,472
City Account	965	1,844	440	12,366	2,429	1,848	-	-	-	19,892
Hydrant	-	-	-	-	23,071	-	-	-	-	23,071
Total Revenue - Fixed Charges										\$ 4,516,236

TABLE 37 : PROJECTED FIXED REVENUE CHECK

Customer Class	Net Revenue Requirement (Alternative 1 - 30% Fixed / 70% Variable)		
	COS Rev. Req't	Expected Revenue	Over/(Under) Collected
Residential	\$ 3,112,439	\$ 3,618,762	\$ 506,323
Multi-Family	344,273	213,867	(130,405)
Commercial/Industrial	468,345	361,189	(107,156)
Institutional	75,450	39,983	(35,467)
Landscape	472,764	239,472	(233,292)
City Account	3,128	19,892	16,764
Hydrant	39,837	23,071	(16,766)
Total	\$ 4,516,236	\$ 4,516,236	\$ -

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TABLE 38 : PROJECTED FIXED REVENUE CHECK

										Alt. 1 - 40% Fixed / 60% Variable
Projected Revenue From Fixed Charges by Customer Class	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Charges by Meter Size	\$20.67	\$29.05	\$50.02	\$75.17	\$142.24	\$217.70	\$427.32	\$678.85	\$1,768.83	
Revenue from Fixed Charges										
Residential	\$ 1,102,554	\$ 2,884,439	\$ 103,233	\$ 414,032	\$ 285,059	\$ 5,225	\$ -	\$ -	\$ -	\$ 4,794,541
Multi-Family	33,982	70,777	50,416	50,514	40,967	44,412	-	-	-	291,067
Commercial/Industrial	62,259	115,057	-	224,606	17,069	36,574	15,383	-	21,226	492,175
Institutional	-	349	-	13,530	13,656	23,512	5,128	-	-	56,175
Landscape	8,433	63,456	47,415	191,231	6,828	10,450	-	-	-	327,812
City Account	1,240	2,441	600	17,139	3,414	2,612	-	-	-	27,446
Hydrant	-	-	-	-	32,432	-	-	-	-	32,432
Total Revenue - Fixed Charges										\$ 6,021,648

TABLE 39 : PROJECTED FIXED REVENUE CHECK

Customer Class	Net Revenue Requirement (Alternative 2 (COSA) - 40% Fixed / 60% Variable)		
	COS	Expected	Over/(Under)
	Rev. Req't	Revenue	Collected
Residential	\$ 4,071,215	\$ 4,794,541	\$ 723,326
Multi-Family	477,373	291,067	(186,306)
Commercial/Industrial	645,250	492,175	(153,076)
Institutional	106,842	56,175	(50,668)
Landscape	661,087	327,812	(333,275)
City Account	3,497	27,446	23,949
Hydrant	56,383	32,432	(23,951)
Total	\$ 6,021,648	\$ 6,021,648	\$ -

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TABLE 40 : PROJECTED FIXED REVENUE CHECK

Projected Revenue From Fixed Charges by Customer Class	FY2023/24									Total
	3/4 inch	1 inch	1 1/2 inch	2 inch	3 inch	4 inch	6 inch	8 inch	10 inch	
Charges by Meter Size	\$26.48	\$37.66	\$65.61	\$99.15	\$188.58	\$289.19	\$568.68	\$904.05	\$2,357.36	
Revenue from Fixed Charges										
Residential	\$ 1,412,510	\$ 3,738,785	\$ 135,416	\$ 546,099	\$ 377,916	\$ 6,941	\$ -	\$ -	\$ -	\$ 6,217,667
Multi-Family	43,535	91,741	66,134	66,626	54,311	58,996	-	-	-	381,343
Commercial/Industrial	79,762	149,136	-	296,250	22,630	48,585	20,472	-	28,288	645,122
Institutional	-	452	-	17,846	18,104	31,233	6,824	-	-	74,459
Landscape	10,804	82,251	62,197	252,229	9,052	13,881	-	-	-	430,414
City Account	1,589	3,163	787	22,605	4,526	3,470	-	-	-	36,141
Hydrant	-	-	-	-	42,996	-	-	-	-	42,996
Total Revenue - Fixed Charges										\$ 7,828,142

TABLE 41 : PROJECTED FIXED REVENUE CHECK

Customer Class	Net Revenue Requirement (Alternative 3 - 40% Fixed / 60% Variable)		
	COS Rev. Req't	Expected Revenue	Over/(Under) Collected
Residential	\$ 5,253,228	\$ 6,217,667	\$ 964,439
Multi-Family	629,757	381,343	(248,414)
Commercial/Industrial	849,221	645,122	(204,099)
Institutional	142,016	74,459	(67,557)
Landscape	874,780	430,414	(444,366)
City Account	4,210	36,141	31,932
Hydrant	74,931	42,996	(31,935)
Total	\$ 7,828,142	\$ 7,828,142	\$ -

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TABLE 42 : PROPOSED VOLUMETRIC CHARGES FOR FY 2022/23

Alt. 1 - 40% Fixed / 60% Variable							
Customer Classes	Water Use (TG/yr.) ¹	% of Total Water Use	Total Vol. Rev. Reqts. (Excl. Pumping)	Uniform Commodity Rates (\$/TG)	Uniform Commodity Rates Including Pumping Costs (\$/TG)		
					Zone 1	Zone 2	Zone 3
Residential - Tier 1	1,348,786	60.6%	\$ 4,912,312	\$3.64	\$4.00	\$4.37	\$4.73
Multi-Family	259,687	11.7%	945,787	\$3.64	\$4.00	\$4.37	\$4.73
Commercial/Industrial	333,884	15.0%	1,216,014	\$3.64	\$4.00	\$4.37	\$4.73
Institutional	38,459	1.7%	140,069	\$3.64	\$4.00	\$4.37	\$4.73
Landscape	231,215	10.4%	842,091	\$3.64	\$4.00	\$4.37	\$4.73
City Account	59	0.0%	215	\$3.64	\$4.00	\$4.37	\$4.73
Hydrant	14,948	0.7%	54,441	\$3.64	\$4.00	\$4.37	\$4.73
Total Potable Water	2,227,038	39.4%	\$ 8,110,929				
Pumping Costs			921,543				
Total Volumetric Reve. Reqts.			\$ 9,032,472				

1. Water consumption is actual consumption for FY 2021/22 and includes an adjustment for conservation.
2. Total volumetric revenue requirements based on rate alternative less supply costs and pumping costs.

TABLE 43 : CONSUMPTION BY ZONE FOR FY 2021/22

Alt. 1 - 40% Fixed / 60% Variable - CONSUMPTION by Zone				
Customer Class	CONSUMPTION by Zone and by Class (TG/Yr.)			Total Consumption
	Zone 1	Zone 2	Zone 3	
Residential	1,110,987	198,886	38,913	1,348,786
Multi-Family	259,459	0	228	259,687
Comm/Industrial	333,140	744	0	333,884
Institutional	38,459	0	0	38,459
Landscape	202,531	28,638	46	231,215
City Account	59	0	0	59
Hydrant	7,654	1,737	5,557	14,948
Total	1,952,289	230,005	44,744	2,227,038

TABLE 44 : PUMPING BY ZONE FOR FY 2021/22

Alt. 1 - 40% Fixed / 60% Variable - PUMPING by Zone				
Customer Class	PUMPING by Zone and by Class (TG/Yr.) ¹			Total Pumping
	Zone 1	Zone 2	Zone 3	
Residential	1,348,786	237,799	38,913	1,625,498
Multi-Family	259,687	228	228	260,143
Comm/Industrial	333,884	744	0	334,628
Institutional	38,459	0	0	38,459
Landscape	231,215	28,684	46	259,945
City Account	59	0	0	59
Hydrant	14,948	7,294	5,557	27,799
Total	2,227,038	274,749	44,744	2,546,531

1. Includes water in Zone 3 pumped through Zones 1 and 2, etc.

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TABLE 45 : ESTIMATED ZONAL PUMPING COSTS AND RATES BY CUSTOMER CLASS AND ZONE

Customer Class	Zonal Pumping Costs (\$/Yr.)			Zonal Costs by Class (\$/Yr.)
	Zone 1	Zone 2	Zone 3	
Residential	\$488,101	\$86,055	\$14,082	\$588,238
Multi-Family	\$93,976	\$83	\$83	\$94,141
Comm/Industrial	\$120,827	\$269	\$0	\$121,096
Institutional	\$13,918	\$0	\$0	\$13,918
Landscape	\$83,672	\$10,380	\$17	\$94,069
City Account	\$21	\$0	\$0	\$21
Hydrant	\$5,409	\$2,640	\$2,011	\$10,060
Total	\$805,924	\$99,427	\$16,192	\$921,543
Pumping by Zone (TG/Yr.)	2,227,038	274,749	44,744	
Zonal Pumping Rate (\$/TG)	\$0.362	\$0.362	\$0.362	

TABLE 46 : VOLUMETRIC RATES BY CUSTOMER CLASS AND ZONE

Alt. 1 (40% Fixed/60% Vol.) - Cumulative Zonal Vol. Rates by Zone				
Customer Class	Volumetric Rates	Cumulative Vol. Rates by Zone (\$/TG)		
		Zone 1	Zone 2	Zone 3
Residential	\$3.64	\$4.004	\$4.366	\$4.728
Multi-Family	3.64	\$4.004	\$4.366	\$4.728
Comm/Industrial	3.64	\$4.004	\$4.366	\$4.728
Institutional	3.64	\$4.004	\$4.366	\$4.728
Landscape	3.64	\$4.004	\$4.366	\$4.728
City Account	3.64	\$4.004	\$4.366	\$4.728
Hydrant	3.64	\$4.004	\$4.366	\$4.728

TABLE 47 : ESTIMATED VOLUMETRIC REVENUE BY CUSTOMER CLASS AND ZONE

Customer Class	Volumetric Revenue by Zone (\$/Yr.)			Total Volumetric Rate Revenue
	Zone 1	Zone 2	Zone 3	
Residential	\$4,448,288	\$868,294	\$183,968	\$5,500,550
Multi-Family	1,038,850	0	1,078	1,039,928
Comm/Industrial	1,333,862	3,248	0	1,337,110
Institutional	153,986	0	0	153,986
Landscape	810,915	125,027	217	936,160
City Account	236	0	0	236
Hydrant	30,646	7,583	26,272	64,501
Grand Total	\$7,816,784	\$1,004,153	\$211,535	\$9,032,472

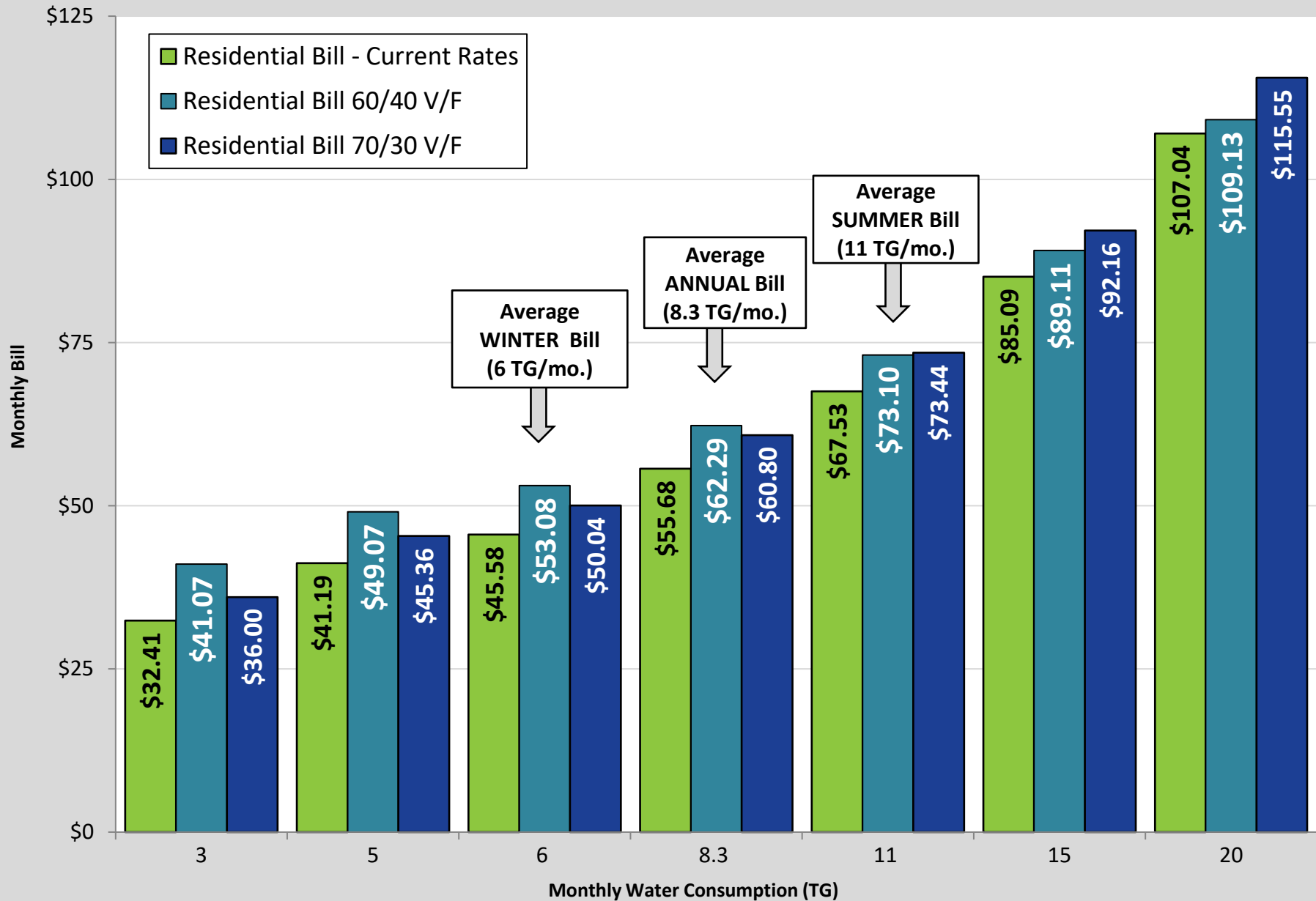
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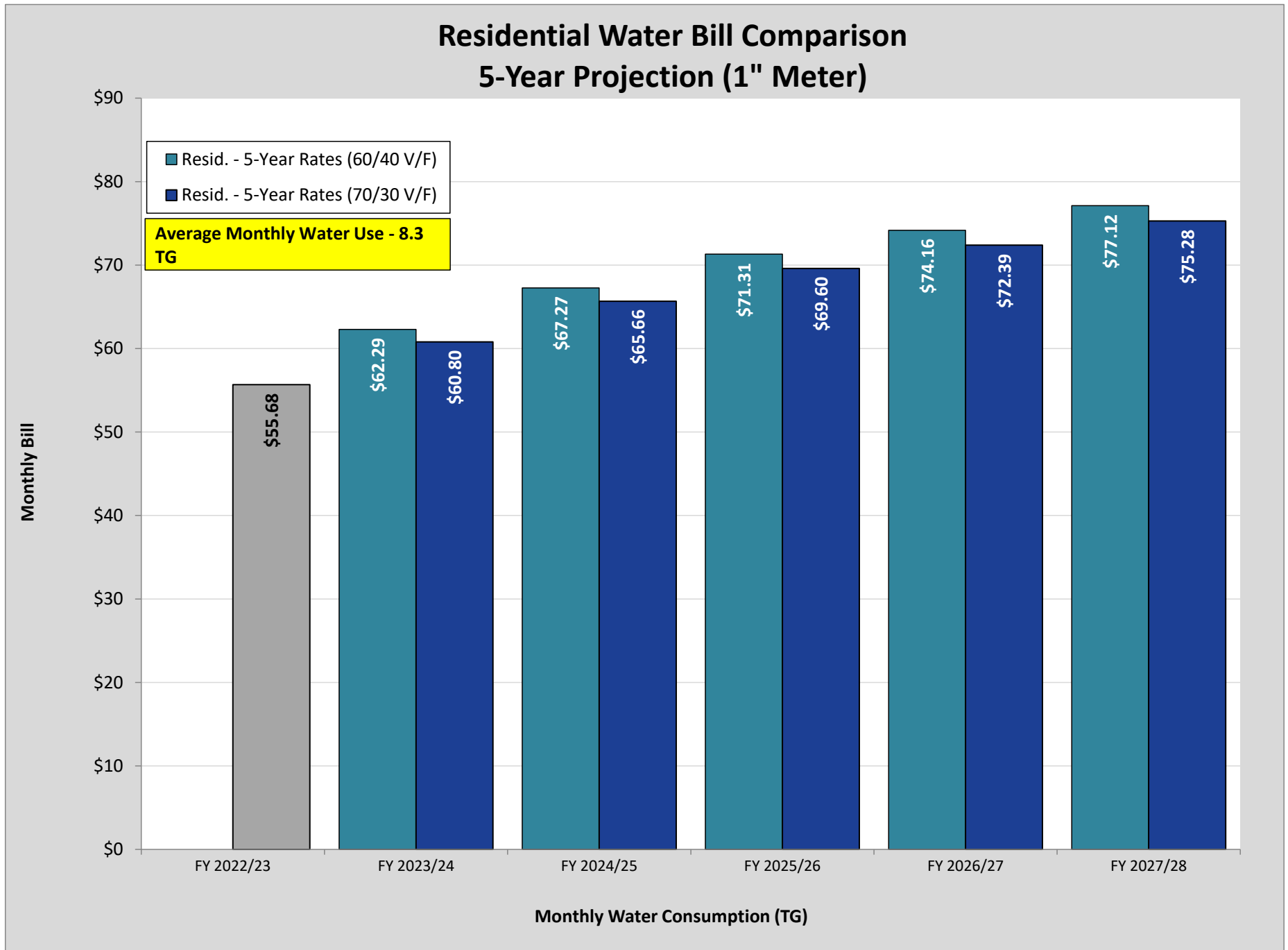
CURRENT VS. PROPOSED WATER RATES *Alt. 1 - 40% Fixed / 60% Variable*

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges						
Meter Size						
3/4 inch	\$11.53	\$20.67	\$22.32	\$23.66	\$24.61	\$25.59
1 inch	\$19.24	\$29.05	\$31.38	\$33.26	\$34.59	\$35.98
1 1/2 inch	\$38.47	\$50.02	\$54.02	\$57.26	\$59.55	\$61.93
2 inch	\$61.55	\$75.17	\$81.18	\$86.05	\$89.50	\$93.08
3 inch	\$115.39	\$142.24	\$153.62	\$162.84	\$169.36	\$176.13
4 inch	\$192.30	\$217.70	\$235.12	\$249.23	\$259.20	\$269.57
6 inch	\$384.62	\$427.32	\$461.50	\$489.19	\$508.76	\$529.11
8 inch	\$615.37	\$678.85	\$733.16	\$777.15	\$808.23	\$840.56
10 inch	\$884.50	\$1,768.83	\$1,910.34	\$2,024.96	\$2,105.95	\$2,190.19
Variable Charges for All Water Consumed (\$/1,000 gallons (or TG))						
Residential Customers - Tiered Volumetric Rate		Uniform Vol. Rates				
Tier 1 - Zone 1	\$4.39	\$4.00	\$4.32	\$4.58	\$4.77	\$4.96
Tier 1 - Zone 2	\$4.93	\$4.37	\$4.72	\$5.00	\$5.20	\$5.41
Tier 1 - Zone 3	\$5.52	\$4.73	\$5.11	\$5.41	\$5.63	\$5.85
Tier 2 (more than 30 TG)						
Tier 2 - Zone 1	\$4.93	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 2	\$5.47	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 3	\$6.06	N.A.	N.A.	N.A.	N.A.	N.A.

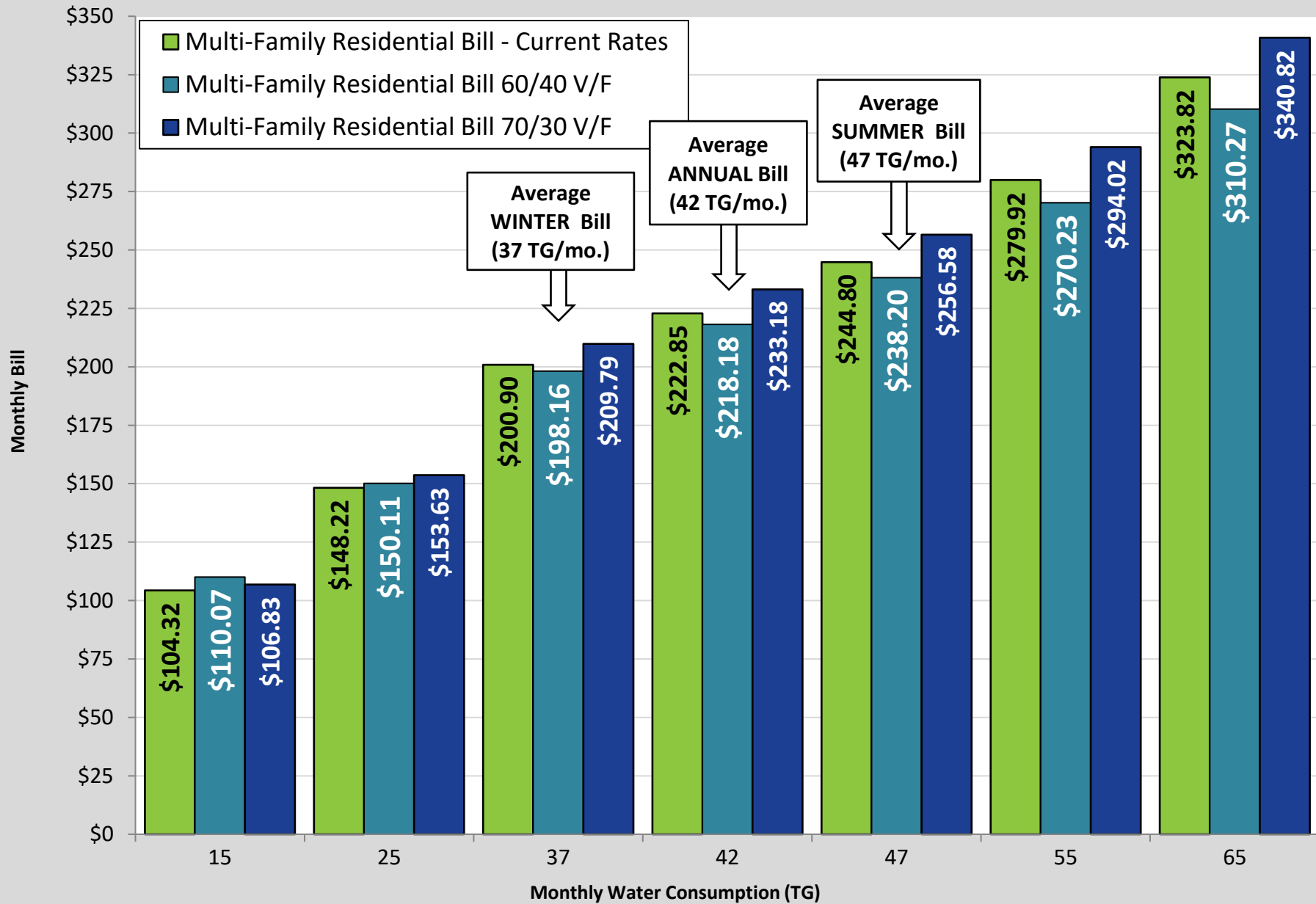
Note: The City recently transitioned from July1-June 30 fiscal years to calendar years (January to December).

Single-Family Residential Water Bill Comparison Current vs. Proposed FY'23/24 Rates (1" Meter)

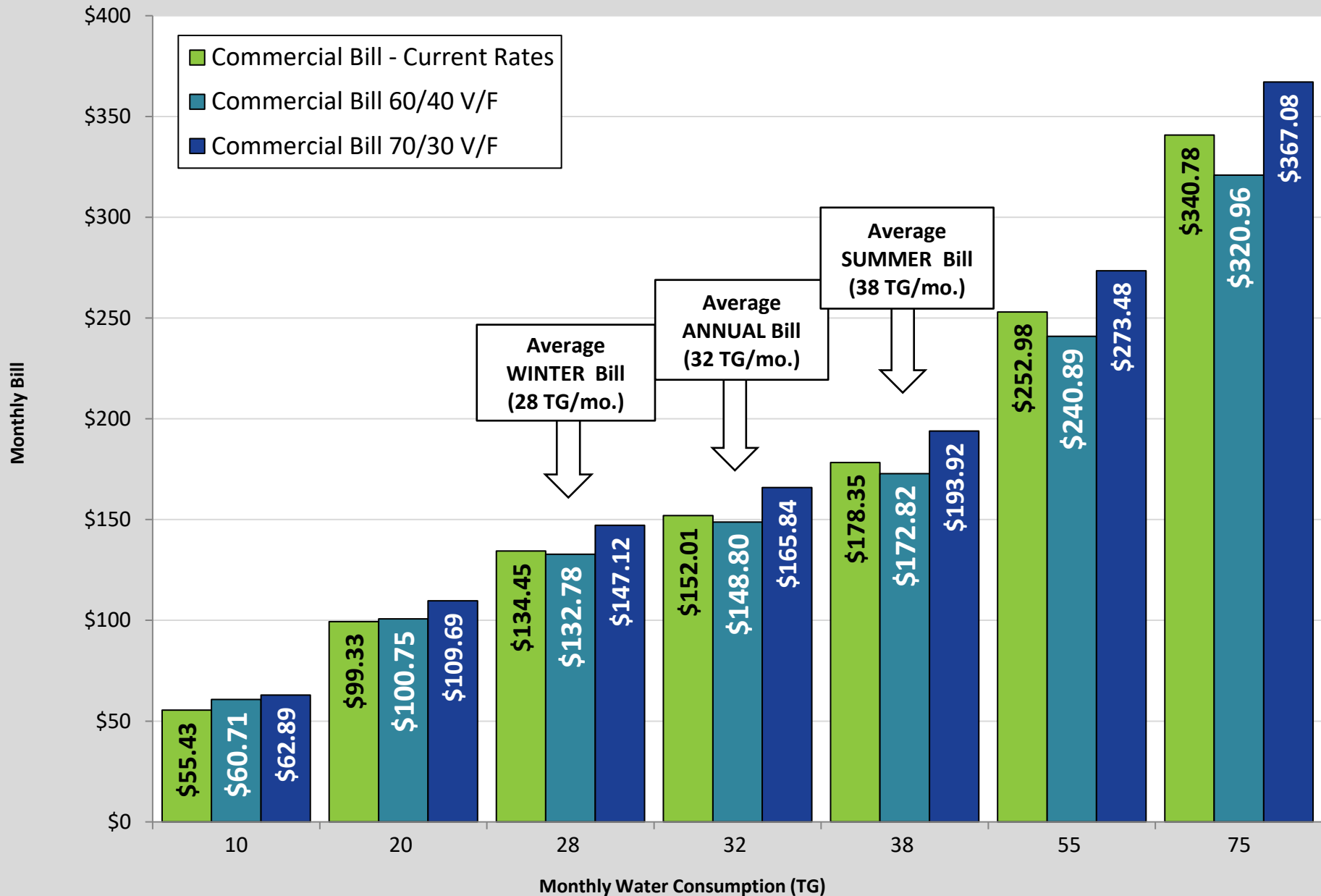




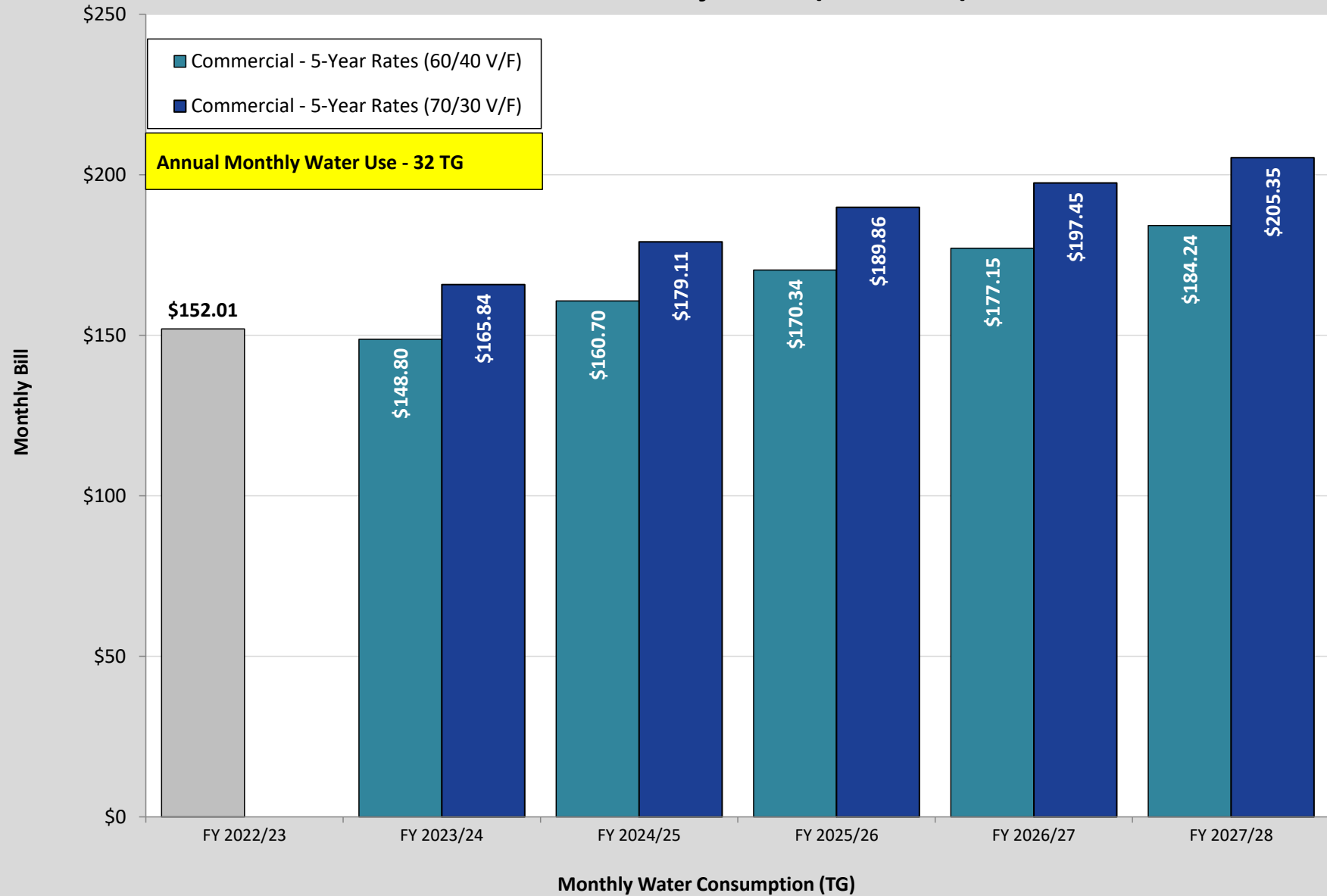
Multi-Family Residential Water Bill Comparison Current vs. Proposed FY'22/23 Rates (1.5" Meter)



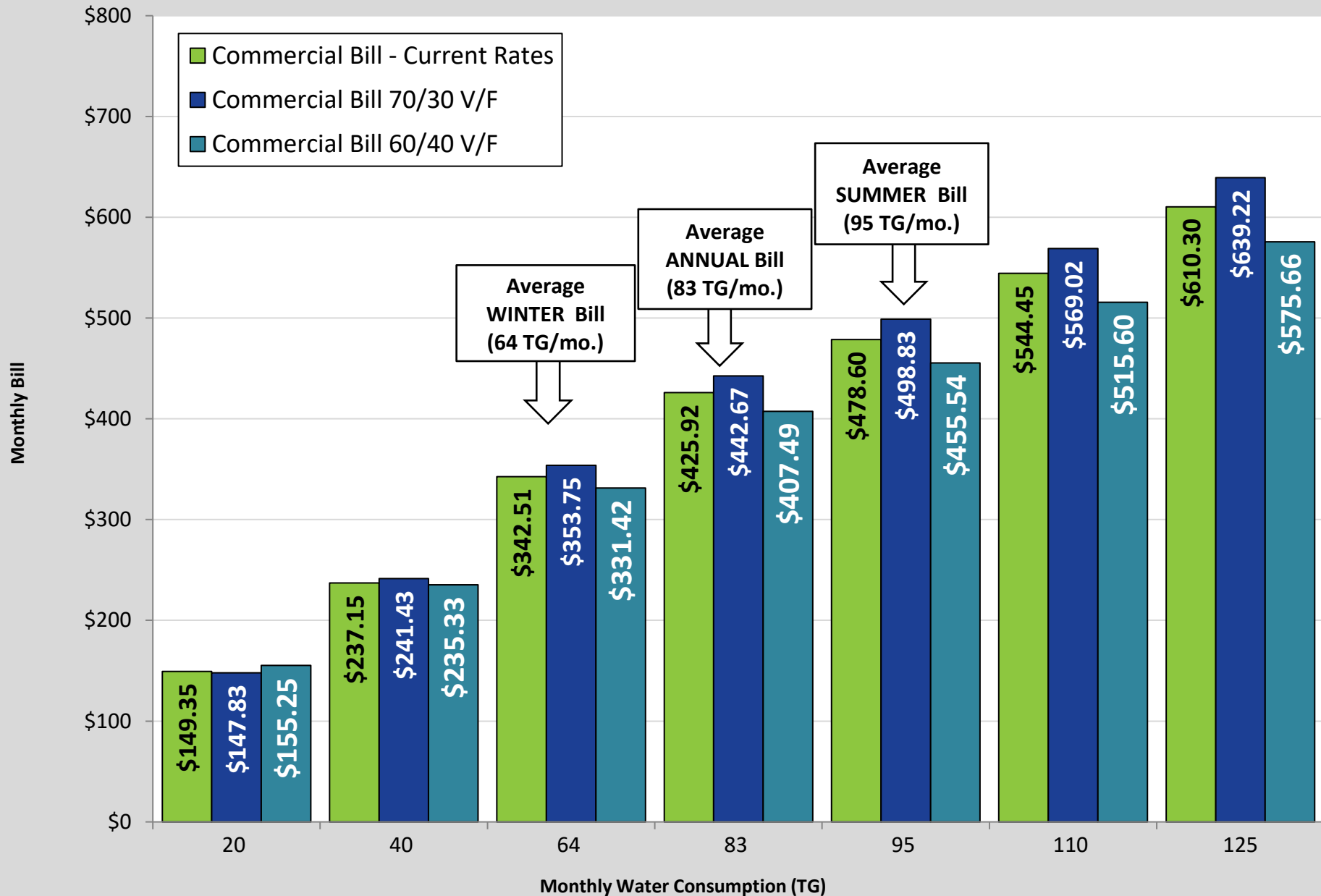
Commercial Water Bill Comparison Current vs. Proposed FY'23/24 Rates (< 1" Meter)



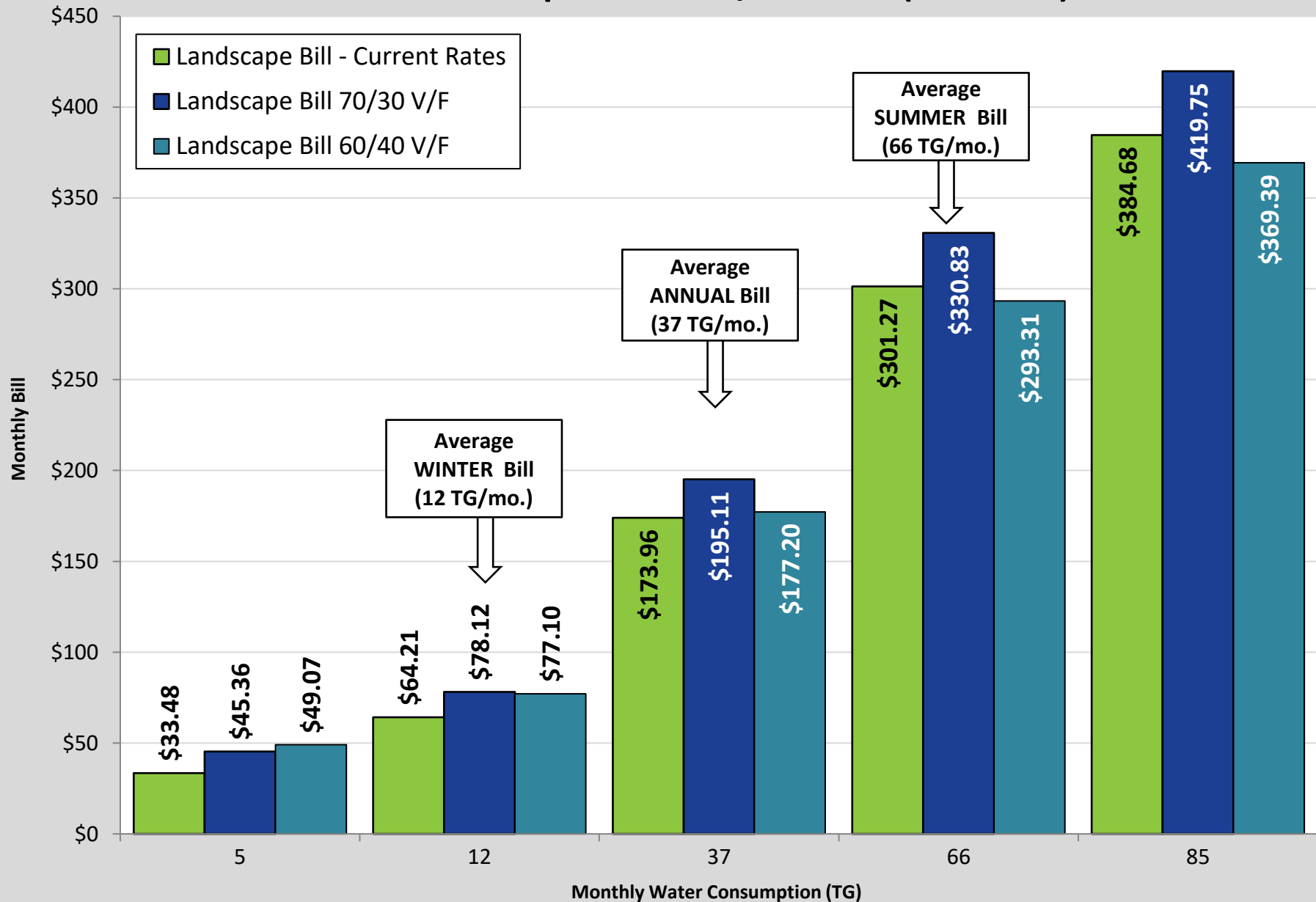
Commercial Water Bill Comparison 5-Year Projection (1" Meter)



Commercial Water Bill Comparison Current vs. Proposed FY'22/23 Rates (2" Meter)



Landscape Bill Comparison - Commercial Current vs. Proposed FY'22/23 Rates (2" Meter)



Appendix B. Wastewater Rate Study Tables and Figures

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CITY OF GILROY
SEWER RATE STUDY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 1 : FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

RATE REVENUE REQUIREMENTS SUMMARY	Projected Actuals	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sources of Funds¹						
Rate Revenue:						
User Fees	\$ 13,247,000	\$ 13,512,000	\$ 13,782,000	\$ 13,988,730	\$ 14,198,561	\$ 14,411,539
Other Revenue:						
Misc. Revenue & Interest Earnings ²	992,066	649,871	397,017	15,619	15,853	16,091
Interfund Transfer In	1,533,500	2,244,000	2,244,000	2,244,000	2,244,000	2,244,000
Total: Sources of Funds	\$ 15,772,566	\$ 16,405,871	\$ 16,423,017	\$ 16,248,349	\$ 16,458,414	\$ 16,671,630
Uses of Water Funds¹						
Operating Expenses:						
7500 - Sewer Administration	\$ 3,606,254	\$ 2,143,559	\$ 2,202,325	\$ 2,339,468	\$ 2,481,991	\$ 2,625,123
7510 - Finance Sewer Utility Billing	921,605	1,037,477	1,083,341	1,120,978	1,159,924	1,200,226
7520 - Sewer Operations	2,758,341	4,362,836	4,320,125	4,464,460	4,613,637	4,767,818
SCWRA Oper. Costs (less Monit., Sampl., Pre-Tr.Cost)	5,715,995	6,146,815	6,517,038	6,781,500	6,989,600	7,207,300
Monitoring, Sampling, Pretreatment (Non-Resid. C)	N.A.	365,700	440,200	388,500	400,400	412,700
Subtotal: Operating Expenses	\$ 13,002,195	\$ 13,690,686	\$ 14,122,829	\$ 14,706,406	\$ 15,245,153	\$ 15,800,467
Other Expenditures:						
Existing Debt Service	\$ 1,533,500	\$ 2,244,000	\$ 2,244,400	\$ 2,243,600	\$ 2,241,600	\$ 2,243,300
Rate-Funded Capital Expenses	-	75,401	335,906	211,300	755,038	1,334,115
Subtotal: Other Expenditures	\$ 1,533,500	\$ 2,319,401	\$ 2,580,306	\$ 2,454,900	\$ 2,996,638	\$ 3,577,415
Total: Uses of Funds	\$ 14,535,695	\$ 16,010,087	\$ 16,703,135	\$ 17,161,306	\$ 18,241,791	\$ 19,377,882
Plus: Revenue from Rate Increases ²	-	540,480	1,121,811	1,743,733	2,408,627	3,119,008
Annual Surplus/(Deficit)	\$ 1,236,871	\$ 936,264	\$ 841,693	\$ 830,775	\$ 625,250	\$ 412,756
Net Revenue Req. (Total Uses less Non-Rate Revenue)	\$ 12,010,129	\$ 13,116,216	\$ 14,062,118	\$ 14,901,687	\$ 15,981,938	\$ 17,117,791
Total Rate Revenue After Rate Increases	\$ 13,247,000	\$ 14,052,480	\$ 14,903,811	\$ 15,732,463	\$ 16,607,187	\$ 17,530,547
Projected Annual Rate Revenue Increase	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Cumulative Increase from Annual Revenue Increases	0.00%	4.00%	8.16%	12.49%	16.99%	21.67%
Debt Coverage After Rate Increase (1.25 required)	1.81	1.45	1.52	1.46	1.62	1.78

- Revenue and expenses for FY 2022/23 through FY204/25 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 9 (See Exhibit 1 (O&M) Tab). Source file: FY23 Budgets.xlsx. The new vehicles expense in FY24 and FY25 was transferred to the CIP budget to avoid increasing rates to meet coverage requirements.
- Interest income for FY2022-23 through FY2024-25 is from the City's Budget. For all other years, it is calculated based on historical LAIF returns.
- Revenue from rate increases assumes an implementation date of April 1, 2023 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

Selection of Financial Plan Alternative		2					
Financial Plan Alternatives		FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
1	Alternative 1 - 2% Annual Rate Increases	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2	Alternative 2 - 4% Annual Rate Increases	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3	Alternative 3 - Custom Rate Increases	0.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4	No Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF GILROY
SEWER RATE STUDY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 2 : RESERVE FUND SUMMARY

SUMMARY OF CASH ACTIVITY SEWER FUND RESERVES	Projected Actuals	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Total Beginning Cash¹	\$ 18,206,179					
Unrestricted Reserves:						
Operating Reserve						
Beginning Reserve Balance	\$ 13,654,634	\$ 6,501,000	\$ 6,845,000	\$ 7,061,000	\$ 7,353,000	\$ 7,623,000
Plus: Net Cash Flow (After Rate Increases)	1,236,871	936,264	841,693	830,775	625,250	412,756
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-
Plus: Interest Earnings	-	56,234	59,209	61,078	63,603	65,939
Less: Transfer Out to Capital Replacement Reserve	(8,390,505)	(648,498)	(684,902)	(599,853)	(418,853)	(201,695)
Ending Operating Reserve Balance	\$ 6,501,000	\$ 6,845,000	\$ 7,061,000	\$ 7,353,000	\$ 7,623,000	\$ 7,900,000
Target Ending Balance (6 months of O&M)²	\$ 6,501,000	\$ 6,845,000	\$ 7,061,000	\$ 7,353,000	\$ 7,623,000	\$ 7,900,000
Capital Rehabilitation & Replacement Reserve						
Beginning Reserve Balance	\$ 4,551,545	\$ 12,942,049	\$ 13,495,633	\$ 11,271,248	\$ 8,151,561	\$ 6,946,887
Plus: Grant Proceeds	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	8,390,505	648,498	684,902	599,853	418,853	201,695
Less: Use of Reserves for Capital Projects	-	(94,914)	(2,909,287)	(3,719,540)	(1,623,527)	(1,500,000)
Ending Capital Rehab & Replacement Reserve Balance	\$ 12,942,049	\$ 13,495,633	\$ 11,271,248	\$ 8,151,561	\$ 6,946,887	\$ 5,648,582
Target Ending Balance (Avg. Annual CIP)³	\$ 4,420,000	\$ 4,420,000	\$ 4,420,000	\$ 4,420,000	\$ 4,420,000	\$ 4,420,000
Ending Cash Balance - Excl. Restricted Reserves	\$ 19,443,049	\$ 20,340,633	\$ 18,332,248	\$ 15,504,561	\$ 14,569,887	\$ 13,548,582
Min. Target Ending Cash Balance -Excl. Restricted Rese	\$ 10,921,000	\$ 11,265,000	\$ 11,481,000	\$ 11,773,000	\$ 12,043,000	\$ 12,320,000
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ 8,522,049	\$ 9,075,633	\$ 6,851,248	\$ 3,731,561	\$ 2,526,887	\$ 1,228,582
Days Cash on Hand	546	540	463	380	333	289
Annual Interest Earnings Rate⁴	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%

1. Beginning cash balances provided by City staff for Fund 700 - Sewer Operations. Source file: *Account Trial Balance FY22 - 430-435-700-705.pdf*.

2. The target ending balance is set equal to 90-days of O&M expenses.

3. The target ending balance is set equal to the average annual CIP costs in future dollars for City infrastructure of approximately \$30 M; we have doubled this to reflect a lesser reserve target that includes about 50% of SCRWA infrastructure (i.e., half of \$74 M).

4. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2018-2022). The source is the California State Treasurer's website: <https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp>.

CITY OF GILROY
SEWER RATE STUDY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 3 : RESERVE FUND SUMMARY, cont.

SUMMARY OF CASH ACTIVITY	Projected	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Restricted Reserves:						
Sewer Impact Fee Reserve						
Beginning Reserve Balance ¹	\$ 14,976,546	\$ 15,048,572	\$ 15,194,152	\$ 18,873,406	\$ 19,967,880	\$ 18,302,389
Plus: Allocated Interest Earnings ¹	219,443	224,381	228,868	234,590	240,454	246,466
Less: Interfund Transfer out	(1,533,500)	(2,244,000)	(2,244,000)	(2,244,000)	(2,244,000)	(2,244,000)
Plus: Interfund Transfer In	386,083	437,408	410,049			
Plus: Impact Fee Revenue ¹	1,000,000	1,803,192	5,620,243	3,315,184	1,093,093	1,357,983
Less: Use of Reserves for Capital Projects ²	-	(75,401)	(335,906)	(211,300)	(755,038)	(2,840,381)
Ending Impact Fee Fund Balance	\$ 15,048,572	\$ 15,194,152	\$ 18,873,406	\$ 19,967,880	\$ 18,302,389	\$ 14,822,457
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Reserve						
Beginning Reserve Balance ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Debt Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Interest Earnings Rate⁴	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%

1. Beginning cash balance for FY 2022/23 provided by City staff. Source file: 4 - Current Cash and Fund Balance - Wastewater 12062021.xlsx .

2. Determined in the CIP (Exhibit 2).

4. Historical interest earning rates are per the average annual yields for funds invested in LAIF (2018-2022). The source is the California State Treasurer's website:

<https://www.treasurer.ca.gov/pmia-laif/historical/annual.asp> .

CHART 1

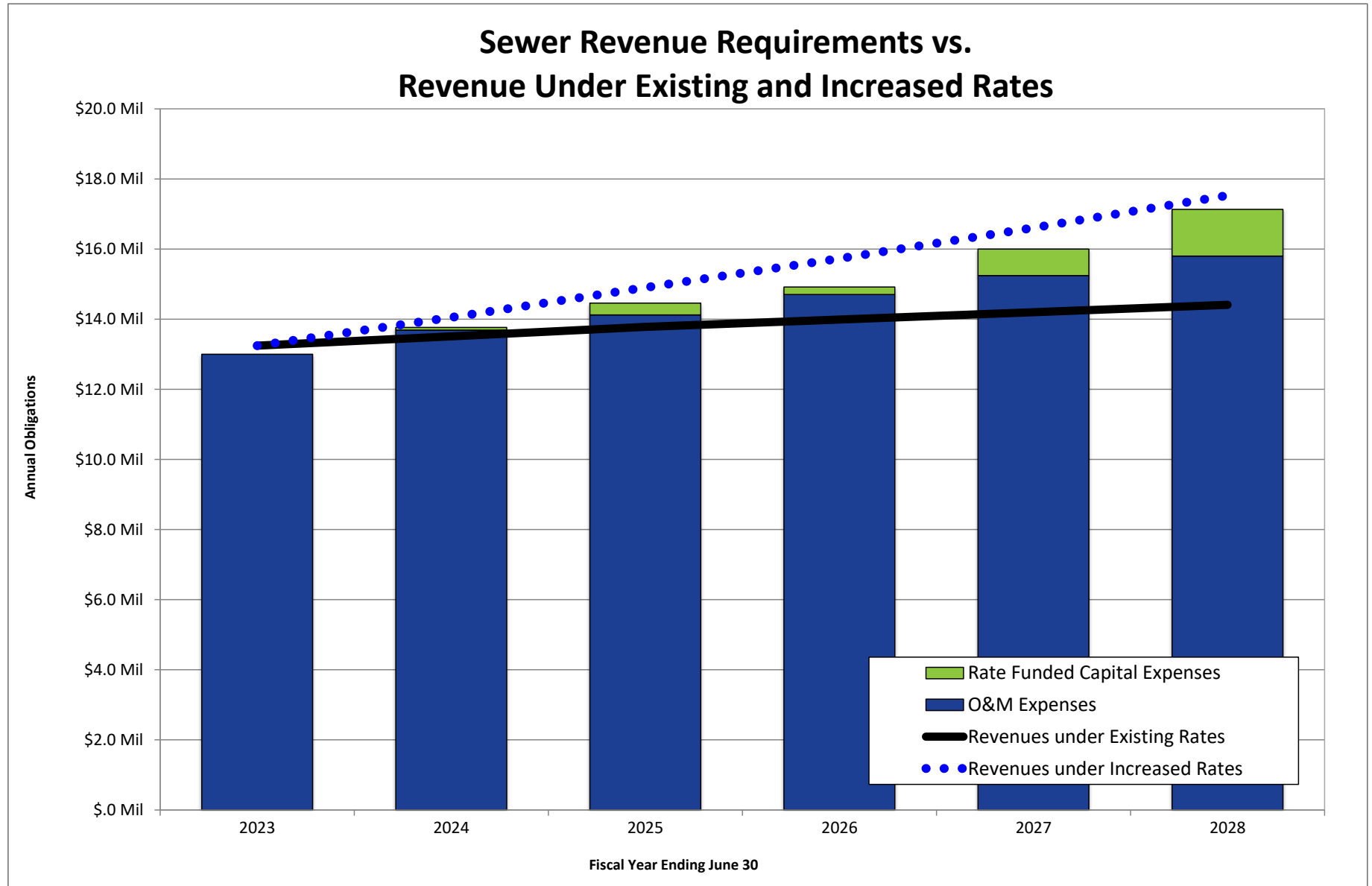


CHART 2

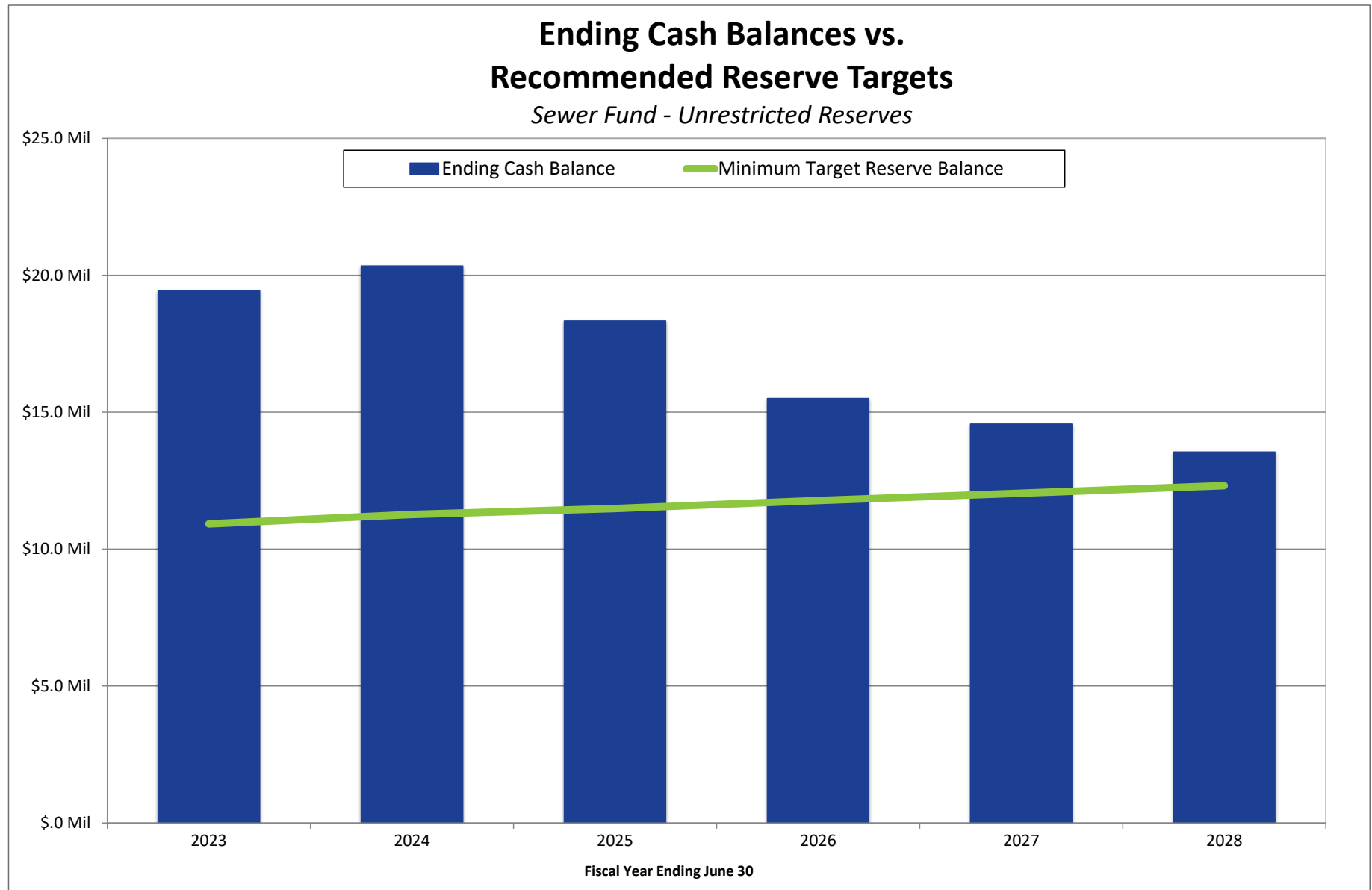
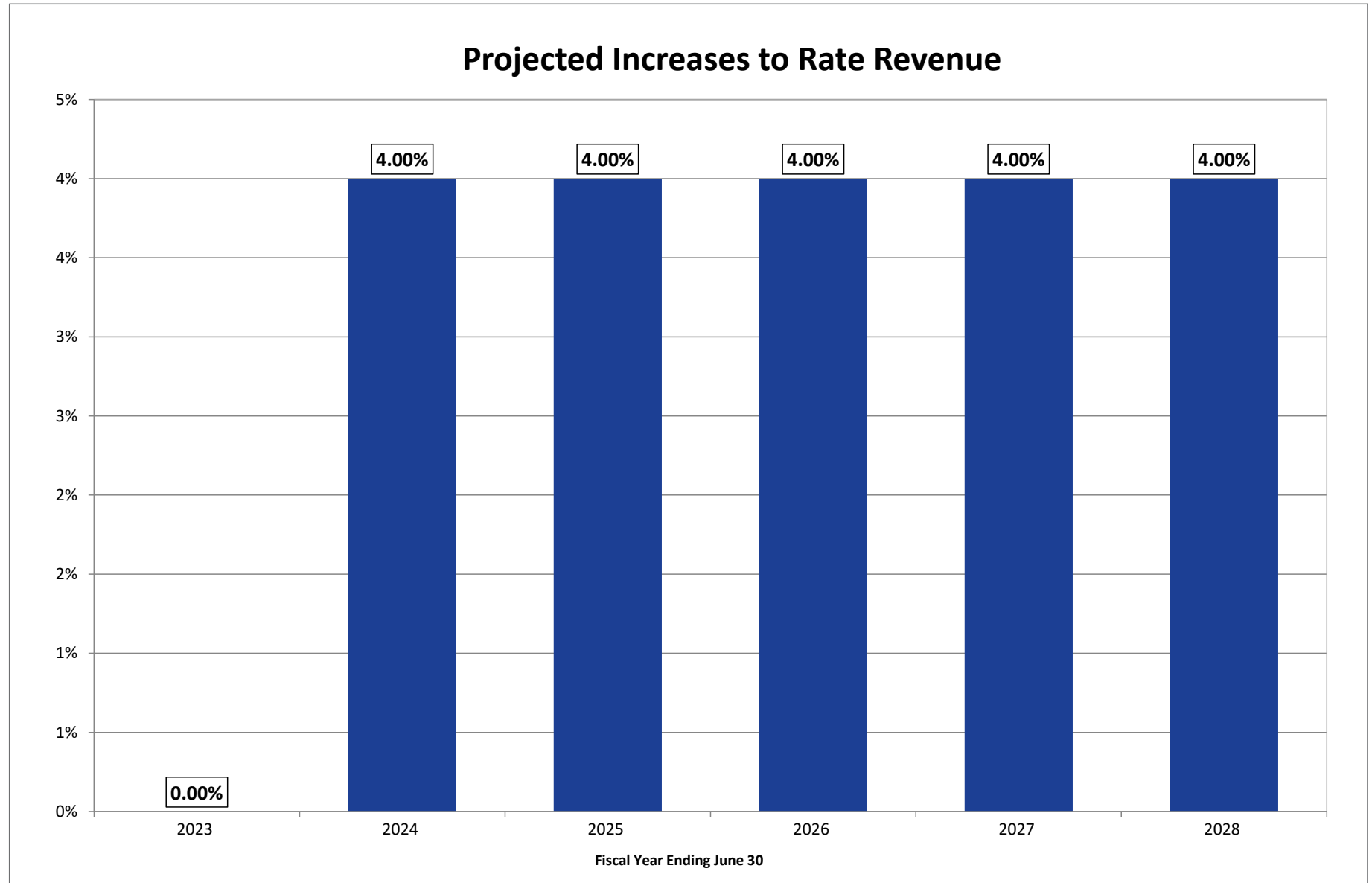


CHART 3



CITY OF GILROY
SEWER RATE STUDY
Operating Revenue and Expenses

Exhibit 1 - O&M

TABLE 4 : REVENUE FORECAST¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Rate Revenue										
700	7500	'00 -75-7500-000-45120	User Fees	1	\$ 13,247,000	\$ 13,512,000	\$ 13,782,000	\$ 13,988,730	\$ 14,198,561	\$ 14,411,539
Other Revenue										
700	7500	'00 -75-7500-000-45145	Overhead Revenue	1	14,505	14,940	15,388	15,619	15,853	16,091
700	7500	'00 -75-7500-000-46110	Bank Interest	See FP	327,561	334,931	341,629	-	-	-
700	7500	'00 -75-7500-000-46310	Other Interest	1	650,000	300,000	40,000	-	-	-
700	7500	'00 -75-7500-000-48110	Interfund Transfer In	6	1,533,500	2,244,000	2,244,000	2,244,000	2,244,000	2,244,000
700	7500	'00 -75-7500-000-48420	Bond Proceeds	6	-	-	-	-	-	-
700	7510	'00 -75-7510-000-43110	Federal Grant	6	-	-	-	-	-	-
TOTAL: RATE AND OTHER REVENUE					\$ 15,772,566	\$ 16,405,871	\$ 16,423,017	\$ 16,248,349	\$ 16,458,414	\$ 16,671,630
Sewer Impact Fee Revenue										
430	5500	I30 -55-5500-000-45150	Developer's Impact Fee	1	1,000,000	1,803,192	5,620,243	3,315,184	1,093,093	1,357,983
430	5500	I30 -55-5500-000-46110	Bank Interest	See FP	219,443	224,381	228,868	-	-	-
430	5500	I30 -55-5500-000-46210	Interfund Interest Income	1	-	-	-	-	-	-
430	5500	I30 -55-5500-000-48110	Interfund Transfer In	6	386,083	437,408	410,049	-	-	-
TOTAL: IMPACT FEE REVENUE					\$ 1,605,526	\$ 2,464,981	\$ 6,259,160	\$ 3,315,184	\$ 1,093,093	\$ 1,357,983

TABLE 5 : OPERATING EXPENSE FORECAST¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 700 - Sewer Operations										
7500 - Sewer Administration										
700	7500	'00 -75-7500-000-50410	Pension Expense	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
700	7500	'00 -75-7500-000-51510	Professional Support	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-51620	Audit Services	2	8,700	-	-	-	-	-
700	7500	'00 -75-7500-000-51630	Contractual Services	2	6,185	5,288	5,552	5,722	5,898	6,079
700	7500	'00 -75-7500-000-53165	Contra Capital Outlay	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-54110	Interfund Transfer Out	2	11,863	-	-	-	-	-
700	7500	'00 -75-7500-000-54130	Fleet Service Charge	2	59,206	77,139	78,502	80,909	83,390	85,947
700	7500	'00 -75-7500-000-54140	Facility Service Charge	2	134,639	216,418	232,659	239,793	247,145	254,723
700	7500	'00 -75-7500-000-54145	Info Tech Service Charge	2	434,144	550,530	533,039	549,383	566,228	583,589
700	7500	'00 -75-7500-000-54150	Overhead Charges	2	723,376	847,532	883,288	910,371	938,284	967,053
700	7500	'00 -75-7500-000-54155	Liability Insurance Charges	2	401,933	430,902	452,735	466,617	480,924	495,669
700	7500	'00 -75-7500-000-55110	Loss On Disposal Of F/A	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-56110	Amortization Expense	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-56120	Depreciation	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-57110	Debt Redemption	2	2,440,000	725,000	755,000	778,149	802,009	826,599
700	7500	'00 -75-7500-000-57115	Debt Interest	2	904,708	1,519,000	1,489,400	1,535,067	1,582,134	1,630,645
700	7500	'00 -75-7500-000-58115	Share Joint Venture Loss	2	-	-	-	-	-	-
700	7500	'00 -75-7500-000-58130	Claims	2	15,000	15,750	16,550	17,057	17,580	18,119
700	7500	'00 -75-7500-000-55130	Cash Over Short	2	-	-	-	-	-	-
Subtotal - Sewer Administration					\$ 5,139,754	\$ 4,387,559	\$ 4,446,725	\$ 4,583,068	\$ 4,723,591	\$ 4,868,423

CITY OF GILROY
SEWER RATE STUDY
Operating Revenue and Expenses

Exhibit 1 - O&M

TABLE 6 : OPERATING EXPENSE FORECAST, cont.¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period					
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
Fund 700 - Sewer Operations											
7510 - Finance Sewer Utility Billing											
700	7510	'00 -75-7510-000-50110	Salaries	3	\$ 488,975	\$ 617,543	\$ 662,408	\$ 685,592	\$ 709,588	\$ 734,424	
705	8010	700-75-7510-000-50110	Utility Billing Supervisor (Split: Water/Sewer)	3	-	-	-	-	-	-	
700	7510	'00 -75-7510-000-50120	Wages/Part Time	3	23,048	33,750	21,788	22,551	23,340	24,157	
700	7510	'00 -75-7510-000-50130	Overtime	3	14,000	10,000	10,000	10,350	10,712	11,087	
700	7510	'00 -75-7510-000-50150	Overtime Meals	3	41	-	-	-	-	-	
700	7510	'00 -75-7510-000-50203	Compensated Absences	3	-	-	-	-	-	-	
700	7510	'00 -75-7510-000-50205	Workers Comp	3	2,163	2,563	2,689	2,783	2,880	2,981	
700	7510	'00 -75-7510-000-50210	Retirement (Full Time)	3	52,305	73,492	76,644	79,326	82,103	84,976	
700	7510	'00 -75-7510-000-50212	Deferred Compensation	3	1,230	2,070	2,070	2,142	2,217	2,295	
700	7510	'00 -75-7510-000-50213	UAL Retirement	3	88,677	94,578	101,904	105,471	109,162	112,983	
700	7510	'00 -75-7510-000-50215	Retirement (Part Time)	3	18	759	490	507	525	544	
700	7510	'00 -75-7510-000-50220	Medicare	3	7,976	9,595	10,077	10,430	10,795	11,172	
700	7510	'00 -75-7510-000-50225	Health Insurance Benefits	3	106,784	115,262	115,505	119,547	123,732	128,062	
700	7510	'00 -75-7510-000-50230	Life Insurance Benefits	3	824	794	821	850	879	910	
700	7510	'00 -75-7510-000-50235	Employee Assistance Prog	3	964	1,116	1,139	1,179	1,220	1,263	
700	7510	'00 -75-7510-000-50240	Unemployment Insurance	3	864	971	1,024	1,060	1,097	1,135	
700	7510	'00 -75-7510-000-50255	Misc Disability Insurance	3	1,030	1,307	1,307	1,353	1,400	1,450	
700	7510	'00 -75-7510-000-50260	Retiree Medical	3	-	900	900	932	964	998	
700	7510	'00 -75-7510-000-51110	Employee Training	2	-	3,400	3,400	3,504	3,612	3,722	
700	7510	'00 -75-7510-000-51120	Employee Travel, Food, Lodge	2	669	1,250	1,250	1,288	1,328	1,369	
700	7510	'00 -75-7510-000-51420	Telecommunications	2	-	-	-	-	-	-	
700	7510	'00 -75-7510-000-51430	Postage	2	50	100	100	103	106	109	
700	7510	'00 -75-7510-000-51510	Professional Support	2	2,200	-	-	-	-	-	
700	7510	'00 -75-7510-000-51630	Contractual Services	2	119,000	66,025	67,825	69,905	72,048	74,257	
700	7510	'00 -75-7510-000-52110	Office/Computer Supplies	5	4,000	2,000	2,000	2,105	2,215	2,331	
700	7510	'00 -75-7510-000-52210	Repairs & Maintenance	2	-	-	-	-	-	-	
700	7510	'00 -75-7510-000-50114	Earned Leave Cashout	2	6,787	-	-	-	-	-	
700	7510	'00 -75-7510-000-51230	Tuition	2	-	-	-	-	-	-	
Subtotal - Finance Sewer Utility Billing					\$ 921,605	\$ 1,037,477	\$ 1,083,341	\$ 1,120,978	\$ 1,159,924	\$ 1,200,226	

CITY OF GILROY
SEWER RATE STUDY
Operating Revenue and Expenses

Exhibit 1 - O&M

TABLE 7 : OPERATING EXPENSE FORECAST, cont.¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 700 - Sewer Operations										
7520 - Sewer Operations										
700	7520	'00 -75-7520-000-50110	Salaries	3	\$ 1,313,539	\$ 1,826,894	\$ 1,972,608	\$ 2,041,649	\$ 2,113,107	\$ 2,187,066
700	7520	700-75-7520-000-50110	FT Engineer I/II	3	-	-	-	-	-	-
700	7520	'00 -75-7520-000-50120	Wages/Part Time	3	11,337	60,000	65,000	67,275	69,630	72,067
700	7520	'00 -75-7520-000-50130	Overtime	3	50,154	50,000	50,000	51,750	53,561	55,436
700	7520	'00 -75-7520-000-50150	Overtime Meals	3	-	1,000	1,000	1,035	1,071	1,109
700	7520	'00 -75-7520-000-50203	Compensated Absences	3	-	-	-	-	-	-
700	7520	'00 -75-7520-000-50205	Workers Comp	3	58,511	66,947	70,795	73,273	75,838	78,492
700	7520	'00 -75-7520-000-50210	Retirement (Full Time)	3	136,961	218,375	229,291	237,317	245,623	254,219
700	7520	'00 -75-7520-000-50215	Retirement (Part Time)	3	156	1,350	1,463	1,514	1,567	1,621
700	7520	'00 -75-7520-000-50220	Medicare	3	21,506	28,106	30,290	31,350	32,447	33,583
700	7520	'00 -75-7520-000-50225	Health Insurance Benefits	2	240,740	375,906	377,348	388,918	400,842	413,133
700	7520	'00 -75-7520-000-50230	Life Insurance Benefits	2	2,149	2,241	2,321	2,393	2,466	2,542
700	7520	'00 -75-7520-000-50235	Employee Assistance Prog	2	2,446	3,097	3,159	3,256	3,355	3,458
700	7520	'00 -75-7520-000-50240	Unemployment Insurance	2	2,798	2,915	3,096	3,191	3,288	3,389
700	7520	'00 -75-7520-000-50255	Misc Disability Insurance	2	2,701	3,733	3,733	3,847	3,965	4,087
700	7520	7007520-50260	RETIREE MEDICAL		1,508	1,800	-	-	-	-
700	7520	'00 -75-7520-000-51110	Employee Training	2	-	40,000	40,000	41,226	42,491	43,793
700	7520	'00 -75-7520-000-51120	Employee Travel, Food, Lodge	2	-	15,000	15,000	15,460	15,934	16,423
700	7520	'00 -75-7520-000-51420	Telecommunications	2	1,939	2,500	2,500	2,577	2,656	2,737
700	7520	'00 -75-7520-000-51430	Postage	2	-	-	-	-	-	-
700	7520	'00 -75-7520-000-51510	Professional Support	2	11,298	15,000	15,000	15,460	15,934	16,423
700	7520	'00 -75-7520-000-51630	Contractual Services	2	227,332	806,000	550,000	566,864	584,245	602,158
700	7520	'00 -75-7520-000-52110	Office/Computer Supplies	2	73	1,500	1,500	1,546	1,593	1,642
700	7520	'00 -75-7520-000-52150	Department Supplies	2	8,582	10,000	10,000	10,307	10,623	10,948
700	7520	'00 -75-7520-000-52210	Repairs & Maintenance	2	26,213	100,000	100,000	103,066	106,226	109,483
700	7520	'00 -75-7520-000-52310	Equipment Rental	2	-	10,000	10,000	10,307	10,623	10,948
700	7520	'00 -75-7520-000-53120	Equipment/Furniture	2	25,000	-	-	-	-	-
700	7520	'00 -75-7520-000-54110	Interfund Transfer Out ²	2	300,000	390,000	409,500	422,056	434,997	448,334
		SCWRA Operational Costs		2	5,715,995	6,512,515	6,957,238	7,170,000	7,390,000	7,620,000
700	7520	'00 -75-7520-000-50114	Earned Leave Cashout	2	11,460	-	-	-	-	-
700	7520	'00 -75-7520-000-50212	Deferred Compensation	3	3,608	5,742	5,742	5,943	6,151	6,366
700	7520	'00 -75-7520-000-50213	UAL Retirement	3	249,086	284,730	310,780	321,657	332,915	344,567
700	7520	'00 -75-7520-000-50310	Apparel, Boots, Ppe	2	6,735	9,000	9,000	9,276	9,560	9,854
700	7520	'00 -75-7520-000-51410	Utilities	2	2,765	6,000	6,000	6,184	6,374	6,569
700	7520	'00 -75-7520-000-52710	Permits	2	39,747	25,000	25,000	25,767	26,557	27,371
700	7520	'00 -75-7520-000-53135	Improvements	2	-	-	-	-	-	-
700	7520	'00 -75-7520-000-53142	Capital Improvement Plan	See Exh 2	-	-	-	-	-	-
Subtotal - Sewer Operations					\$ 8,474,336	\$ 10,875,351	\$ 11,277,363	\$ 11,634,460	\$ 12,003,637	\$ 12,387,818

CITY OF GILROY
SEWER RATE STUDY
Operating Revenue and Expenses

Exhibit 1 - O&M

TABLE 8 : OPERATING EXPENSE FORECAST, cont.¹

FUND	DIVISION	ACCOUNT	DESCRIPTION	Basis	Projected Actuals	5-Year Projected Rate Period				
					FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Fund 700 - Sewer Operations										
Additional Expenditures										
700	7520	700-75-7520-000-53120 one-time vehicle purchases		One-Time	-	404,450	404,450	-	-	-
Subtotal - Additional Expenditures					\$ -	\$ 404,450	\$ 404,450	\$ -	\$ -	\$ -
GRAND TOTAL: SEWER EXPENSES					\$ 14,535,695	\$ 16,704,836	\$ 17,211,879	\$ 17,338,506	\$ 17,887,153	\$ 18,456,467

TABLE 9 : FORECASTING ASSUMPTIONS

INFLATION FACTORS ³	Basis	2023	2024	2025	2026	2027	2028
Customer Growth ⁴	1	--	1.50%	1.50%	1.50%	1.50%	1.50%
General Cost Inflation ⁵	2	--	3.07%	3.07%	3.07%	3.07%	3.07%
Labor Cost Inflation ⁶	3	--	3.50%	3.50%	3.50%	3.50%	3.50%
Energy ⁷	4	--	7.44%	7.44%	7.44%	7.44%	7.44%
Fuel & Utilities ⁸	5	--	5.24%	5.24%	5.24%	5.24%	5.24%
No Escalation	6	--	0.00%	0.00%	0.00%	0.00%	0.00%

- Revenue and expenses for FY 2022/23 through FY2024/25 provided by the City. Revenues and expenses for all other years are escalated based on the forecasting assumptions in Table 9. Source file: *FY23 Budgets.xlsx*.
- These expenses are costs related to the ownership, operation, maintenance and use of the South County Regional Wastewater Authority (SCRWA) jointly owned by the City of Morgan Hill. Based on the JPA agreement, Gilroy is responsible for approx. 60% of these costs which are based on actual annual flow.
- Expenses are inflated each year by the following annual inflation factor categories.
- Customer growth is based on estimated service area population growth through FY 2044/45. Source file: *Gilroy 2020 UWMP.pdf*, page 3-9.
- General cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
- Labor cost inflation is based on the 5-year average annual change in the Quarterly Census of Employment and Wages for San Francisco County, CA.
- Energy cost inflation is based on the 5-year average annual change in the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-Hayward, CA area.
- Fuel & Utilities cost inflation is based on the 5-year average annual change in the Consumer Price Index - Average Price Data for Fuels and related products and power. This factor is used for utility costs other than electricity.

CITY OF GILROY
SEWER RATE STUDY
Capital Improvement Plan Expenditures

Exhibit 2 - CIP

TABLE 10 : CAPITAL FUNDING SUMMARY

CAPITAL FUNDING FORECAST		5-Year Projected Rate Period				
Funding Sources:	Budget FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Fee Reserves (to Fund Impact Fee Projects)	-	75,401	335,906	211,300	755,038	2,840,381
Use of 2021 Revenue Bond Proceeds	1,130,904	4,000,000	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	94,914	2,909,287	3,719,540	1,623,527	1,500,000
Rate Revenue	-	75,401	335,906	211,300	755,038	1,334,115
Total Sources of Capital Funds	\$ 1,130,904	\$ 4,245,716	\$ 3,581,099	\$ 4,142,140	\$ 3,133,603	\$ 5,674,496
Uses of Capital Funds:						
Total Project Costs	\$ 1,130,904	\$ 4,245,716	\$ 3,581,099	\$ 4,142,140	\$ 3,133,603	\$ 5,674,496
Capital Funding Surplus (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Revenue Bond Proceeds (Per Capital Improvement Program) ¹	\$ 1,130,904	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -
Remaining 2021 Bond Proceeds	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
New Revenue Bond Proceeds (If needed)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1. Source file: 11. Adopted-CIP-FY21-FY25.pdf , page 77.

CAPITAL IMPROVEMENT PROGRAM FUNDING OPTIONS

Insert policy choice in box to right, based on options listed above:		2					
Policy Choice (CIP & Master Planned Project ONLY)		2023	2024	2025	2026	2027	2028
1	Full Funding of CIP, at actual cost & timing	\$1,130,904	\$5,560,420	\$4,326,924	\$5,241,120	\$3,171,420	\$3,778,820
2	75% Funding of CIP, at actual cost & timing	\$1,130,904	4,170,315	3,245,193	3,930,840	2,378,565	2,834,115
3	50% Funding of CIP, at actual cost & timing	\$1,130,904	2,085,158	1,622,597	1,965,420	1,189,283	1,417,058
4	No CIP	-	-	-	-	-	-
		Total Planned CIP through FY 2027/28					
		\$ 16,559,028					
Capital Improvement Program Funding Choice		2023	2024	2025	2026	2027	2028
Effective Annual Funding Amount		\$ 1,130,904	\$ 4,170,315	\$ 3,245,193	\$ 3,930,840	\$ 2,378,565	\$ 2,834,115

TABLE 11 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Current-Year-Dollars) - 5% inflation added to these projects (per Harjot)

Project No.	Description	2023	2024	2025	2026 ²	2027	2028
<i>Capital Improvement Program - Fiscal Year 2021 to Fiscal Year 2025 ¹</i>							
800490	Annual Citywide Sewer Repair and Rehabilitation		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
800510	Asbestos Cement Sewer Pipe Replacement Citywide		-	265,629	1,008,600	-	-
800530	Large Diameter Sewer Rehabilitation Citywide		-	273,105	1,081,100	-	-
EN2403	Corporation Yard EV and EV Charging		-	-	-	-	-
800550	Old Gilroy - Chestnut to Forest Sewer Upgrade		50,999	251,600	-	-	-
SW2402	Joint Morgan Hill-Gilroy Trunk Line Repairs	-	1,938,671	-	-	-	-
900720	Old Gilroy Street at Railroad Crossing Sewer Replacement		-	-	-	-	587,400
7520-53120	Vehicles/Equipment (operations budget transferred to CIP by NBS)	-	404,450	404,450	-	-	-
Subtotal - Capital Improvement Program		\$ -	\$ 2,644,120	\$ 1,444,784	\$ 2,339,700	\$ 250,000	\$ 837,400
Subtotal - Master Plan Projects		\$ -	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420
Total - CIP & Master Plan Projects (Current Year Dollars)		\$0	\$5,155,540	\$3,956,204	\$4,851,120	\$2,761,420	\$3,348,820

* Morgan Hill Contribution for the SCRWA expansion is approximately is \$31.5M (FY 21-25).

CITY OF GILROY
SEWER RATE STUDY
Capital Improvement Plan Expenditures

Exhibit 2 - CIP

TABLE 12 : CAPITAL IMPROVEMENT PROGRAM COSTS (in Future Year Dollars) Inflation removed because 5% inflation already Included

Project No.	Description	2023	2024	2025	2026 ²	2027	2028
<i>Capital Improvement Program - Fiscal Year 2021 to Fiscal Year 2025 ¹</i>							
800490	Annual Citywide Sewer Repair and Rehabilitation	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
800510	Asbestos Cement Sewer Pipe Replacement Citywide	-	-	265,629	1,008,600	-	-
800530	Large Diameter Sewer Rehabilitation Citywide	-	-	273,105	1,081,100	-	-
EN2403	Corporation Yard EV and EV Charging	-	-	-	-	-	-
800550	Old Gilroy - Chestnut to Forest Sewer Upgrade	-	50,999	251,600	-	-	-
SW2402	Joint Morgan Hill-Gilroy Trunk Line Repairs	-	1,938,671	-	-	-	-
900720	Old Gilroy Street at Railroad Crossing Sewer Replacement	-	-	-	-	-	587,400
007520-5411	TRF OUT SCRWA CIP (Transferred from Operations to CIP by NBS)	1,130,904	404,880	370,720	390,000	410,000	430,000
7520-53120	New Vehicles (operations budget transferred to CIP by NBS)	-	404,450	404,450	-	-	-
Subtotal - Capital Improvement Program (in Future Year Dollars)		\$ 1,130,904	\$ 3,049,000	\$ 1,815,504	\$ 2,729,700	\$ 660,000	\$ 1,267,400
<i>Sewer System Master Plan Projects ³</i>							
<i>Gravity Main Improvements</i>							
<i>Santa Teresa - Long Meadow Subtrunk</i>							
SLP-1	Santa Teresa Boulevard	\$ -	\$ 223,980	\$ 223,980	\$ 223,980	\$ 223,980	\$ 223,980
<i>Welburn Subtrunk</i>							
WP-1	Welburn Avenue	-	188,040	188,040	188,040	188,040	188,040
WP-2	Welburn Avenue	-	82,980	82,980	82,980	82,980	82,980
<i>Forest-Swanston Subtrunk</i>							
FP-1	Loof Avenue	-	127,200	127,200	127,200	127,200	127,200
FP-2	Forest Street	-	225,220	225,220	225,220	225,220	225,220
<i>Old Gilroy Subtrunk</i>							
OP-1	Old Gilroy Street	-	11,120	11,120	11,120	11,120	11,120
OP-2	Old Gilroy Street	-	90,100	90,100	90,100	90,100	90,100
<i>Uvas Park Subtrunk</i>							
UP-1	Uvas Park Drive	-	262,680	262,680	262,680	262,680	262,680
UP-2	Hoxett Street / ROW	-	200,940	200,940	200,940	200,940	200,940
UP-3	Yorktown Drive	-	223,600	223,600	223,600	223,600	223,600
UP-4	Greenwich Drive	-	74,560	74,560	74,560	74,560	74,560
UP-5	Orchard Drive	-	25,960	25,960	25,960	25,960	25,960
UP-6	W. 10th Street	-	175,020	175,020	175,020	175,020	175,020
<i>Thomas Subtrunk</i>							
TP-1	London Place	-	387,200	387,200	387,200	387,200	387,200
TP-2	Monterey Road	-	212,820	212,820	212,820	212,820	212,820
Subtotal - Master Plan Projects (in Future Year Dollars)		\$ -	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420	\$ 2,511,420
Total - CIP & Master Plan Projects (in Future Year Dollars)		\$ 1,130,904	\$ 5,560,420	\$ 4,326,924	\$ 5,241,120	\$ 3,171,420	\$ 3,778,820
<i>Impact Fee Projects ⁴ (in Future Year Dollars)</i>							
800520	Carmel-Dowdy Alley - Sixth to Seventh Sewer Replacement	\$ -	\$ 75,401	\$ 273,200	\$ -	\$ -	\$ -
800540	Monterey and Princeville Sewer Network	-	-	-	-	755,038	2,840,381
800560	Seventh St - Carmel-Dowdy to Hanna-Rosanna Alleys Sewer Repl.	-	-	62,706	211,300	-	-
800570	Wastewater Treatment Plant Expansion (SCRWA)*	-	(Bond-Funded)	-	-	-	-
Subtotal - Impact Fee Projects (in Future Year Dollars)		\$ -	\$ 75,401	\$ 335,906	\$ 211,300	\$ 755,038	\$ 2,840,381
<i>Estimated Future Projects (Impact Fee Funded)</i>							
<i>Future Projects ⁵</i>							
Total: Impact Fee Funded CIP (Future-Year Dollars)		\$ -	\$ 75,401	\$ 335,906	\$ 211,300	\$ 755,038	\$ 2,840,381
Total - All (Impact Fee, CIP & Master Plan Projects) (Future Year Dollars)		\$1,130,904	\$5,635,821	\$4,662,830	\$5,452,420	\$3,926,458	\$6,619,201
<i>* City contribution - SCRWA TP Construction (bond funded)</i>		<i>\$17,840,994</i>	<i>\$15,719,810</i>	<i>\$1,867,896</i>			

CITY OF GILROY
SEWER RATE STUDY
Capital Improvement Plan Expenditures

Exhibit 2 - CIP

TABLE 13 : FORECASTING ASSUMPTIONS

Economic Variables	2023	2024	2025	2026	2027	2028
Annual Construction Cost Inflation, Per Engineering News Record ⁷	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Cumulative Construction Cost Multiplier from 2023	1.00	1.04	1.08	1.12	1.17	1.22

1. Capital project costs provided by City Staff. Source file: *11. Adopted-CIP-FY21-FY25.pdf*, pages 43, 60-77.
2. Capital projects beginning in FY 2025/26 are unfunded and identified in the City's Capital Improvement Program. These costs have been allocated over a 5-year period from FY 2025/26 through FY 2029/30. Source: *11. Adopted-CIP-FY21-FY25.pdf*, pages 239-242.
3. Capital project costs are from the City's Draft Sewer System Master Plan (May 2022). Source file: *Draft Water Master Plan.pdf*, Table 8.2, pages 100-101.
4. Capital projects funded by impact fees. Source file: *City of Gilroy Water_Sewer Operations and Impact FundsFY24_25.xlsx*, CIP Worksheet. April 2023.
5. Future project costs beyond FY 2029/30 were calculated based on the City's 5-year average (FY24-28).
6. The project costs in future-year dollars have been inflated by 4% annually.
7. For reference purposes, the annual Construction Cost Inflation percentage is the 5-year average change in the Construction Cost Index for September 2017-2022 (4.0%). Source: Engineering News Record website (<http://enr.construction.com>).

CITY OF GILROY
SEWER RATE STUDY
Debt Service

Exhibit 3 - Debt

TABLE 14 : SEWER UTILITY EXISTING DEBT OBLIGATIONS

EXISTING DEBT OBLIGATIONS	Budget	5-Year Projected Rate Period				
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Annual Repayment Schedules:						
Wastewater Revenue Bonds, Series 2021A - Loan Amount \$47,080,000						
Principal Payment	\$ -	\$ 725,000	\$ 755,000	\$ 785,000	\$ 815,000	\$ 850,000
Interest Payment	1,533,500	1,519,000	1,489,400	1,458,600	1,426,600	1,393,300
Subtotal: Annual Debt Service	\$ 1,533,500	\$ 2,244,000	\$ 2,244,400	\$ 2,243,600	\$ 2,241,600	\$ 2,243,300
Coverage Requirement (\$-Amnt above annual payment) ²	\$ 1,840,200	\$ 2,692,800	\$ 2,693,280	\$ 2,692,320	\$ 2,689,920	\$ 2,691,960
Reserve Requirement (total fund balance) ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Annual Debt Service	\$ 1,533,500	\$ 2,244,000	\$ 2,244,400	\$ 2,243,600	\$ 2,241,600	\$ 2,243,300
Grand Total: Existing Annual Coverage Requirement	\$ 1,840,200	\$ 2,692,800	\$ 2,693,280	\$ 2,692,320	\$ 2,689,920	\$ 2,691,960
Grand Total: Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1. Revenue bonds issued to finance the City's obligations for the capital improvements of the SCRWA Treatment Facility. Source file: 08. Official Statement.pdf .
2. The City must have net revenues that are at least equal to 1.2 times the annual debt service payment. Source file: 08. Official Statement.pdf.
3. The City must have net revenues that are at least equal to 1.2 times the annual debt service payment. Source file: 08. Official Statement.pdf.
4. Per the Official Statement, the City is not required to fund a debt service reserve.

TABLE 15 : EXISTING ANNUAL DEBT OBLIGATIONS TO BE SATISFIED BY SEWER RATES

Annual Obligations	2023	2024	2025	2026	2027	2028
Existing Annual Debt Service	\$ 1,533,500	\$ 2,244,000	\$ 2,244,400	\$ 2,243,600	\$ 2,241,600	\$ 2,243,300
Existing Annual Coverage Requirement	\$ 1,840,200	\$ 2,692,800	\$ 2,693,280	\$ 2,692,320	\$ 2,689,920	\$ 2,691,960
Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF GILROY
SEWER RATE STUDY
Projected Sewer Rates Under Existing Rate Schedule

Exhibit 4 - Current Rates

TABLE 16 : CURRENT WASTEWATER RATE SCHEDULE

Wastewater Rate Schedule ¹	Rates from 2015 Rate Study	Current Rates (Adopted 7/1/2019)	Proposed Rates	% Increase from Current to Proposed	% Change from 2015 to Proposed
Residential - Monthly Fixed Rate					
Single Family Residence	\$39.66	\$46.64	\$51.07	9%	29%
Multi-Family Residence	\$28.17	\$33.13	\$34.39	4%	22%
Non-Residential - Volumetric Monthly Charge (\$/1,000 Gallons)					
Low Strength	\$6.30	\$7.41	\$8.36	13%	33%
Domestic Strength	\$7.83	\$9.21	\$9.51	3%	21%
Medium Strength	\$10.27	\$12.08	\$13.15	9%	28%
High Strength	\$15.84	\$18.63	\$21.56	16%	36%
Non-Residential - Monitoring & Pretreatment Program Base Rate Monthly Charges					
Significant/Categorical	\$210.00	\$240.95	\$287.19	19%	37%
Non-Significant/Categorical	\$83.00	\$95.22	\$114.64	20%	38%
Other Non-Residential	\$10.00	\$11.47	\$15.47	35%	55%

1. City Website: <https://www.cityofgilroy.org/DocumentCenter/View/8664/Water---Wasterwater-Rates-7-1-19pdf>.

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 17 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS

Classification of Expenses											
Budget Categories	Total Revenue Requirements	Flow	Strength		Direct Alloc. (Monitoring, Pretreat., etc.)	Customer	Basis of Classification				
	FY 2023/24	(VOL)	(BOD)	(TSS)	(DA)	(CA)	(VOL)	(BOD)	(TSS)	(DA)	(CA)
Fund 700 - Sewer Operations											
7500 - Sewer Administration											
Pension Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	40.0%	25.0%	25.0%	0.0%	10.0%
Professional Support	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Audit Services	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Contractual Services	5,288	2,115	1,322	1,322	-	529	40.0%	25.0%	25.0%	0.0%	10.0%
Contra Capital Outlay	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Interfund Transfer Out	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Fleet Service Charge	77,139	30,856	19,285	19,285	-	7,714	40.0%	25.0%	25.0%	0.0%	10.0%
Facility Service Charge	216,418	86,567	54,105	54,105	-	21,642	40.0%	25.0%	25.0%	0.0%	10.0%
Info Tech Service Charge	550,530	495,477	-	-	-	55,053	90.0%	0.0%	0.0%	0.0%	10.0%
Overhead Charges	847,532	339,013	211,883	211,883	-	84,753	40.0%	25.0%	25.0%	0.0%	10.0%
Liability Insurance Charges	430,902	172,361	107,726	107,726	-	43,090	40.0%	25.0%	25.0%	0.0%	10.0%
Loss On Disposal Of F/A	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Amortization Expense	-	-	-	-	-	-	30.0%	35.0%	35.0%	0.0%	0.0%
Depreciation	-	-	-	-	-	-	50.0%	25.0%	25.0%	0.0%	0.0%
Debt Redemption	725,000	362,500	181,250	181,250	-	-	50.0%	25.0%	25.0%	0.0%	0.0%
Debt Interest	1,519,000	759,500	379,750	379,750	-	-	50.0%	25.0%	25.0%	0.0%	0.0%
Share Joint Venture Loss	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Claims	15,750	6,300	3,938	3,938	-	1,575	40.0%	25.0%	25.0%	0.0%	10.0%
Cash Over Short	-	-	-	-	-	-	40.0%	25.0%	25.0%	0.0%	10.0%
Subtotal - Sewer Administration	\$ 4,387,559	\$ 2,254,689	\$ 959,257	\$ 959,257	\$ -	\$ 214,356	51.4%	21.9%	21.9%	0.0%	4.9%

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 18 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses											
Budget Categories	Total Revenue Requirements	Flow	Strength		Direct Alloc. (Monitoring, Pretreat., etc.)	Customer	Basis of Classification				
	FY 2023/24	(VOL)	(BOD)	(TSS)	(DA)	(CA)	(VOL)	(BOD)	(TSS)	(DA)	(CA)
Fund 700 - Sewer Operations											
7510 - Finance Sewer Utility Billing											
Salaries	\$ 617,543	\$ 185,263	\$ 123,509	\$ 123,509	\$ -	\$ 185,263	30.0%	20%	20%	0%	30%
Utility Billing Supervisor (Split: Water/Sewer)	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Wages/Part Time	33,750	10,125	6,750	6,750	-	10,125	30.0%	20%	20%	0%	30%
Overtime	10,000	3,000	2,000	2,000	-	3,000	30.0%	20%	20%	0%	30%
Overtime Meals	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Compensated Absences	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Workers Comp	2,563	769	513	513	-	769	30.0%	20%	20%	0%	30%
Retirement (Full Time)	73,492	22,048	14,698	14,698	-	22,048	30.0%	20%	20%	0%	30%
Deferred Compensation	2,070	621	414	414	-	621	30.0%	20%	20%	0%	30%
UAL Retirement	94,578	28,373	18,916	18,916	-	28,373	30.0%	20%	20%	0%	30%
Retirement (Part Time)	759	228	152	152	-	228	30.0%	20%	20%	0%	30%
Medicare	9,595	2,879	1,919	1,919	-	2,879	30.0%	20%	20%	0%	30%
Health Insurance Benefits	115,262	34,579	23,052	23,052	-	34,579	30.0%	20%	20%	0%	30%
Life Insurance Benefits	794	238	159	159	-	238	30.0%	20%	20%	0%	30%
Employee Assistance Prog	1,116	335	223	223	-	335	30.0%	20%	20%	0%	30%
Unemployment Insurance	971	291	194	194	-	291	30.0%	20%	20%	0%	30%
Misc Disability Insurance	1,307	392	261	261	-	392	30.0%	20%	20%	0%	30%
Employee Training	3,400	1,020	680	680	-	1,020	30.0%	20%	20%	0%	30%
Employee Travel, Food, Lodge	1,250	375	250	250	-	375	30.0%	20%	20%	0%	30%
Telecommunications	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Postage	100	30	20	20	-	30	30.0%	20%	20%	0%	30%
Professional Support	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Contractual Services	66,025	19,808	13,205	13,205	-	19,808	30.0%	20%	20%	0%	30%
Office/Computer Supplies	2,000	600	400	400	-	600	30.0%	20%	20%	0%	30%
Repairs & Maintenance	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Earned Leave Cashout	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Tuition	-	-	-	-	-	-	30.0%	20%	20%	0%	30%
Subtotal - Finance Sewer Utility Billing	\$ 1,036,577	\$ 310,973	\$ 207,315	\$ 207,315	\$ -	\$ 310,973	30%	20%	20%	0%	30%

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 19 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses											
Budget Categories	Total Revenue Requirements	Flow	Strength		Direct Alloc. (Monitoring, Pretreat., etc.)	Customer	Basis of Classification				
	FY 2023/24	(VOL)	(BOD)	(TSS)	(DA)	(CA)	(VOL)	(BOD)	(TSS)	(DA)	(CA)
Fund 700 - Sewer Operations											
7520 - Sewer Operations											
Salaries	\$ 1,826,894	\$ 858,640	\$ 456,724	\$ 456,724	\$ 54,807	\$ -	47%	25%	25%	3%	0%
FT Engineer I/II	-	-	-	-	-	-	47%	25%	25%	3%	0%
Wages/Part Time	60,000	28,200	15,000	15,000	1,800	-	47%	25%	25%	3%	0%
Overtime	50,000	23,500	12,500	12,500	1,500	-	47%	25%	25%	3%	0%
Overtime Meals	1,000	470	250	250	30	-	47%	25%	25%	3%	0%
Compensated Absences	-	-	-	-	-	-	47%	25%	25%	3%	0%
Workers Comp	66,947	31,465	16,737	16,737	2,008	-	47%	25%	25%	3%	0%
Retirement (Full Time)	218,375	102,636	54,594	54,594	6,551	-	47%	25%	25%	3%	0%
Retirement (Part Time)	1,350	635	338	338	41	-	47%	25%	25%	3%	0%
Medicare	28,106	13,210	7,027	7,027	843	-	47%	25%	25%	3%	0%
Health Insurance Benefits	375,906	176,676	93,976	93,976	11,277	-	47%	25%	25%	3%	0%
Life Insurance Benefits	2,241	1,053	560	560	67	-	47%	25%	25%	3%	0%
Employee Assistance Prog	3,097	1,456	774	774	93	-	47%	25%	25%	3%	0%
Unemployment Insurance	2,915	1,370	729	729	87	-	47%	25%	25%	3%	0%
Misc Disability Insurance	3,733	1,754	933	933	112	-	47%	25%	25%	3%	0%
RETIREE MEDICAL	1,800	846	450	450	54	-	47%	25%	25%	3%	0%
Employee Training	40,000	18,800	10,000	10,000	1,200	-	47%	25%	25%	3%	0%
Employee Travel, Food, Lodge	15,000	7,050	3,750	3,750	450	-	47%	25%	25%	3%	0%
Telecommunications	2,500	1,175	625	625	75	-	47%	25%	25%	3%	0%
Postage	-	-	-	-	-	-	47%	25%	25%	3%	0%
Professional Support	15,000	7,050	3,750	3,750	450	-	47%	25%	25%	3%	0%
Contractual Services	806,000	378,820	201,500	201,500	24,180	-	47%	25%	25%	3%	0%
Office/Computer Supplies	1,500	705	375	375	45	-	47%	25%	25%	3%	0%
Department Supplies	10,000	4,700	2,500	2,500	300	-	47%	25%	25%	3%	0%
Repairs & Maintenance	100,000	47,000	25,000	25,000	3,000	-	47%	25%	25%	3%	0%
Equipment Rental	10,000	4,700	2,500	2,500	300	-	47%	25%	25%	3%	0%
Equipment/Furniture	-	-	-	-	-	-	47%	25%	25%	3%	0%
Interfund Transfer Out2	390,000	234,000	78,000	78,000	-	-	60%	20%	20%	0%	0%
SCWRA Oper. Costs (less Monit., Sampl., Pre-Tr.Costs)	6,146,815	2,889,003	1,536,704	1,536,704	184,404	-	47%	25%	25%	3%	0%
Monitoring, Sampling, Pretreatment (Non-Resid. Costs)	365,700	-	-	-	365,700	-	0%	0%	0%	100%	0%
Earned Leave Cashout	-	-	-	-	-	-	47%	25%	25%	3%	0%
Deferred Compensation	5,742	2,699	1,436	1,436	172	-	47%	25%	25%	3%	0%
UAL Retirement	284,730	133,823	71,182	71,182	8,542	-	47%	25%	25%	3%	0%
Apparel, Boots, Ppe	9,000	4,230	2,250	2,250	270	-	47%	25%	25%	3%	0%
Utilities	6,000	2,820	1,500	1,500	180	-	47%	25%	25%	3%	0%
Permits	25,000	11,750	6,250	6,250	750	-	47%	25%	25%	3%	0%
Improvements	-	-	-	-	-	-	47%	25%	25%	3%	0%
Subtotal - Wastewater Environmental Compliance	\$ 10,875,351	\$ 4,990,236	\$ 2,607,913	\$ 2,607,913	\$ 669,290	\$ -	46%	24%	24%	6%	0%

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 20 : CLASSIFICATION OF EXPENSES FOR COST OF SERVICE ANALYSIS, cont.

Classification of Expenses, cont.											
Budget Categories	Total Revenue Requirements	Flow	Strength		Direct Alloc. (Monitoring, Pretreat., etc.)	Customer	Basis of Classification				
	FY 2023/24	(VOL)	(BOD)	(TSS)	(DA)	(CA)	(VOL)	(BOD)	(TSS)	(DA)	(CA)
Debt Service Payments											
Outstanding Debt	2,244,000	1,029,676	538,112	538,112	138,100	-	46%	24%	24%	6%	0%
New Debt Issue - SRF Loan	-	-	-	-	-	-	50%	25%	25%	0%	0%
New Debt Issue - Revenue Bond	-	-	-	-	-	-	50%	25%	25%	0%	0%
Total Debt Service Payments	\$ 2,244,000	\$ 1,029,676	\$ 538,112	\$ 538,112	\$ 138,100	\$ -	46%	24%	24%	0%	0%
Capital Expenditures											
Rate Funded Capital Expenses	\$ 75,401	\$ 34,598	\$ 18,081	\$ 18,081	\$ 18,081	\$ -	46%	24%	24%	0%	0%
TOTAL REVENUE REQUIREMENTS	\$ 18,618,887	\$ 8,620,172	\$ 4,330,678	\$ 4,330,678	\$ 825,471	\$ 525,329	46%	23%	23%	4%	3%
Less: Non-Rate Revenues											
Other Revenue:											
Misc. Revenue & Interest Earnings ²	\$ (649,871)	\$ (298,198)	\$ (155,839)	\$ (155,839)	\$ (39,994)	\$ -	46%	24%	24%	6%	0%
Interfund Transfer In	(2,244,000)	(1,346,400)	(448,800)	(448,800)	-	-	60%	20%	20%	0%	0%
NET REVENUE REQUIREMENTS	\$ 15,725,016	\$ 6,975,574	\$ 3,726,039	\$ 3,726,039	\$ 785,476	\$ 525,329					
Allocation of Revenue Requirements	100.0%	44.4%	23.7%	23.7%	5.0%	3.3%					
Allocations of COSA (Rounded)	100.0%	44.0%	24.0%	24.0%	5.0%	3.0%					

TABLE 21 : NET REVENUE REQUIREMENTS INCLUDING RATE INCREASE

Adjustment to Current Rate Level:	Total	(VOL)	(BOD)	(TSS)	(DA)	(CA)
Projected Rate Revenue at Current Rates	\$ 13,512,000					
FY 2023/24 Projected Rate Increase	4%					
Additional Rate Revenue from Rate Increase	\$ 540,480					
Adjusted Net Revenue Req'ts	\$ 14,052,480	\$ 6,183,091	\$ 3,372,595	\$ 3,372,595	\$ 702,624	\$ 421,574
FY 2023/24 Target Rate Rev. After Rate Incr. (From Fin. Plan)	\$ 14,052,480					
Percent of Revenue		44.0%	24.0%	24.0%	5.0%	3.0%

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 22 : DEVELOPMENT OF THE FLOW ALLOCATION FACTOR

Customer Class	Consumption (TG/year) ¹	Number of Dwelling Units / Accounts ²	Winter Consumption (Dec-Feb '21) ³	Annualized Winter Consumption	Adjusted Annual Volume (gallons) ³	Percentage of Adjusted Volume
Residential Customers						
Single-Family Residence	1,135,486	12,330	201,429	805,715	805,715,371	61.6%
Multi-Family Residence ⁴	218,620	4,585	49,505	198,022	198,021,843	15.1%
Non-Residential Customers						
Low Strength	77,640	427			77,640,000	5.9%
Domestic Strength	98,610	253			98,610,000	7.5%
Medium Strength	53,149	55			53,149,000	4.1%
High Strength	74,067	128			74,067,000	5.7%
Total:	1,657,571	17,778	250,934	1,003,737	1,307,203,214	100.0%

1. Consumption data for residential customers is not available. Calculation of estimated consumption available in source file:

FY 2021-22 Billing Journal Totals by Service v7.xlsx.

2. SFR and MFR customers are based on the number of dwelling units and all other customers are based on the number of accounts.

3. Annual consumption for all customer classes based on 12 months of water consumption.

4. MFR dwelling units provided by the City. Source file: *MFR Units.xlsx*.

TABLE 23 : DEVELOPMENT OF THE STRENGTH ALLOCATION FACTOR

Customer Class	Annual Flow (gallons)	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Average Strength Factor (mg/l) ¹	Calculated BOD (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ¹	Calculated TSS (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total
Residential Customers									
Single-Family Residence	805,715,371	205	1,377,532	2,755,063	51.4%	205	1,377,532	1,744,176	51.4%
Multi-Family Residence	198,021,843	205	338,558	677,116	12.6%	205	338,558	428,669	12.6%
Non-Residential Customers									
Low Strength	77,640,000	167	108,135	216,271	4.0%	167	108,135	136,917	4.0%
Domestic Strength	98,610,000	225	185,042	370,083	6.9%	225	185,042	234,293	6.9%
Medium Strength	53,149,000	400	177,305	354,610	6.6%	400	177,305	224,497	6.6%
High Strength	74,067,000	800	494,175	988,350	18.4%	800	494,175	625,705	18.4%
Total:	1,307,203,214		2,680,747	5,361,493	100.0%		2,680,747	3,394,256	100.0%
Total Annual from WWTP Data				5,361,493	BOD (lbs./yr.)	3,394,256 TSS (lbs./yr.)			
				2.00	BOD Adj. Factor	1.27 TSS Adj. Factor			

1. Avg. strength factors for BOD and TSS are from the CA State Water Resources Control Board, *Revenue Program Guidelines* (Appendix G), March 1998 Edition.

CITY OF GILROY
SEWER RATE STUDY
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TABLE 24 : DEVELOPMENT OF THE CUSTOMER ALLOCATION FACTOR

Customer Class	Number of Dwelling Units / Accounts	Percent of Total
Residential Customers		
Single-Family Residence	12,330	66.2%
Multi-Family Residence	4,585	24.6%
Non-Residential Customers - Strength Classes		
Low Strength	427	2.29%
Domestic Strength	253	1.36%
Medium Strength	55	0.30%
High Strength	128	0.69%
Non-Residential Customers - Categorical Classes		
Significant/Categorical	6	0.03%
Non-Significant/Categorical	458	2.46%
Other Non-Residential	387	2.08%
Total:	18,628	100.0%

CITY OF GILROY
SEWER RATE STUDY
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TABLE 25 : ALLOCATION OF SEWER REVENUE REQUIREMENTS

Classification Components	COSA Results - Net Rev. Reqts. (49% Fixed / 51% Vol.)	
Commodity-Related Costs	\$ 6,183,091	44.0%
Capacity-Related Costs	6,745,190	48.0%
Monit., Sampl., Pretreat. (Non-Resid. Costs)	702,624	5.0%
Customer-Related Costs	421,574	3.0%
Net Revenue Requirement	\$ 14,052,480	100.0%

1. Reflects COSA calculation of the fixed and volumetric charges. See *Funct. & Classification* tab.

TABLE 26 : ALLOCATION OF NET REVENUE REQUIREMENTS TO CUSTOMER CLASSES

TABLE 26 : ALLOCATION OF NET REVENUE REQUIREMENTS TO CUSTOMER CLASSES					COSA Results - Net Revenue Requirement (Including Rate Increases)			
Customer Class	Cost Classification Components					Cost of Service Net Rev. Req'ts.	% of COS Net Revenue Req'ts.	
	Commodity	Capacity		Direct Allocation (Monitoring, Pretreat., etc.)				Customer
		BOD	TSS	\$	Alloca. %			
Residential Customers								
Single-Family Residence	\$ 3,811,046	\$ 1,733,046	\$ 1,733,046			\$ 279,038	\$ 7,556,175	53.8%
Multi-Family Residence	936,646	425,933	425,933			103,762	1,892,275	13.5%
Non-Residential Customers								
Low Strength	\$ 367,238	\$ 136,043	\$ 136,043			\$ 9,663	\$ 648,988	4.6%
Domestic Strength	466,427	232,797	232,797			5,726	937,747	6.7%
Medium Strength	251,396	223,064	223,064			1,245	698,768	5.0%
High Strength	350,338	621,712	621,712			2,897	1,596,659	11.4%
Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs Only)						Fixed Charge Rev. Reqts.		
Significant/Categorical				\$20,542	2.9%	136	\$20,678	0.1%
Non-Significant/Categorical				\$619,036	88.1%	10,354	\$629,390	4.5%
Other Non-Residential				\$63,046	9.0%	8,754	\$71,800	0.5%
Total	\$ 6,183,091	\$3,372,595	\$3,372,595	\$ 702,624		\$ 421,574	\$ 14,052,480	100.0%

1. Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs are allocated on the basis of current/historical share of this program.

CITY OF GILROY
SEWER RATE STUDY
Cost-of-Service Analysis

TABLE 27 : CALCULATION OF PROPOSED SEWER RATES

TABLE 27 : CALCULATION OF PROPOSED SEWER RATES				Rate Alt. 1 (COSA Fixed Rev. = 26%)			
Customer Class	No. of Dwelling Units / Accounts ¹	Annualized Consumption (Gallons) ²	Annual Revenue Requirement			Mo. Fixed Charge Per EDU (Resid.) or Account (Non-Resid)	Volumetric Charge (\$/1,000 Gal.)
			Total	Fixed	Volumetric		
Residential - Monthly Fixed Rate							
Single-Family Residence	12,330	805,715,371	\$ 7,556,175	\$ 7,556,175		\$51.07	
Multi-Family Residence	4,585	198,021,843	1,892,275	1,892,275		\$34.39	
Non-Residential Customers							
Low Strength	427	77,640,000	\$ 648,988		\$ 648,988		\$8.36
Domestic Strength	253	98,610,000	937,747		937,747		\$9.51
Medium Strength	55	53,149,000	698,768		698,768		\$13.15
High Strength	128	74,067,000	1,596,659		1,596,659		\$21.56
Total	17,778	#####	\$ 13,330,612	\$ 9,448,450	\$ 3,882,162		
Non-Residential Customers (Monitoring, Sampling, Pretreatment Costs Only)							
Significant/Categorical ³	6		\$20,678	\$ 20,678		\$287.19	
Non-Significant/Categorical ³	458		629,390	629,390		\$114.64	
Other Non-Residential ³	387		71,800	71,800		\$15.47	
Percent of Non-Resid . Rev. from Fixed vs. Vol. Charges			100.0%	0.0%	100.0%		

1. SFR and MFR customers are based on the number of dwelling units and all other customers are based on the number of accounts.
2. Residential customer consumption is the annualized average winter water consumption. Non-residential customers is total annual consumption.
3. Number of accounts estimated by dividing the annual fixed charge revenues by the current fixed charges (\$/account/month). Also, the Significant, Non-Significant and Other Non-Residential accounts are included in the non-residential strength classes. They are shown here only for the calculation of the Monitoring, Sampling, and Pre-Treatment fixed charges.

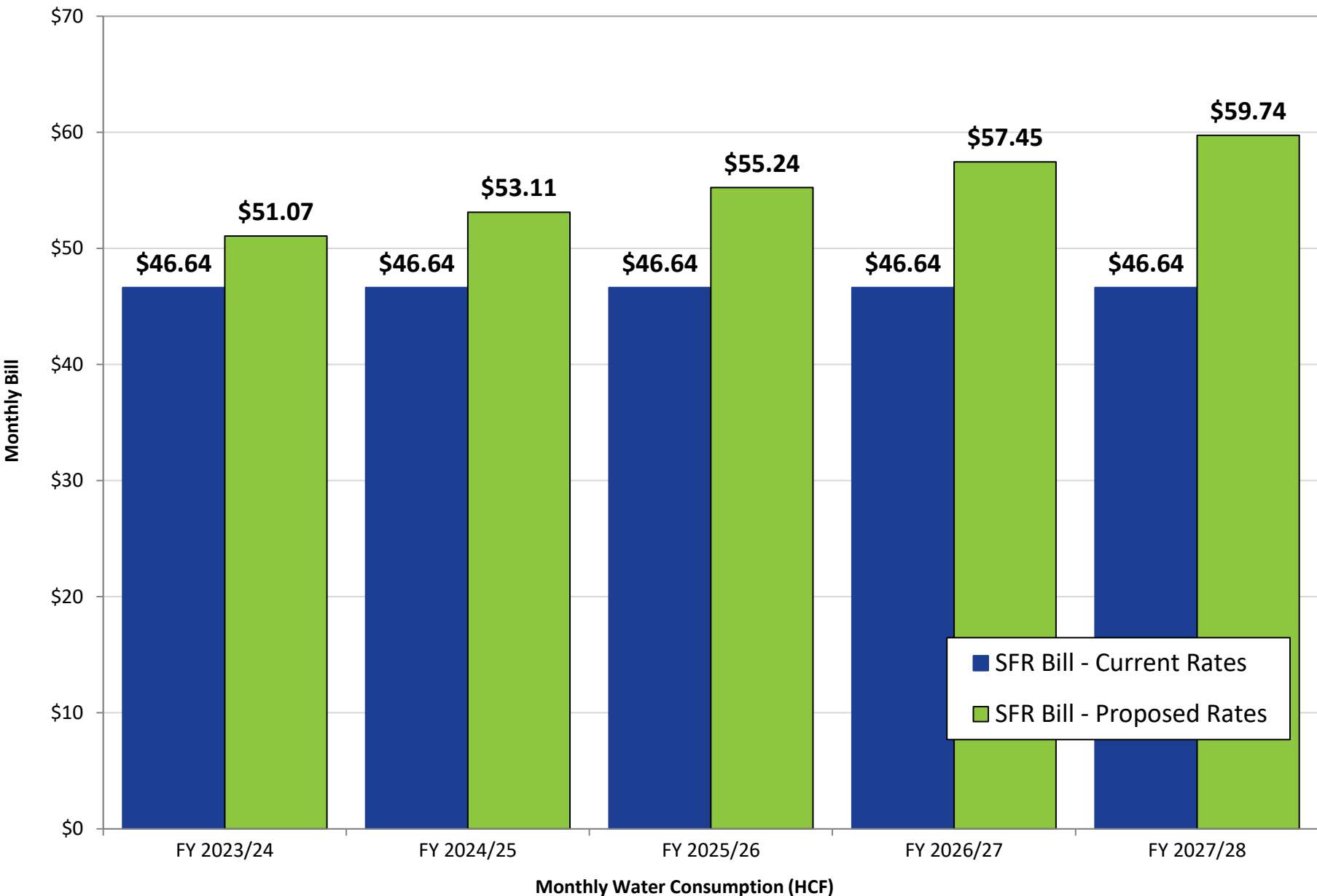
CITY OF GILROY
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TABLE 28 : CURRENT VS. PROPOSED SEWER RATES

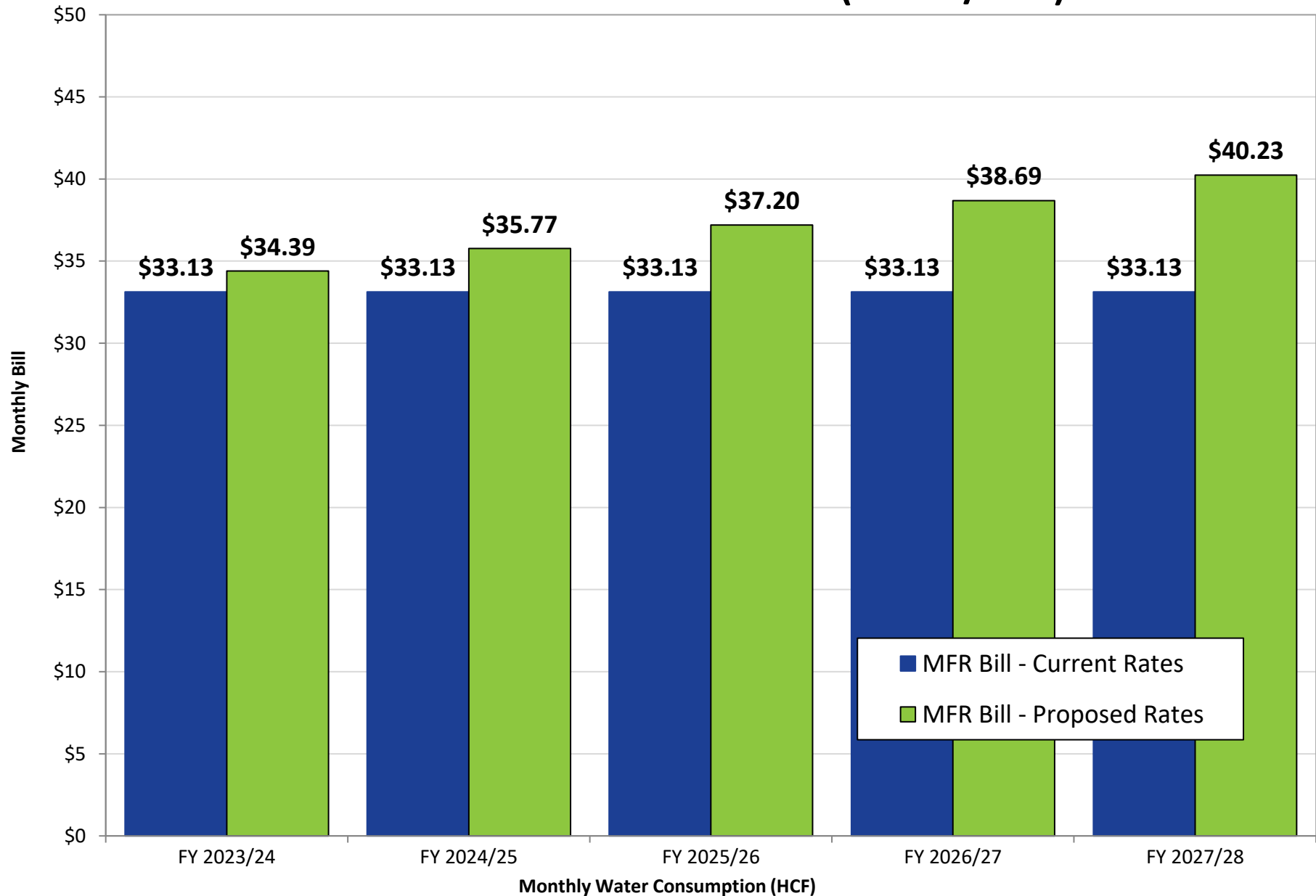
Rate Alt. 1 (COSA Fixed Rev. = 26%)						
Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Charge						
Residential (100% Fixed)						
Single-Family Residence	\$46.64	\$51.07	\$53.11	\$55.24	\$57.45	\$59.74
Multi-Family Residence	\$33.13	\$34.39	\$35.77	\$37.20	\$38.69	\$40.23
Non-Residential Volumetric Rates						
Low Strength	\$7.41	\$8.36	\$8.69	\$9.04	\$9.40	\$9.78
Domestic Strength	\$9.21	\$9.51	\$9.89	\$10.29	\$10.70	\$11.12
Medium Strength	\$12.08	\$13.15	\$13.67	\$14.22	\$14.79	\$15.38
High Strength	\$18.63	\$21.56	\$22.42	\$23.32	\$24.25	\$25.22
Non-Residential - Monitoring & Pretreatment Program Base Rate Monthly Charges						
Significant/Categorical	\$240.95	\$287.19	\$298.68	\$310.63	\$323.05	\$335.98
Non-Significant/Categorical	\$95.22	\$114.64	\$119.22	\$123.99	\$128.95	\$134.11
Other Non-Residential	\$11.47	\$15.47	\$16.09	\$16.73	\$17.40	\$18.09

Note: The City recently transitioned from July1-June 30 fiscal years to calendar years (January to December).

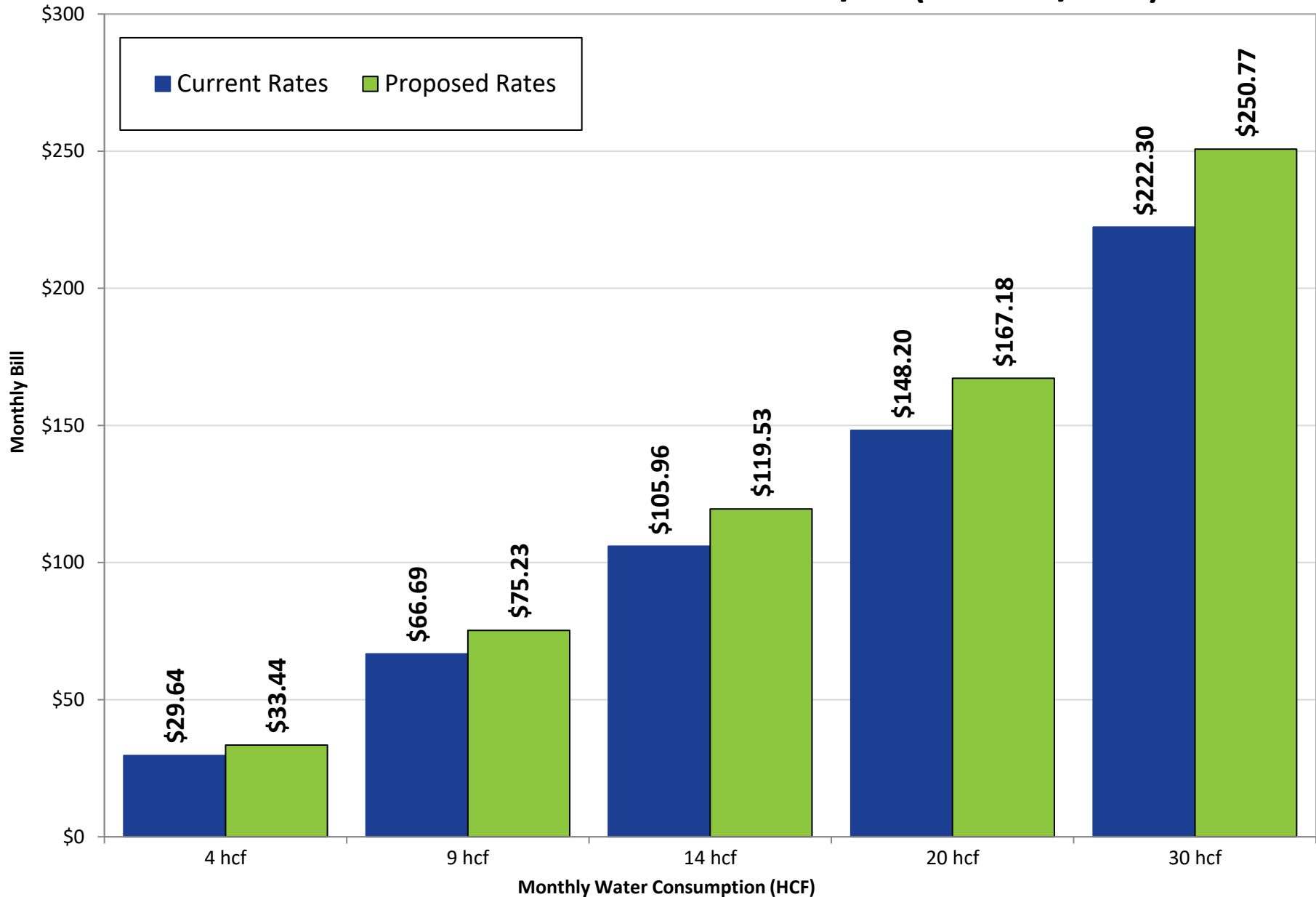
SFR - Sewer Bill Comparison Current vs. Proposed Rates



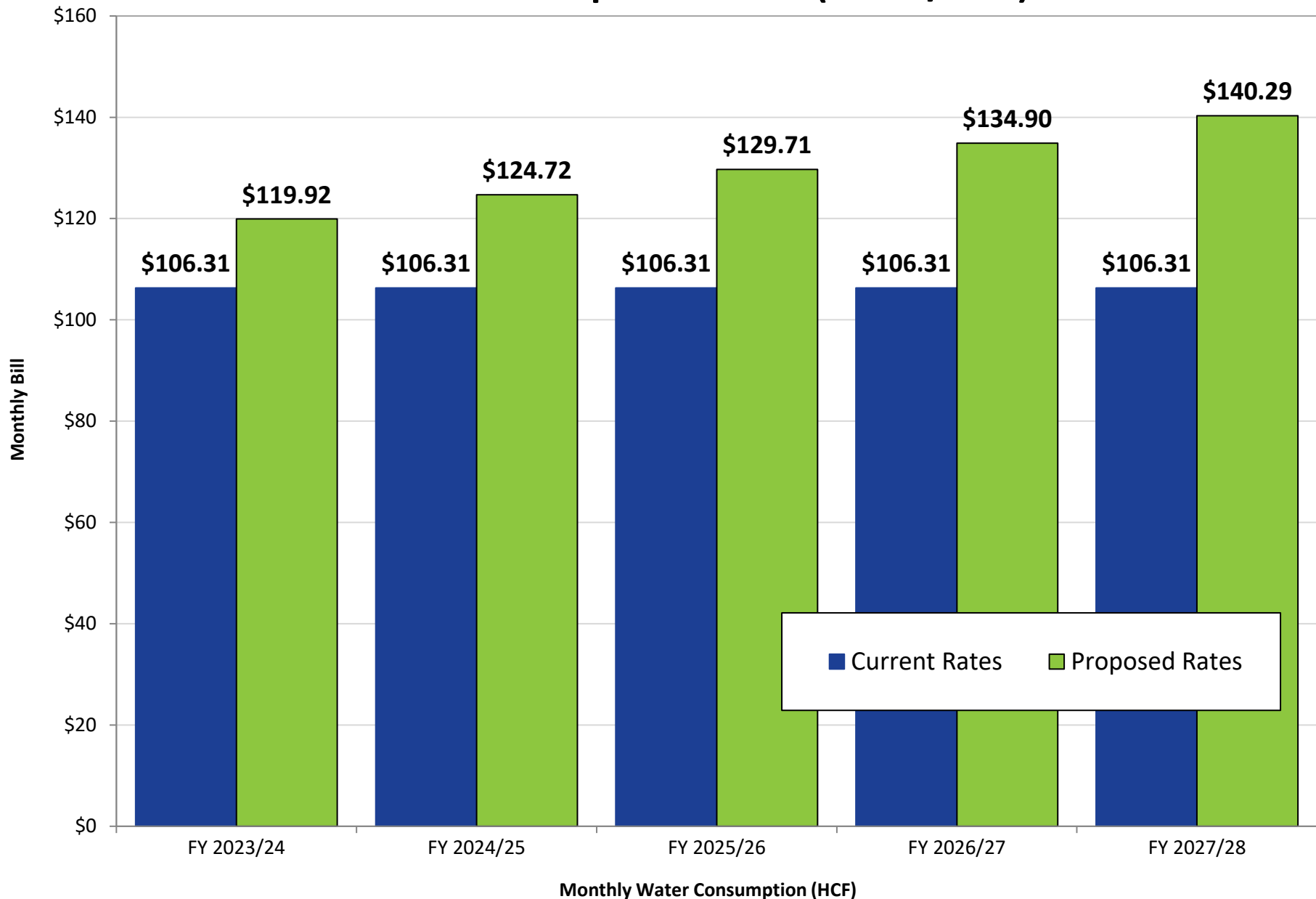
Multi-Family Residential Sewer Bill Comparison Current vs. Alternative Rates (3.6 TG/Mo.)



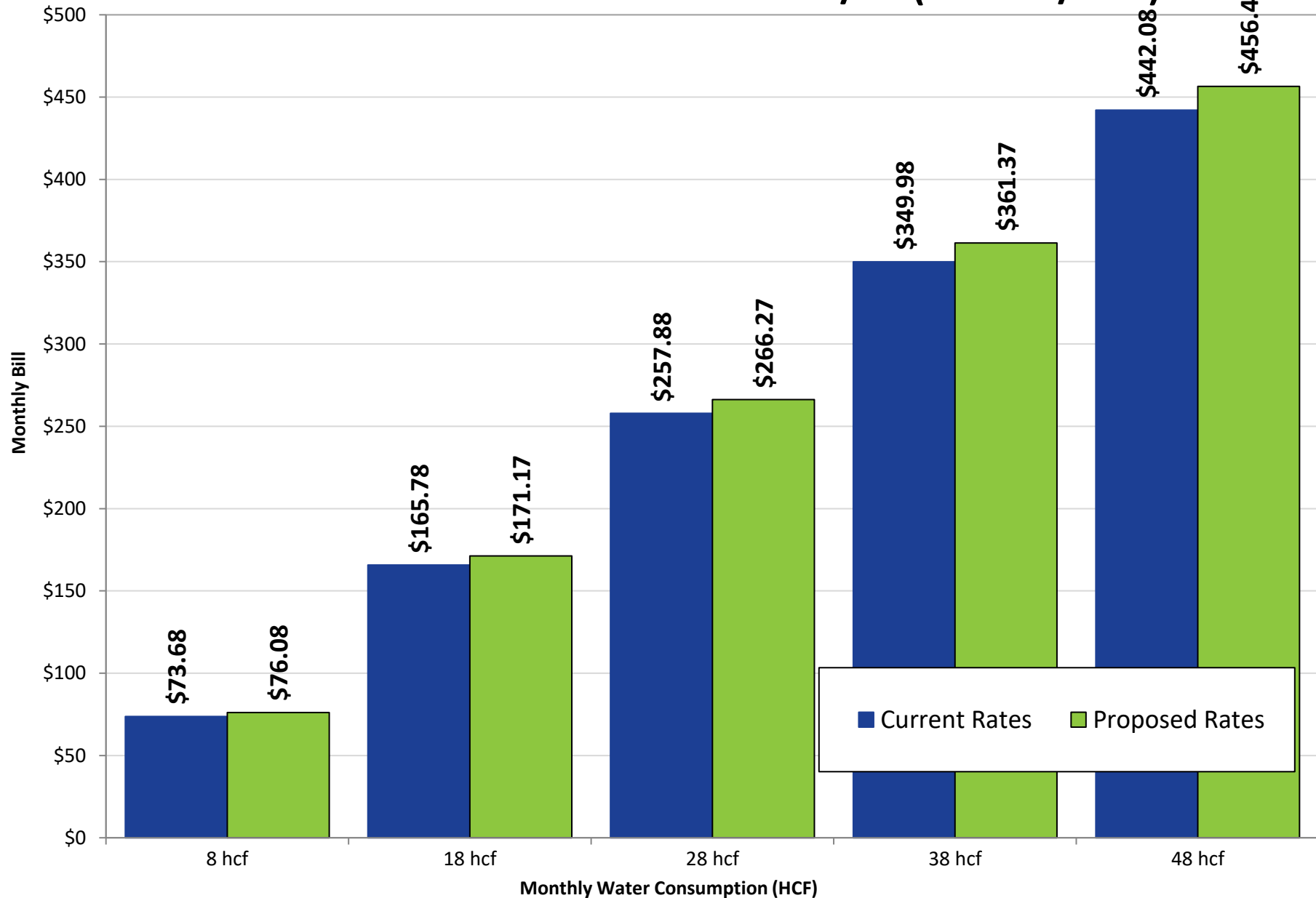
Low-Strength Commercial Sewer Bill Comparison Current vs. Alternative Rates FY'23/24 (14.3 TG/Mo.)



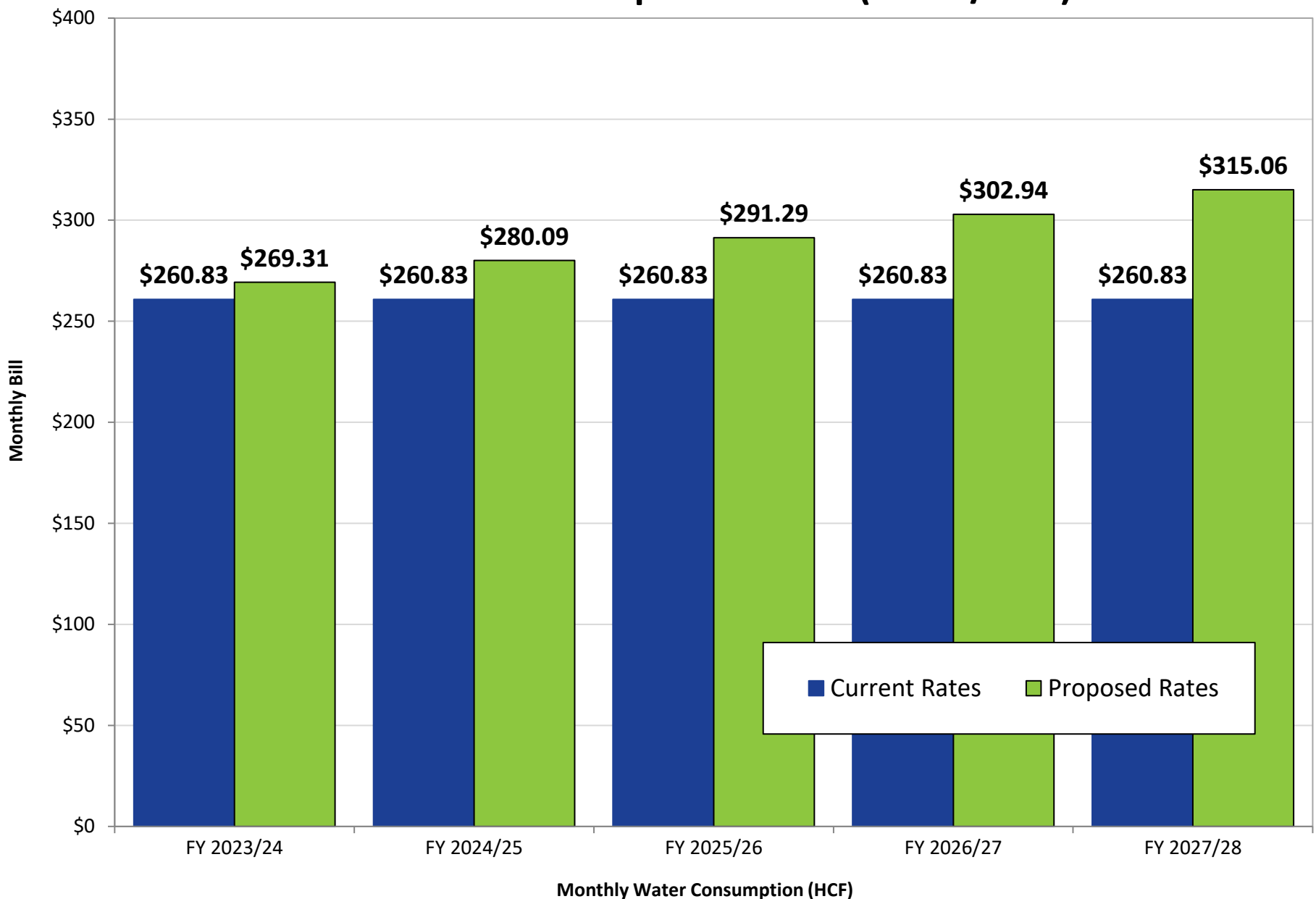
Low-Strength Commercial Sewer Bill Comparison Current vs. Proposed Rates (28 TG/Mo.)



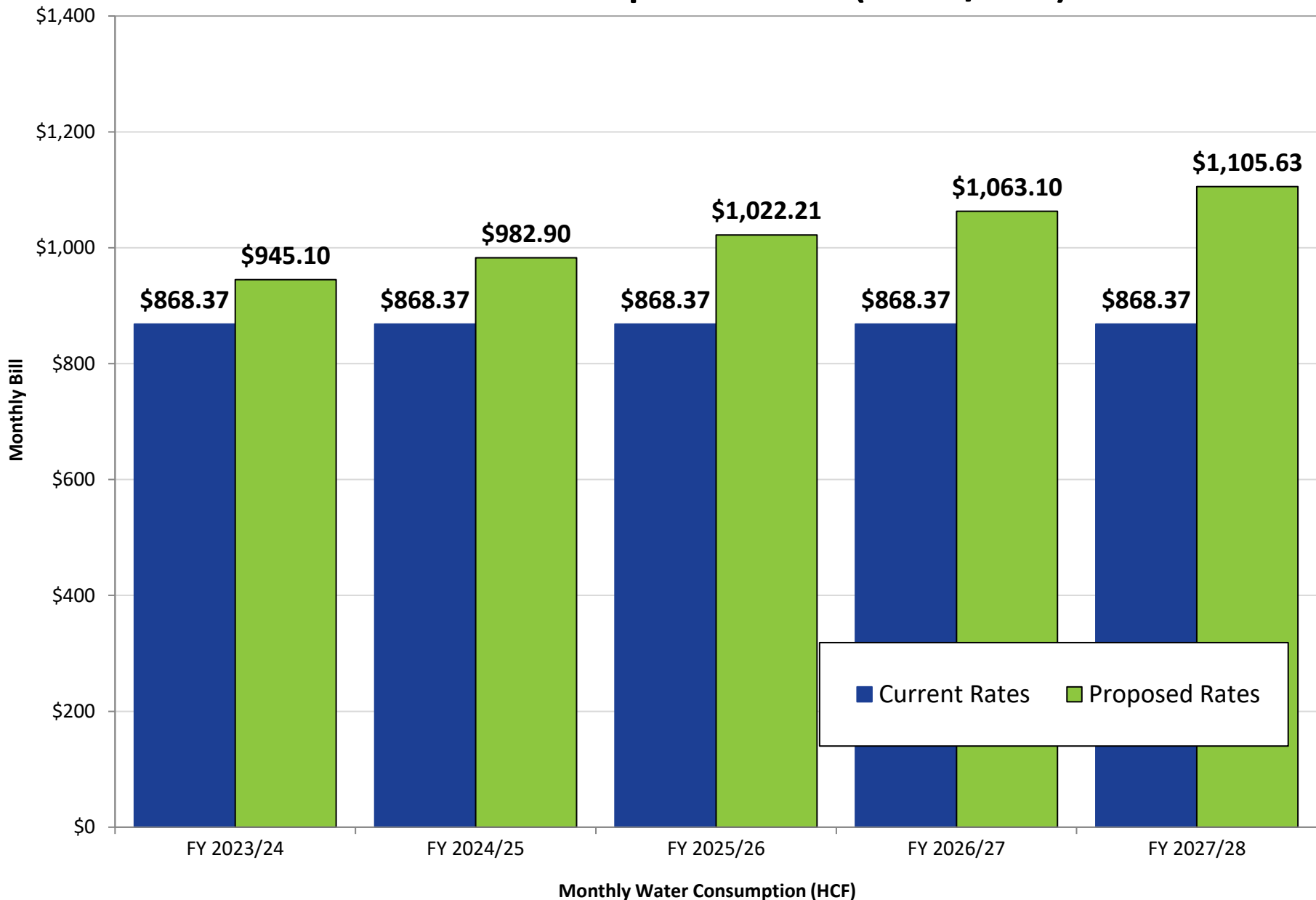
Domestic-Strength Commercial Sewer Bill Comparison Current vs. Alternative Rates FY'23/24 (14.3 TG/Mo.)



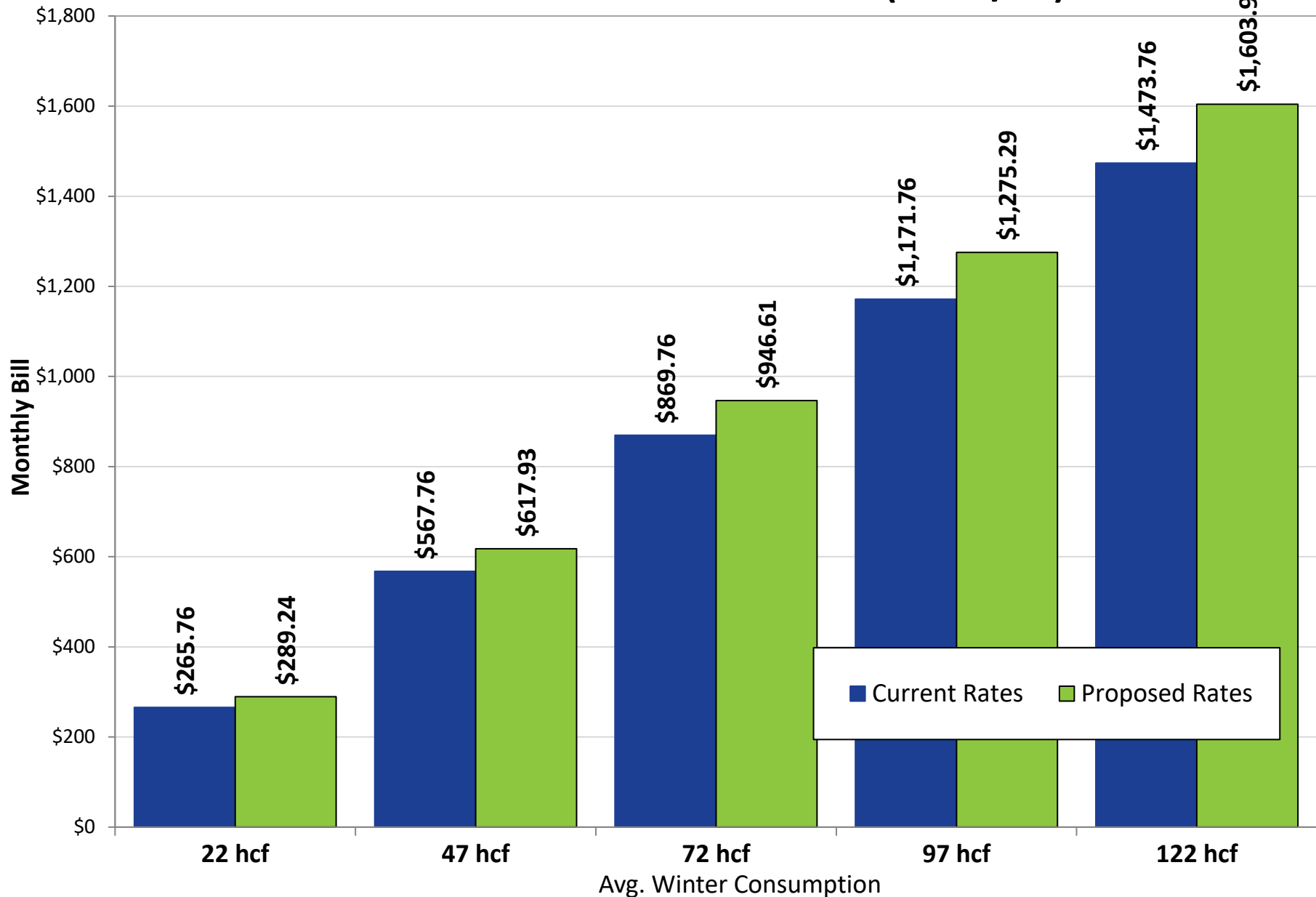
Domestic-Strength Commercial Sewer Bill Comparison Current vs. Proposed Rates (28 TG/Mo.)



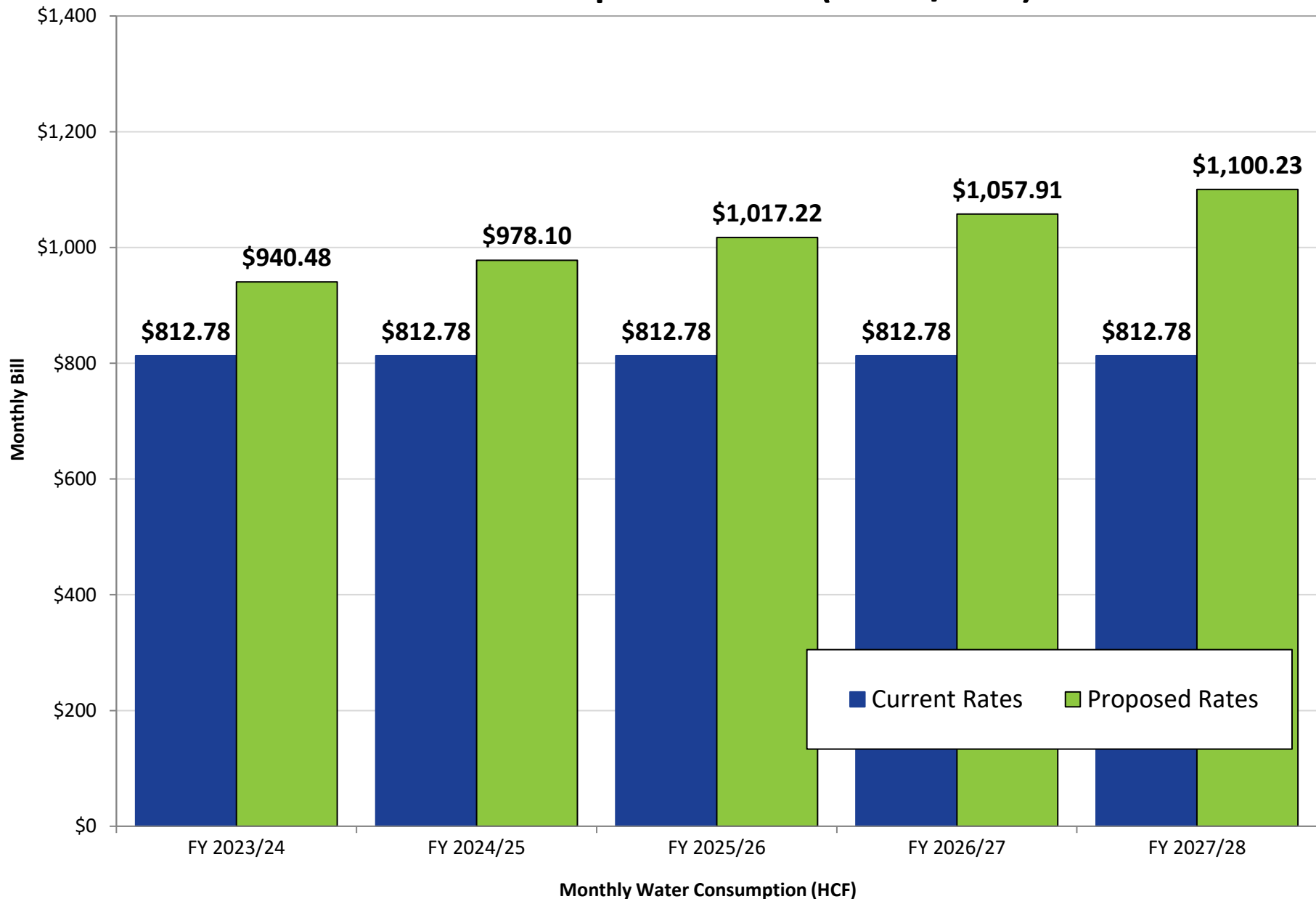
Medium-Strength Commercial Sewer Bill Comparison Current vs. Proposed Rates (72 TG/Mo.)



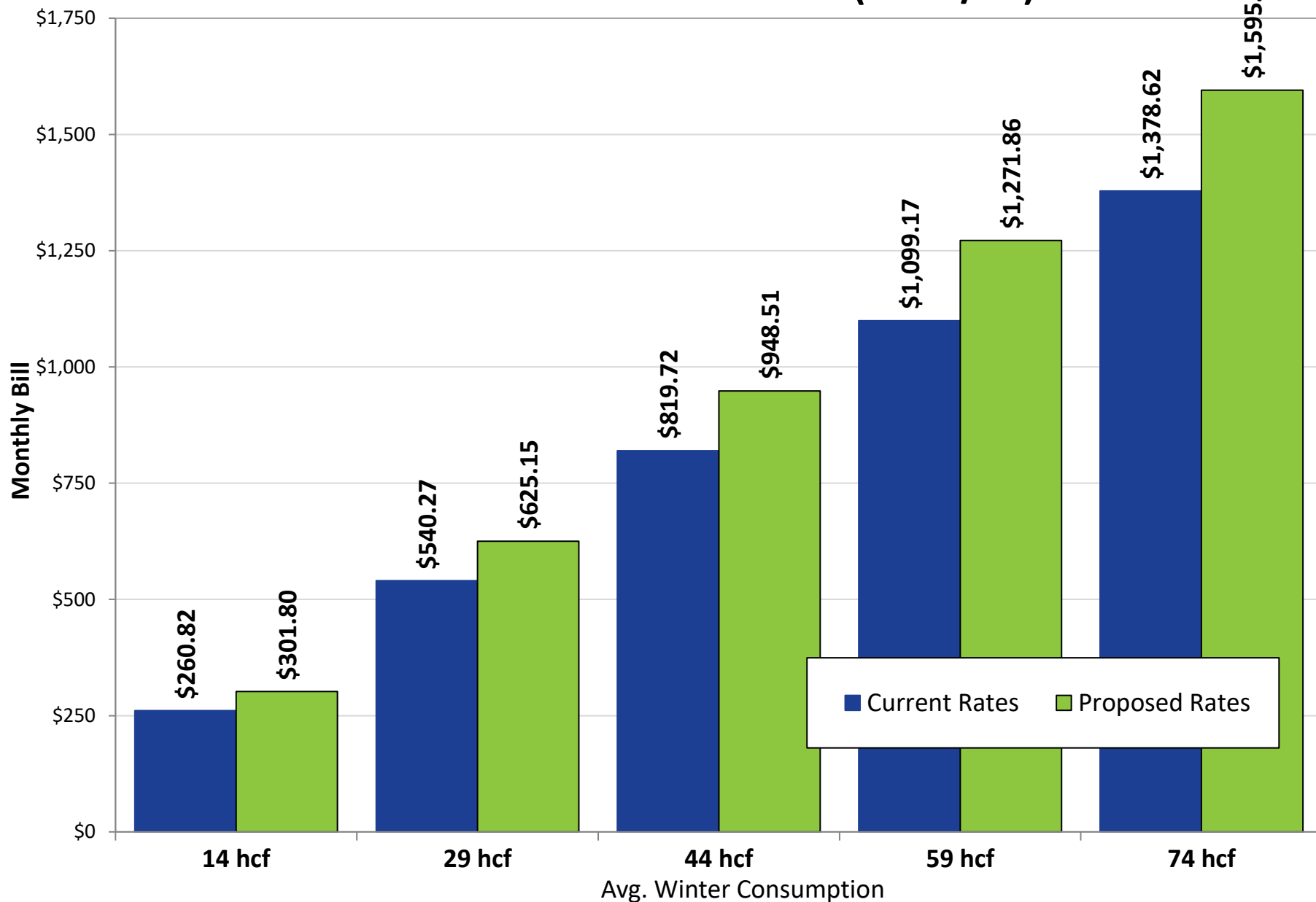
Medium-Strength Commercial Sewer Bill Comparison Current vs. Rate Alternatives (FY'23/24)



High-Strength Commercial Sewer Bill Comparison Current vs. Proposed Rates (43 TG/Mo.)



High-Strength Commercial Sewer Bill Comparison Current vs. Rate Alternatives (FY'23/24)



RESOLUTION NO. 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY DECLARING ITS INTENTION TO ADJUST WATER AND WASTEWATER RATES; SETTING THE TIME AND PLACE FOR A PROPOSITION 218 MAJORITY PROTEST PUBLIC HEARING; AND AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO PROVIDE THE RELATED NOTICE IN COMPLIANCE WITH STATE-MANDATED TIMING REQUIREMENTS**

WHEREAS, the City of Gilroy has identified ongoing operational and capital needs associated with the City's water and wastewater utility system; and

WHEREAS, in order to fund the identified water and wastewater system's operational and capital costs, it will be necessary to adjust the City's current water and wastewater rates; and

WHEREAS, the City of Gilroy engaged NBS Government Finance Group, a firm with expertise in the analysis of costs relating to utilities, to conduct a rate study of the City's water and wastewater utilities; and

WHEREAS, the City Council received the report prepared by NBS Government Finance Group at the August 21st, 2023 City Council meeting and heard from staff on this matter; and

WHEREAS, on November 5, 1996, California voters approved Proposition 218, requiring specific procedures be followed with regard to "property-related" fee increases, including the need to provide written notice at least 45 days in advance of a public hearing; and

WHEREAS, on July 24, 2006, the California Supreme Court confirmed that charges for water and wastewater (sewer) are subject to Proposition 218 procedures (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal. 4th 205); and

WHEREAS, on April 20, 2015, the California Court of Appeal ruled that water rate surcharges and by analogy, wastewater surcharges may be charged as long as they are based upon the actual cost of service to the ratepayers receiving the surcharge. (*Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* (2015) 235 Cal.App.4th 1493; and

WHEREAS, the City Council believes it is in the public interest to and desires to proceed through the requisite processes pursuant to the provisions of Proposition 218 in order to consider adjustments to the City of Gilroy's fees, rates, and charges related to its water system.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF GILROY DOES RESOLVE AS FOLLOWS:

1. A Proposition 218 Public Hearing is hereby set and will be held before the City Council on October 16, 2023, in order for the City Council to consider adjustments to the City's water service fees, rates and/or charges; and
2. The City Administrator, or designee, is hereby authorized and directed to cause a notice of Public Hearing that provides details related to adjustments to the specific water and wastewater service fees, rates and/or charges being proposed to be mailed no later than September 1, 2023, in a manner that complies with applicable laws, including without limitation, the State-mandated minimum 45-day required notice under Proposition 218.

PASSED AND ADOPTED at a Regular Meeting of the City Council on this 21st day of August 2023 by the following vote:

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

APPROVED:

 Marie Blankley, Mayor

ATTEST:

 Thai Nam Pham, City Clerk



Proposition 218 Notification Notice of Public Hearing Regarding Water and Wastewater Rate Adjustments

Agenda Item 11.1
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020-6197
Telephone (408) 846-0420
Facsimile (408) 846-0421
<http://www.cityofgilroy.org>

Hearing Date and Time: October 16, 2023, at 6:00 p.m. or soon thereafter

Location: 7351 Rosanna Street, Gilroy, CA 95020-5197

The City Council of the City of Gilroy will hold a Public Hearing on October 16, 2023, at 6:00 p.m. or soon thereafter, in the City of Gilroy City Council Chambers located at 7351 Rosanna Street, Gilroy, CA to consider adjustments to water and wastewater rates assessed to all customers. If approved, the rate adjustments will commence with service period beginning January 1, 2024 and will be adjusted annually thereafter for a five-year period.

You are receiving this notification in compliance with California Constitution Article XIII D Section 6 (Proposition 218) requirements that all impacted property owners are mailed notice of proposed rate changes at least 45 days prior to a public hearing. In addition, Section 53755 of the Government Code authorizes those notices to be mailed to customers who are billed for the service. Proposition 218 also establishes a protest process for the public to follow if they wish to oppose the proposed rates.

The City's last rate study was conducted in 2015 which set rates for a five-year period, with the last scheduled increase in 2019. Rates for both water and wastewater services have not been adjusted since 2019. The City is legally required to collect revenues sufficient to cover the costs of operating the water and wastewater systems. These revenues allow the City to ensure both systems continually meet or exceeds all public health and environmental standards. Costs that must be recovered through rate revenue include groundwater production, wastewater treatment, electricity, equipment, supplies and services, debt service, and personnel. Additionally, revenues generated from both utility rates are used to finance the repair and renovation of aging infrastructure and maintain reserve funds. The rates proposed herein were developed through the Comprehensive Water and Wastewater Rate Study (Rate Study) designed to meet all legal requirements and fairly and equitably recover the necessary revenue from all customer classes. The Rate Study is available for your review at <https://tinyurl.com/2023RateStudy>.

Proposed Wastewater Rates

Wastewater revenues pay for the operations and maintenance of the collection system (pipes and pump stations that transport the wastewater from homes and businesses to the wastewater treatment plant) and the administrative and regulatory costs to run the system. The treatment plant is operated by the South County Regional Wastewater Authority (SCRWA), a Joint Powers Authority (JPA) whose members are the cities of Gilroy and Morgan Hill. A portion of the wastewater revenues collected by the City is used for payments to SCRWA. In addition, wastewater rates support infrastructure investments, such as necessary system repairs and renovations to meet new regulations.

The residential wastewater service rates consist of fixed monthly charges. The non-residential wastewater service rates are comprised of two components: 1) a fixed monthly charge for non-residential wastewater monitoring and pretreatment program charges and 2) a volumetric monthly charge with four wastewater strength categories.

The current and proposed wastewater rates charges for the next five years are presented in the Table 1 below:

Table 1 – Current and Proposed Wastewater Rates

Sewer Rate Schedule	Current Rates	Proposed Sewer Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Charge						
Residential (100% Fixed)						
Single-Family Residence	\$46.64	\$51.07	\$53.11	\$55.24	\$57.45	\$59.74
Multi-Family Residence	\$33.13	\$34.39	\$35.77	\$37.20	\$38.69	\$40.23
Non-Residential Volumetric Rates						
Low Strength	\$7.41	\$8.36	\$8.69	\$9.04	\$9.40	\$9.78
Domestic Strength	\$9.21	\$9.51	\$9.89	\$10.29	\$10.70	\$11.12
Medium Strength	\$12.08	\$13.15	\$13.67	\$14.22	\$14.79	\$15.38
High Strength	\$18.63	\$21.56	\$22.42	\$23.32	\$24.25	\$25.22
Non-Residential - Monitoring & Pretreatment Program Base Rate Monthly Charges						
Significant/Categorical	\$240.95	\$287.19	\$298.68	\$310.63	\$323.05	\$335.98
Non-Significant/Categorical	\$95.22	\$114.64	\$119.22	\$123.99	\$128.95	\$134.11
Other Non-Residential	\$11.47	\$15.47	\$16.09	\$16.73	\$17.40	\$18.09

Note: Revenue from rate increases assumes an implementation date of January 1, 2024 for new rates. For each fiscal year thereafter, the assumption is that new rates will also be implemented on January 1st of each year.

Proposed Water Rates

Water revenues pay for the operations and maintenance of infrastructure required to deliver water to the residential and non-residential customers of the City of Gilroy. A portion of these rates fund charges from the Santa Clara Valley Water District (SCVWD), known as Valley Water, for ground water production and management, as 100% of the City's water is pumped from the ground.

The City currently charges residential and non-residential customers a monthly fixed water charge, also known as base charge, based on meter size. In addition to a fixed monthly charge, all customers pay a variable charge, also known as volumetric rate, per 1,000 gallons consumed consisting of two rate tiers of consumption (under and above 30,000 gallons) and three different pump pressure zones. The proposed water rate design eliminates the two tiers and proposes a uniform tier for all customers.

The current and proposed water rate charges for the next five years are presented in detail on Table 2 below:

Table 2 – Current and Proposed Water Rates

Water Rate Schedule	Current Rates	Proposed Rates				
		FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Monthly Fixed Service Charges						
Meter Size						
3/4 inch	\$11.53	\$20.67	\$22.32	\$23.66	\$24.61	\$25.59
1 inch	\$19.24	\$29.05	\$31.38	\$33.26	\$34.59	\$35.98
1 1/2 inch	\$38.47	\$50.02	\$54.02	\$57.26	\$59.55	\$61.93
2 inch	\$61.55	\$75.17	\$81.18	\$86.05	\$89.50	\$93.08
3 inch	\$115.39	\$142.24	\$153.62	\$162.84	\$169.36	\$176.13
4 inch	\$192.30	\$217.70	\$235.12	\$249.23	\$259.20	\$269.57
6 inch	\$384.62	\$427.32	\$461.50	\$489.19	\$508.76	\$529.11
8 inch	\$615.37	\$678.85	\$733.16	\$777.15	\$808.23	\$840.56
10 inch	\$884.50	\$1,768.83	\$1,910.34	\$2,024.96	\$2,105.95	\$2,190.19
Variable Charges for All Water Consumed (\$/1,000 gallons (or TG))						
Residential Customers - Tiered Volumetric Rates		Uniform Vol. Rates				
Tier 1 - Zone 1	\$4.39	\$4.00	\$4.32	\$4.58	\$4.77	\$4.96
Tier 1 - Zone 2	\$4.93	\$4.37	\$4.72	\$5.00	\$5.20	\$5.41
Tier 1 - Zone 3	\$5.52	\$4.73	\$5.11	\$5.41	\$5.63	\$5.85
Tier 2 (more than 30 TG)						
Tier 2 - Zone 1	\$4.93	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 2	\$5.47	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 2 - Zone 3	\$6.06	N.A.	N.A.	N.A.	N.A.	N.A.

Note: Revenue from rate increases assumes an implementation date of January 1, 2024 for new rates. For each fiscal year thereafter, the assumption is that new rates will also be implemented on January 1st of each year.

Valley Water Passthrough Rate Increase for Groundwater

Valley Water charges the City a ground production charge for 100% of the City's water that is pumped from the ground. In the event that Valley Water imposes additional charges associated with the pumping of groundwater, the City will implement a passthrough adjustment to customer's bills no earlier than thirty (30) days after the adjustment has been enacted by Valley Water and noticed to all City customers.

When Would New Rates Become Effective?

If approved, the first water and wastewater rate adjustment will be effective the service period beginning January 1, 2024 and adjusted annually every January 1 thereafter.

Protest Procedure

As the owner or customer of record of a parcel subject to the imposition of the proposed rate adjustments, you may submit a written protest against the proposed rate changes. If the City receives written protests against proposed rates by a majority of the affected property owners or tenants or utility customers on record prior to the end of the hearing, the Council will not approve the change. Only one written protest will be counted per identified parcel.

You have the right to withdraw a written protest that you previously submitted prior to the conclusion of the public hearing. The City Council will count all written protests received (not postmarked) prior to the conclusion of the public hearing. The City Council will not count written protests submitted after the conclusion of the public hearing.

A written protest must include (1) your name; (2) identification of the parcel by address or assessor's parcel number; (3) whether you are the owner of the parcel or the person receiving the service for which the fee is charged; (4) your statement of the specific rate changes for which you protest the increase in the fee; and (5) your original signature. Written protests will not be accepted by e-mail or by fax. Verbal protests will not be counted. Written protests may be submitted by mail or in person to:

**City of Gilroy
Attn: Utilities Rate Protest
7351 Rosanna Street
Gilroy, CA 95020-6197**

At the Public Hearing, the City Council will hear and consider all written and oral protests to the proposed rate increases. Oral comments at the Public Hearing, however, will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the Public Hearing, the City Council will consider adoption of the resolution authorizing the rate increases to the water and wastewater service fees as described herein.

For more information, please visit: <https://www.cityofgilroy.org/994/Water-and-Wastewater-Rate-Adjustment>, or contact the City's Finance Department via phone at 408-846-0420 or email at ub@cityofgilroy.org.



City of Gilroy

STAFF REPORT

Agenda Item Title:	Extension of Temporary Outdoor Dining Program
Meeting Date:	August 21, 2023
From:	Jimmy Forbis, City Administrator
Department:	Community Development
Submitted By:	Sharon Goei, Community Development Director
Prepared By:	Sharon Goei, Community Development Director

STRATEGIC PLAN GOALS

Promote Economic Development Activities

RECOMMENDATION

Adopt a resolution extending the temporary outdoor dining program through December 31, 2023.

EXECUTIVE SUMMARY

The City developed a temporary outdoor dining program to support business activity and to aid in the economic recovery of the City arising from the COVID-19 pandemic. The program expired on May 31, 2023. In response to recent comments from the business community and considering potential property tax implications on parklets, staff is seeking Council direction and recommending extending the temporary outdoor dining program through December 31, 2023.

BACKGROUND

In response to the COVID-19 outbreak in early 2020, local and state agencies issued health and safety directives to slow the spread of COVID-19, including social distancing measures.

On March 16, 2020, Santa Clara County issued a shelter-in-place order, directing all residents to shelter in their places of residence except to engage in essential activities. On March 19, 2020, California Governor issued a statewide shelter-in-place order.

On June 1, 2020, to support business activity and to aid in the economic recovery of the City arising from the COVID-19 pandemic, the City Council approved a temporary outdoor dining program. The program temporarily allowed restaurants to operate in outdoor settings adjacent to their business, utilizing private parking lots, public parking spaces, sidewalks, plazas, or similar outdoor spaces, for outdoor dining. Use of City-owned public properties and right-of-way, such as public parking spaces, mainly applied to downtown businesses. The temporary program simplified the permitting process, with the goal of assisting restaurants with re-opening quickly in a manner consistent with local and state health and safety directives, establishing outdoor dining while ensuring the safety of patrons and the public. Several restaurants took advantage of the program and set up temporary outdoor dining spaces. The temporary program was intended to end on May 31, 2021, or 30 days after the County order allows sit-down dining without distancing restrictions, whichever is sooner.

On May 3, 2021, and again on May 16, 2022, the City Council extended the temporary outdoor dining program. The program remained valid until May 31, 2023. In the Resolution extending the program through May 31, 2023, it states that until May 31, 2023, the City shall make specific City-owned public properties, including sidewalks, plazas, public parking lots, and other rights-of-way, available for outdoor dining during the pendency of the County and State orders.

Under the temporary program, Station 55 Seafood and Mexican Cocina established an outdoor dining parklet. Station 55 desires to retain the temporary parklet installed under the COVID-19 program.

The outdoor dining parklet on Monterey Street in front of the Tempo Kitchen and Bar originated under a separate pilot program in 2017. It currently has a Revocable Encroachment Permit for Occupying an Existing Parklet issued by the Public Works Department in April 2021.

It is worth noting that as public health professionals continue to monitor COVID-19 data and agencies update COVID-19 guidance, on February 28, 2023, Governor Newsom issued a proclamation terminating the State's COVID-19 State of Emergency. The Governor also phased out the executive actions in March 2020 as part of the response to the pandemic.

ANALYSIS

Recently, staff has received concerns regarding the negative impacts of outdoor dining parklets occupying public parking spaces. Businesses expressed that such installation was only allowed due to COVID-19 and that parking spaces occupied by parklets cannot be used by surrounding business customers. Businesses also voiced concerns that parklets block adjacent businesses' visibility and create vehicular traffic visibility issues.

Staff has also been receiving comments that advocate for the outdoor dining parklets to remain, noting that they support business activity and continue to stimulate the local economy.

A further consideration and implication about outdoor dining parklets arose from an early August communication from the Santa Clara County Assessor to jurisdictions in the County. In the communication, the County Assessor states the following:

“Private business use of outside public spaces, often known as ‘parklets’, started as a response to the pandemic. During that time, businesses required outdoor operation for safety, as indoor spaces were closed. The community has grown to value the outdoor experience, even as indoor service to the public resumed. No longer required, but highly desired, the expansions have a durability and permanence that may create a taxable use. It is the Assessor’s responsibility to evaluate this private use of public space and consistently apply the Revenue & Taxation Code.

As you contemplate formalizing parklets and other transformations of public space through agreements, licensing and/or permitting, we would like to make sure you understand the potential property tax implications of this activity.”

Thus, outdoor dining parklets could result in potential property tax implications.

The City Council’s adopted budget for FY 2023-24 and FY 2024-25 includes the Downtown Parking Management Plan as a Council-initiated legislative agenda item. Consideration of any permanent program for downtown parklets will depend upon the study results and adoption of the Downtown Parking Management Plan. Public Works staff is anticipated to bring forward the Downtown Parking Management Plan for consideration by the City Council in fall 2023.

In response to recent comments from the business community and considering potential property tax implications on parklets, staff is seeking Council direction on extending the temporary outdoor dining program through December 31, 2023. Staff proposes this timeline in anticipation of the Downtown Parking Management Plan completion before this date, with the Plan guiding the consideration of any permanent program for downtown parklets. Prior to this date, County Assessor may also provide further details on potential property tax implications for parklets.

Staff recommends that Council adopt the resolution proposed in the attachment to the staff report to extend the temporary outdoor dining program through December 31, 2023. Staff will return to the City Council or provide the City Council with any updates prior to December 31, 2023.

ALTERNATIVES

If the City Council chooses not to extend the temporary outdoor dining program through December 31, 2023, staff will notify and work with any affected business on compliance.

FISCAL IMPACT/FUNDING SOURCE

The temporary outdoor dining program had no fees or costs associated with it other than minimal staff time reviewing and managing requests. There may be revenue implications for businesses under the temporary program, as well as businesses nearby. There may be property tax implications for businesses with parklets.

Attachments:

1. Draft Resolution

RESOLUTION 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GILROY EXTENDING THE TEMPORARY OUTDOOR
DINING PROGRAM THROUGH DECEMBER 31, 2023**

WHEREAS, on March 16, 2020, the Santa Clara County Health Officer issued a shelter-in-place order to address COVID-19, directing all residents of the County to shelter in their places of residence except to engage in essential activities as allowed under the order; and

WHEREAS, on March 19, 2020, the Governor issued a statewide shelter-in-place order; and

WHEREAS, on June 1, 2020, the City Council approved recommendations for temporarily modifying certain City Code requirements to support business and development activity (e.g., outdoor dining) and to aid in the economic recovery of the City arising from economic impacts of the COVID-19 pandemic; and

WHEREAS, on May 3, 2021, and again on May 16, 2022, the City Council extended the temporary economic recovery program allowing private parking lots, public parking spaces, sidewalks, walkways, plaza areas, or similar outdoor spaces to be used for outdoor dining; and

WHEREAS, outdoor dining continues to stimulate the local economy in furtherance of the City Council's goal to "Promote Economic Development Activities that Create Opportunities for Quality Employment and Increase the City's Tax Base"; and

WHEREAS, Vehicle Code Section 22507 authorizes cities to adopt local rules for parking on public streets; and

WHEREAS, Vehicle Code Section 21101(e) authorizes the governing body of a local agency to close portions of public streets temporarily by ordinance or resolution as necessary for the safety and protection of persons who are to use such portions of streets during the temporary closing; and

WHEREAS, the City of Gilroy, as a municipal corporation and charter city, has inherent authority to govern and control the use and enjoyment of its own property; and

WHEREAS, Article XI, Section 7 of the California Constitution states that: "A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws."

NOW, THEREFORE, BE IT RESOLVED THAT:

The City Council hereby finds that each of the foregoing recitals is true and correct.

Until December 31, 2023, the City Engineer or designee is hereby authorized to allow certain City-owned public properties, including public parking spaces, sidewalks, plazas, and other rights-of-way, to be used for outdoor dining.

Until December 31, 2023, the City Engineer or designee is hereby authorized to allow portions of public streets to also be used for outdoor dining; provided, however, that no portion of any street shall be closed entirely to through traffic except as authorized by subsequent resolution of the City Council pursuant to Vehicle Code Section 21101(e).

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 21st day of August 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: **Adopt a Resolution of Intention to Reimburse Expenditures for Costs Incurred in Connection with the Gilroy Ice Center Project**

Meeting Date: August 21, 2023
From: Jimmy Forbis, City Administrator
Department: Finance
Submitted By: Harjot Sangha, Finance Director
Prepared By: Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization
 Promote Economic Development Activities
 Maintain and Improve City Infrastructure

RECOMMENDATION

Adopt a Resolution of Intention to Reimburse Expenditures for Costs Incurred in Connection with the Gilroy Ice Center Project (the "Project").

BACKGROUND

The City of Gilroy (the "City") has entered into that certain Exclusive Negotiating Rights Agreement, as amended from time to time, with Sharks Sports & Entertainment LLC ("Sharks"), pursuant to which the City selected the Sharks to negotiate exclusively the terms for the operation of an indoor entertainment and sports complex on a portion of the Gilroy Sports Park.

In June 2022, the City Council approved a non-binding term sheet with the Sharks. The project is included in the City's recently adopted five-year Capital Improvement Program. In anticipation of construction, certain work such as preparation of the basis of design and design-build documents and utility and site work improvements are required that the City will likely complete prior to any financing (bond issuance) for the Project.

Adopt a Resolution of Intention to Reimburse Expenditures for the Proposed Improvement to the Gilroy Sports Park for the Gilroy Ice Center Project

ANALYSIS

Staff has begun working with NHA Advisors, the City's municipal advisor, and Nixon Peabody, the City's bond counsel, on the potential financing to provide funds for the Project. The maximum principal amount of the bond issuance noted in the resolution as \$50 million is an estimate at this time and serves as a placeholder until the actual bond issuance amount is determined, which will be known after the project completes the planning/design phase. The final bond issuance amount will be subject to subsequent Council approval.

Federal regulations generally require an issuer of debt to adopt a declaration of official intent to use the proceeds of debt to reimburse the issuer for capital expenditures made before the debt is issued. Staff seeks approval of the enclosed resolution in order to comply with these requirements. The resolution declares the City's intention to reimburse Project-related expenditures using the debt proceeds once the debt is issued. This will allow the City to advance funds to meet the current timeline for the Project and ensure those funds will be reimbursed from the proceeds of the financing. Staff will return to the City Council to seek final approval to issue the debt and enter into financing agreements.

ALTERNATIVES

City Council could elect not to adopt the resolution of intent. Staff does not recommend this alternative.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact to the adoption of this resolution. However, adopting this resolution will enable the City to reimburse itself for costs incurred on the project from the future bond proceeds. The Gilroy Ice Center project is in the adopted Capital Improvement Program (Project No. 800900) with funding from the Public Facilities Fund (440), Traffic Impact Fund (425), and bond proceeds.

Attachments:

1. Draft Resolution

RESOLUTION NO. 2023-XX**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GILROY TO REIMBURSE EXPENDITURE FOR COSTS
INCURRED IN CONNECTION THE GILROY ICE CENTER
PROJECT**

WHEREAS, the City of Gilroy (the “City”) has entered into that certain Exclusive Negotiating Rights Agreement, as amended from time to time, with Sharks Sports & Entertainment LLC (“Sharks”), pursuant to which the City selected the Sharks to negotiate exclusively the terms for the operation of an indoor entertainment and sports complex on a portion of the Gilroy Ice Center Project (the “Project”); and

WHEREAS, the City intends to finance or cause to be financed all or a portion of the costs of the Project with the proceeds of the sale of obligations (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations, the City desires to incur certain expenditures with respect to the Project from available monies of the City, which expenditures are desired to be reimbursed by the City from the proceeds of the sale of the Obligations.

NOW, THEREFORE, THE CITY OF GILROY DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The City hereby states its intention and reasonably expects to reimburse, with proceeds of the Obligations, Project costs incurred prior to the issuance of the Obligations.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$50,000,000.

SECTION 3. This declaration of intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 21st day of August 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk