



**Special/Regular Meeting Agenda
City Council**

Mark Turner - *Mayor*
Yvonne Martínez Beltrán - *Mayor Pro Tem*
Miriam Vega - *Council Member*
Marilyn Librers - *Council Member*
Soraida Iwanaga - *Council Member*

Wednesday, June 4, 2025

6:00 PM

**Special meeting at 5:00 p.m. for a Closed Session at the address below:
City Hall, Grand Conference Room
17575 Peak Avenue, Morgan Hill, CA 95037**

**Regular meeting at 6:00 p.m. at the address below:
Council Chamber Building, West Conference Room
17555 Peak Avenue, Morgan Hill, CA 95037**

Council Member Vega will be participating remotely as follows:

507 Palmer Street
Orlando, FL 32801

Public comment shall be allowed from this location.

Morgan Hill City Council meetings are held in person with the option for the public to attend in-person or participate by teleconference/video conference. Information on how the public may observe and participate in the meeting is below.

MEETING PARTICIPATION

Morgan Hill City Council meetings are held in person. The community may attend in person or via Zoom (video/teleconference). The meetings are also live-streamed on the City's website, Facebook page, and Channel 17.

As a courtesy, and technology permitting, members of the public may attend online.

However, the City cannot guarantee that the public's access to online technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Ralph M. Brown Act, the meeting will continue despite technical difficulties for participants using the online option.

Those wishing to participate in the meetings remotely must register in advance at <https://bit.ly/CityCouncilZoomRegistration>. Additionally, Zoom participants must be running the latest version or will be required to update to the latest version before being able to join the meeting remotely.

Remote participation is also available by calling (669) 900-9128 and entering webinar id: 873 3200 8380#. Dial *9 to raise your hand, and be called upon to speak for up to 3 minutes. Dial *6 to unmute.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting. Public comment is limited to three minutes, but the Mayor may adjust time limits for individual or total comments while ensuring all viewpoints are heard, encouraging speakers to avoid repetition, and allowing a designated spokesperson for organized support or opposition to present longer if needed.

Those attending remotely may only offer public comment for items on the agenda in one of four categories:

- Consent Calendar
- Other Business
- Public Hearings
- Closed Session

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.

Remote public comment for items not on the agenda will not be accepted.

Written public comment may be submitted to the City Clerk:

- In person at the City Council Meeting;
- Via email to ccpubliccomment@morganhill.ca.gov; or
- Hand delivered or mailed to the City Clerk at 17575 Peak Avenue, Morgan Hill, CA 95037

Please email your comments to the City Clerk no later than 3:00 p.m. on Tuesday (the day before the City Council meeting) so that your comments can be submitted to the members of the City Council with sufficient time to review them. You may continue to

provide written comments up to noon on Wednesday (the day of the meeting), although Council Members may not have sufficient time to review them before the meeting. Public comments submitted to the City Clerk after noon (12:00 p.m.) the day of the meeting will be provided to the City Council as time allows.

Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website. It is recommended that you do not include any personal information that you do not want to be posted on the web. Please be advised that communications directed to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications will NOT be edited for redactions and will be printed/posted as submitted.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259 or by email at cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two full business days before the start of the meeting.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; AFSCME Local 101 Morgan Hill; Community Service Officers Association; Employees Covered under Management Resolution #21-050

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant Exposure to Litigation § 54956.9(b)
(Unknown Number of Cases)
Potential Builders' Remedy Litigation

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATION

LGBTQ+ Pride Month

RECOGNITIONS

MH Pony Baseball - Toros 12U
Jeff Dixon

CITY COUNCIL REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

1. ACCEPTANCE OF 2024 PAVEMENT REHABILITATION PROJECT IN THE AMOUNT OF \$3,220,947

Recommendation:

1. Accept as complete the 2024 Pavement Rehabilitation Project;
2. Authorize the City Engineer to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

2. ADOPT ORDINANCE NO. 2364, NEW SERIES, UPDATING AND DESIGNATING FIRE HAZARD SEVERITY ZONES IN LOCAL RESPONSIBILITY AREAS

Recommendation:

Waive the reading, adopt Ordinance No. 2364, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

3. ADOPT ORDINANCE NO. 2365, NEW SERIES, AMENDING SECTIONS 3.04.240 (CONSULTANT CONTRACTS) AND 3.04.250 (REQUEST FOR PROPOSALS) OF CHAPTER 3.04 (PURCHASING) OF TITLE 3 (REVENUE AND FINANCE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PROCUREMENT OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING, AND CONSTRUCTION PROJECT MANAGEMENT SERVICES PURSUANT TO ARTICLE XXII OF THE CALIFORNIA CONSTITUTION AND GOVERNMENT CODE § 4529.10 ET SEQ.

Recommendation:

Waive the reading, adopt Ordinance No. 2365, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

4. ADOPT ORDINANCE NO. 2366, NEW SERIES AMENDING CHAPTER 5.32 (MESSAGE ESTABLISHMENTS AND MESSAGE PROFESSIONALS PERMIT

REQUIREMENTS) OF TITLE 5 (BUSINESS LICENSES GENERALLY) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL MODIFYING THE PERMITTING PROCEDURE FOR MASSAGE THERAPY ESTABLISHMENTS AND SERVICES

Recommendation:

Waive the reading, adopt Ordinance No. 2366, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

5. APPROVE COUNTY OF SANTA CLARA FISCAL AGENT SERVICE AGREEMENT

Recommendation:

1. Approve the FY 25-26 Fiscal Agent Service Agreement with the County of Santa Clara in the amount of \$399,543; and
2. Authorize the City Manager to execute and administer the Fiscal Agent Service Agreement with the County of Santa Clara, with the option to extend the contract for up to four additional one-year terms in amounts to be approved by the County of Santa Clara Recycling and Waste Reduction Commission as part of their annual budget approval process.

6. APPROVE THE 2024 ANNUAL MILITARY EQUIPMENT USE REPORT

Recommendation:

1. Approve the 2024 Annual Military Equipment Use Report and the continued use of the controlled equipment contained in the report; and
2. Authorize the purchase of controlled equipment for approximately \$32,581.

7. APPROVE CITY COUNCIL ASSIGNMENT UPDATE TO SILICON VALLEY CLEAN ENERGY (SVCE) FOR 2025

Recommendation:

1. Approve the appointment of Mayor Mark Turner as the alternate representative to the Silicon Valley Clean Energy Authority (SVCE), replacing outgoing staff member Tanya Carothers; and
2. Direct the City Clerk to notify SVCE of the updated assignment and update the Form 806 as necessary.

8. APPROVE THE MAY 21, 2025 CITY COUNCIL MEETING MINUTES

Recommendation:

Approve minutes.

9. **AWARD OF 2025 MORGAN HILL WATER MAIN REPLACEMENT PROJECT TO DPI, INC.**

Recommendation:

1. Approve the 2025 Morgan Hill Water Main Replacement Project Plans and Specifications;
2. Award 2025 Morgan Hill Water Main Replacement Project to DPI, Inc. in the amount of \$537,800;
3. Authorize the expenditure of contingency in the amount of \$107,560; and
4. Authorize the City Manager to execute and administer the construction contract with DPI, Inc.

10. **RATIFY CITY POSITION ON PENDING LEGISLATION**

Recommendation:

Ratify the City's position opposing pending legislation, Senate Bill 16 (Blakespear) Homeless Housing, Assistance, and Prevention program: housing element.

11. **RECEIVE MONTHLY BUDGET UPDATE AND APRIL 2025 FINANCIAL AND INVESTMENT REPORTS**

Recommendation:

Receive and file reports

PUBLIC HEARINGS

12. **RECEIVE A REPORT ON CITY OF MORGAN HILL VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS**

Recommendation:

Receive the informational report on City of Morgan Hill Vacancies, and Recruitment and Retention Efforts Pursuant to Government Code Section 3502.3 (AB 2561).

OTHER BUSINESS

13. **ADOPT OR DO NOT ADOPT A RESOLUTION AUTHORIZING THE DISPLAY OF THE JUNETEENTH FLAG**

Recommendation:

Adopt or do not adopt a resolution authorizing the display of the Juneteenth Flag for the week of June 16-20, 2025.

14. **ADOPT FISCAL YEARS (FY) 2024-25 AND 2025-26 MID-CYCLE BUDGET AMENDMENTS; APPROVE THE FY 2025-26 COMMUNITY FUNDING; AUTHORIZE THE CITY MANAGER TO ENTER INTO THE AGREEMENTS**

WITH THE COUNTY OF SANTA CLARA FOR ANIMAL SHELTERING SERVICES AND EMERGENCY MEDICAL DISPATCH SERVICES; AMEND THE FISCAL POLICY TO ELIMINATE THE ALLOCATION OF GENERAL FUND BUDGET SAVINGS TO THE OPEB SECTION 115 TRUST; DELEGATE THE AUTHORITY TO THE CITY MANAGER TO RENEW SOFTWARE LICENSES IF THEY ARE INCLUDED IN THE ADOPTED BUDGET; AND REVIEW POTENTIAL BUDGET ACTIONS AND DIRECT STAFF TO CONTINUE COMMUNITY ENGAGEMENT EFFORTS FOCUSED ON SERVICE PRIORITIZATION AND OR A REVENUE ENHANCEMENT MEASURE

Recommendation:

1. Adopt a resolution amending the Adopted Fiscal Year (FY) 2024-25 and 2025–26 budgets;
2. Approve the FY 2025-26 Community Funding;
3. Authorize the City Manager to enter into agreements with the County of Santa Clara for Animal Sheltering Services and Emergency Medical Dispatch Services;
4. Amend the Fiscal Policy to eliminate the allocation of General Fund Budget Savings to the OPEB Section 115 Trust;
5. Delegate the authority to the City Manager to renew software licenses if they are included in the Adopted Budget; and
6. Review potential Budget actions and direct staff to continue Community Engagement efforts focused on service prioritization and/or a Revenue Enhancement Measure.

15. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

Recommendation:

Determine if the majority of the City Council wants the following item agendized at a future meeting for discussion:

Create a policy on the regularity of City Council meetings.

FUTURE COUNCIL INITIATED AGENDA ITEMS

ADJOURNMENT

ITEMS PULLED FOR DISCUSSION

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item described in the notice of this meeting during consideration of that item. If you wish to address the Council on any item on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk before the City Council discussion on the item. You are not required to give your name on the speaker card to speak to the Council, but it is very helpful. When you are called, proceed to the podium, and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may request an item on the agenda for a future City Council meeting. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

SUSTAINABLE MORGAN HILL



Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

Strategic Priorities 2024-2025

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Engagement
- Economic Development and Tourism
- Transportation
- Healthy Community

City Council Ongoing Priorities

- Enhancing Public Safety and Quality of Life
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advocating for Local, Regional, and State Legislative Initiatives

Item # Public Comment

AGENDA DATE: 06/04/2025

SUPPLEMENT # 1

From: [Christina Turner](#)
To: [CityClerk](#)
Subject: FW: [EXTERNAL] No excuses justify inaction Non-agenda Public Comment, City Council Meeting June 4th, 2025
Date: Wednesday, June 4, 2025 11:54:37 AM

Please supplement.

From: Christina Turner
Sent: Wednesday, June 4, 2025 11:54 AM
To: 'Joe Baranowski' <joe.baranowski@gmail.com>
Cc: MH Fire Chief Marcus Hernandez <Marcus.Hernandez@morganhill.ca.gov>
Subject: RE: FW: [EXTERNAL] No excuses justify inaction Non-agenda Public Comment, City Council Meeting June 4th, 2025

Yes, we plan to come back to the City Council to recommend the establishment of performance objectives after the Butterfield Station is open and has been operational for a period of time.

From: Joe Baranowski <joe.baranowski@gmail.com>
Sent: Wednesday, June 4, 2025 9:51 AM
To: Christina Turner <Christina.Turner@morganhill.ca.gov>
Cc: MH Fire Chief Marcus Hernandez <Marcus.Hernandez@morganhill.ca.gov>; CityCouncil <CityCouncil@morganhill.ca.gov>; CC Public Comment <CCPublicComment@morganhill.ca.gov>; Yvonne Martinez Beltran <yvonne.martinezbeltran@morganhill.ca.gov>; Planning_Commission <planning_commission@morganhill.ca.gov>; Michelle Bigelow <Michelle.Bigelow@morganhill.ca.gov>
Subject: Re: FW: [EXTERNAL] No excuses justify inaction Non-agenda Public Comment, City Council Meeting June 4th, 2025

Good morning Christina,

Thank you for taking the time to provide those points of information. However, I don't think the reason that Citygate, LAFCO, and Chief Hess told the City ~hey the first thing you really need to do is establish performance objectives has much of anything to do with the impressive list of critical improvements. It's actually exactly opposite.

Chief Hess's 'Next Steps' slide was mistitled. It really points to just one Next Step.

The 'critical improvements' you listed are indeed worthy of attention and they may indeed be 'foundational steps' toward reaching 'some' level of objective performance. I'm not unaware of them, discounting them or unappreciative of the progress. But you seem completely unwilling to recognize the entire foundation and rationale for why **establishing a target to achieve a goal** was identified as the recommended **next step** more than five years ago.

The foundation:

a) There are no federal or state laws that establish requirements for the provision of Fire & EMS service. Performance standards are a local public policy choice. How many residents do you think are even aware of that let alone have any appreciation for the implications?

b) As a matter of fairness, neighborhoods that are, for example, near the Target area should not be expected to accept a much lower level of emergency response service than neighborhoods near Nob Hill, for example.

You have repeatedly pointed to County standards and I assume you believe those and / or whatever performance standards the 'critical improvements' (those already completed and those to come) lead to are acceptable targets. With all due respect and not wanting to be repetitive, the decision about what the target should be is ultimately up to the public, not any other entity. I do not believe the County standard is the target that Morgan Hill residents deserve or will accept but the time for that discussion to begin **so the community can decide**, and the next step can be taken was more than *five years ago* when multiple groups of experts recommended the City formally adopt performance standards, with Citygate and Chief Hess pointing to the generally accepted standard of seven and a half minutes for first unit response as the only logical choice.

Frankly, and I think with reasonable cause, I believe that part of the reluctance to take the next step is the fear that when residents become aware that Fire & EMS policy is up to them, they will agree with the recommendation of experts and decide the generally accepted standard is the target they want for our City and the realization of the *many* implications that decision will have.

The rationale:

Nobody has ever suggested the next step is for the Morgan Hill Fire Department to **implement** performance objectives! I truly find it extremely hard to understand why what Chief Hess, Citygate, and LAFCO said is seemingly so difficult to grasp.

"We're not going to be able to get there overnight. But we need to have some sort of goal that we are shooting for so that as we continue to track our progress, we know we're not going to be going backwards." (Chief Hess)

The City “should adopt updated, complete performance measures to aid deployment planning and monitor performance”. (Citygate)

Morgan Hill should “consider a baseline standard that defines the expectation of service for the community”.

I believe these reasons *why* the appropriate next step was identified as **establishing a target to achieve a goal** are obvious, common sense, best practices that are applicable whenever public resources are being used.

Defining expectations, aiding planning, tracking progress, monitoring performance? Chief Hess overstated his hope that establishing an objective goal will *ensure* anything because yes Public Safety delivery is incredibly complex and difficult and there will always be many competing goals for a limited amount of public funding. Nobody is suggesting the City can get there overnight.

But whether it be Fire & EMS, police, street maintenance, parks, recreation, downtown beautification or any other use of public resources , going about implementing without having clearly defined expectations that guide planning, enable performance monitoring and tracking of progress – all of which can be summarized as creating transparency and accountability is a recipe for practically ensuring you will never get there.

Staff and elected officials say Public Safety is their highest priority. It’s been more than **five years** and the next step that Chief Hess recommended, and every city council member and staff sat shaking their heads in agreement has never once been addressed except when I bring it up. Now meetings are being cancelled because supposedly there is nothing to discuss. Not taking the lead in educating the community on why **establishing a target to achieve a goal for Fire and EMS performance that should be designed to deliver outcomes that will save residents when possible and protect first responders** is so important and giving the community the opportunity to complete the only logical next step from which all of the ‘critical improvements’ and other issues I raised in my previous email can be addressed in the context of an agreed upon goal is, in my opinion, inexcusable.

Regards,

Joe

On Wed, Jun 4, 2025 at 6:38 AM Christina Turner <Christina.Turner@morganhill.ca.gov> wrote:

Hi Joe – thank you for your email. Although the Morgan Hill Fire Department is not fully ready to formally implement performance objectives, our current initiatives represent significant progress toward that goal. For EMS, which is the majority of calls, in May 2025, we were over 99% compliant with the standard set throughout the County.

In addition, some notable actions being taken:

- September 2024: Went live with Automated Vehicle Location (AVL)
 - Enhanced Real-Time Dispatch Coordination: AVL provides dispatchers with real-time visibility of every fire engine’s location. This means that when an emergency call comes in, the closest available unit can be quickly identified and dispatched, reducing response times and ensuring that help reaches those in need faster.
 - Data-Driven Resource Management (better response times): The data collected through AVL systems allows fire departments to analyze response times, travel patterns, and overall deployment efficiency. Over time, this information can be used to identify areas of improvement, optimize station locations, adjust staffing levels, and plan for future emergencies more effectively.
 - Enhanced Strategic Planning: As historical AVL data accumulates, it provides valuable insights into trends and potential gaps in service coverage.
- Upcoming: Opening Butterfield Fire Station: this will add a fourth Morgan Hill location within the City and through our cooperative agreement, sixth fire company within the City within the same command and control system.

While we have made considerable advancements, including the introduction of AVL, the near-term staffing of an additional fire station, and the establishment of strengthened work practice controls, these steps alone do not yet equate to the full adoption of a response standard. These critical improvements are the foundational steps.

Regards,
Christina

From: Joe Baranowski <joe.baranowski@gmail.com>

Sent: Tuesday, June 3, 2025 3:06 PM

To: firedepartment@morganhill.ca.gov <firedepartment@morganhill.ca.gov>; yvonne.martinezbeltran@morganhill.ca.gov <yvonne.martinezbeltran@morganhill.ca.gov>; marcus.hernandez@morganhill.ca.gov <marcus.hernandez@morganhill.ca.gov>

Cc: ccpubliccomment@morganhill.ca.gov <ccpubliccomment@morganhill.ca.gov>; citycouncil@morganhill.ca.gov <citycouncil@morganhill.ca.gov>

Subject: [EXTERNAL] No excuses justify inaction Non-agenda Public Comment, City Council Meeting June 4th, 2025

Hello Chief Hernandez,

Following-up on my previous email I would like to expand on a few things which I also hope to highlight at tomorrow's City Council meeting.

Next Steps



Adopt Recommended Performance Objectives

- 7 min 30 secs for first due engine company (3 FF's)
- 11 min 30 secs for first alarm assignment (14 FF's)

Benefits to Adopting Performance Objectives

- We need to have a target in order to achieve a goal of providing excellent public safety
- Establishing performance objectives will ensure we do not decrease our level of service as the City grows

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There is nothing out of context about this slide presented during the January 2020 Goal Setting

Workshop [1], it has nothing to do with where the third fire station should be, it has nothing to do with any existing agreements with EMS providers - all of which have been given as 'answers' when I have spoken about this topic at previous public hearings. But of course, the real purpose of establishing goals is to force or at least encourage **transparency, debate, planning, tracking and accountability**. "We can't get there overnight" [2] but how and when we get there, what 'there' means, and whether, for example, sparkling lights should have a higher priority is NOT something that is solely up to the Fire Chief, the Fire Department, the City Manager, the City Council or all of you together to decide. The level of Fire Protection is a Public Policy decision and the public, that is residents, deserve to have a say.

I want to apologize for failing to mention in my previous email that I do recognize the reason for adopting the specific performance objectives shown on the slide, as the 2019 Citygate Standards of Coverage Assessment [2] the 2023 LAFCO Countywide Fire Review [3] and Chief Hess [4] recommended is they *are* the Generally Accepted Standard because they protect both residents **and first responders**. One purpose of having a public policy discussion is so that decision-makers and the public can come to understand why these time-specific goals are not arbitrary.

But isn't everything solved now that the third Fire Station is opening?

IF the recommendation to adopt performance standards had been acted on more than five-years ago and making a wild assumption that part of adopting that goal would be a periodic review of progress, I would hope no City official would be asking that question. Unfortunately, there seems to be a completely false narrative that has developed and I'm not really surprised.

But, the answer is NO.

It's truly remarkable that a resident has to be the one to volunteer their own personal time to educate decision-makers as to what the Citygate study *actually* showed.

[2, pgs. 71 - 72] *Citygate evaluated travel time coverage from a potential future third City fire station at Butterfield Boulevard and Diana Avenue at the Department's request. As **Map Scenario #2** (Volume 2—Map*

Atlas), this location would improve 4:00-minute first-due travel time coverage by approximately 7 percent to 82 percent of total City public road miles, which in Citygate's opinion is good first-due coverage.

Citygate was also asked to review travel time coverage from the City's El Toro station. As Map Scenario #2 (Volume 2—Map Atlas) show, **there is a significant 4:00-minute first due travel time coverage gap in the northeast section of the City even with the recommended third fire station at Butterfield Boulevard and Diana Avenue.**

Compare the two maps from the study that are shown below. The third fire station collapses the black hole that was centered near the new fire station. The 'significant gap' that will still exist when the new fire station is in operation can be seen with the estimated travel time coverage under 'Scenario #2' that assumed the third fire station was open. If you look at the map, you will see that Citygate's analysis showed that during peak traffic hours first response units can not even get to 101 let alone eastward in four minutes. (Note: as the legend in the maps indicate, the modelled travel times were different. The 2019 conditions, i.e. without the new fire station, modelled a 4:30 travel time because that is what Gilroy's adopted standard was and since Morgan Hill didn't have one the authors used that. When Citygate, at the MH department's request, analyzed the impact of the third fire station opening, the travel time goal was the generally accepted standard of 4:00 minutes.)

2019 --> 2025 What's the LOGICAL and HIGHLY LIKELY impact of what has happened and will continue to happen since the Citygate study?

How do emergency vehicles get to the northeast section of the City during traffic congestion? Today, in the short-term, in the long-term?

I really don't know but assume the only 'practical' route (because it doesn't include one-lane stretches with no accessible 'shoulders') includes eastbound travel on Cochrane and when the new fire station is operational, northbound travel on Butterfield. Once again, IF the City treated Fire and EMS delivery as a public policy goal, had adopted performance standards, and there was any serious effort to monitor progress on that goal, there would have been public discussion and I probably wouldn't have to be making assumptions. Maybe the department plans to use an alternative route such as East Main -> Condit -> Half-Rd to reach the east of 101 neighborhoods? Maybe there is a 'plan' to expand the Main Ave bridge to make that route less risky?

But assuming the most 'practical' route requires travel along Cochrane, the impact of development **and** the designation of Cochrane between Madrone Parkway/Cochrane Plaza to DePaul Drive as a "freeway zone" will logically make the 2019 travel estimates HIGHLY optimistic - unless one wants to close their eyes and play pretend. The "freeway zone" designation allows projects to be approved even when traffic impact analysis, as required by the City's General Plan and NOT in any way made irrelevant by any recent changes in CEQA, shows that the intersection level-of-service is E for intersections within the 'highway zone'. KNOWING what the City has known since 2019, the critical path from the third fire station to the black hole should have been re-designated as an "emergency response zone" but of course, that would have meant putting Public Safety at a higher priority than new development. The 'significant gap' identified by Citygate in 2019 has almost certainly become even more significant with the occupancy of new development and the gap will continue to expand as already approved but not yet occupied or built development continues to outpace ANY plan to address the risk that thousands of residents in the northeast quadrant are being exposed to.

Will opening of the new Fire Station actually make things worse for residents in the northeast quadrant?

Recognizing the 2019 coverage assessment identified an emergency response time issue that needed out-of-the-box thinking, the Fire Department and the City implemented an interim 'mobile', 2-person rescue/squad unit as I understand it. In the limited public discussion of this step that I am aware of, this proactive and positive step allowed first-response resources to be located closer to the regions known to be at risk during traffic congestion. As far as I know, due to budgetary constraints, those resources will no longer be available once the new fire station becomes operational. I have never heard any discussion whatsoever of what the impact will be if my assumption is correct and I look forward to this question being answered.

These are NOT plans to address the issue:

Unfunded Future Needs - Operations



- Future Public Safety needs including Police Officers and a 4th Fire Station to keep pace with population growth
 - Additional 7 Police Officers at \$250K/Officer or \$1.7 million to reach 1.1 ratio
 - Approximately \$15-\$20 million to construct a new fire station (Impact Fees)
 - About \$2.5 million to staff the new 4th fire station
- Public Safety Equipment
 - Approximately \$3.0 million needed to fully replace Fire vehicles
 - About \$0.7 million to replace hand-held radios

Six-Year Pro Forma	2023-24 YE	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fund 315- Public Safety Facilities Impact	Projected						
Beginning Fund Balance	\$ 3,050,728	\$ 301,362	\$ 294,083	\$ 1,248,045	\$ 1,572,537	\$ 1,269,459	\$ 642,057
Revenues - Impact Fees	423,468	1,697,212	1,916,810	1,551,770	676,621	366,929	253,649
Revenues - Other	9,374,000	1,506,002	300,327	33,768	33,086	18,357	1,031
Expenditures - CIP Projects	12,000,800	2,829,682	-	-	-	-	-
Expenditures - Other	546,034	380,812	1,263,175	1,261,046	1,012,785	1,012,688	762,999
Ending Fund Balance	\$ 301,362	\$ 294,083	\$ 1,248,045	\$ 1,572,537	\$ 1,269,459	\$ 642,057	\$ 133,739

There is no plan or plan for a plan to address known issues with meeting Generally Accepted Standards. Showing an 'itemized' unfunded needs bucket once or twice a year IF a council member insists that they at least be assigned by swag estimates is perhaps the most telling reason why the City has failed to adopt emergency response time performance goals. It would appear the City believes adding another fire station can wait another 15 or 20 years and even then the \$15M - \$20M estimate, with no land identified, seems highly optimistic.

Emergency vehicle preemption (EVP)?

EVP, a mature and proven technology that aims to improve response times by minimizing delays at intersections has been or is in the process of being put into operational use by San Jose, Santa Clara, Sunnyvale and Santa Clara County. It is used in many other cities across the United States. It doesn't need to be deployed citywide to be effective and its projected costs are not in the tens of millions of dollars. Why has EVP not even been considered in Morgan Hill?

What will you tell residents?

Let's be clear. The percentage of Fire & EMS calls that are for specific, time-sensitive emergency situations which have outcomes that have been proven to be highly correlated to generally accepted standards, such as cardiac arrests, drownings, allergic reactions, electrocutions and severe trauma (gunshot wounds, stabbings, severe vehicle accidents) and, for fire, 'flashover' are thankfully a small percentage of total 911 calls.

"We can't get there overnight". I get it.

However, multiple agencies and our former Fire Chief recommended adopting the generally accepted standard for a reason. That only a small percentage of outcomes are truly dependent on meeting that standard is the ONLY fact working in the favor of there not being avoidable tragedies in Morgan Hill. TODAY there *are* areas in the City where residents who share common risks and population density can expect to experience vastly different levels of emergency service based on their proximity to a fire station and the amount of traffic congestion. Because of massive development, lack of funding, a

booming population, increased traffic congestion and an ever increasing number of service calls, what is the most reasonable expectation and the near-term risk profile if the 2019 study was repeated today?

In December 2019 the Citygate CEO and Chief Hess presented the coverage assessment to the City Council and the Public. "I wanna start with why have a response time goal? We've said it's a local control issue, you could just put a few fire stations across the geography and say you're done. But what do elected officials tell a family if they come to the podium and say you got there too slowly. You lost my house".

I wanna end with this:

Why should it ever get to a resident coming to the podium to at least take the first important step?

If you can't understand the bottom two bullet points of Chief Hess's next steps slide, PLEASE consider stepping away from having any role that has an impact on how public resources are used in our City.

We're not going to get there overnight, but we need to have a goal that we are shooting for. We need a target in order to achieve our goal.

Establishing performance objectives will (hopefully help) ensure we do not decrease our level of service as the City grows.

Regards,

Joe Baranowski
Morgan Hill Resident for 25 years

[1] Council Goal Setting Presentation 2020, Next Steps, slide 48

<https://morganhillca.iqm2.com/Citizens/FileOpen.aspx?Type=4&ID=6369&MeetingID=1904>

[2] Chief Hess on Next Steps and why even though "we can't get there overnight" , adopting Emergency Response Time Performance Goals is important. Unedited one minute 25 second slice of January 2020 Goal Setting Workshop video archive.

https://youtu.be/_4Xl7Pep-F4

[3] Citygate Associates, November 2019, Standards of Coverage Assessment, Volume 1 of 2: Technical Report

<https://www.morganhill.ca.gov/documentcenter/view/35787> [pg. 14 of .pdf , pg. 8 of the report]

Recommendation #1:

Adopt Updated Deployment Policies: *The Departments' elected officials should adopt updated, complete performance measures to aid deployment planning and to monitor performance. The measures of time should be designed to deliver outcomes that will save patients when possible upon arrival and to keep small but serious fires from becoming more serious.*

With this in mind, Citygate recommends the following measures:

1.1 Distribution of Fire Stations: In urban/suburban population density areas, to treat pre-hospital medical emergencies and control small fires, the first-due unit should arrive within 7:30 minutes, 90 percent of the time from the receipt of the 9-1-1 call at fire dispatch. This equates to a 90-second dispatch time, a 2:00- minute company turnout time, and a 4:00-minute travel time.

[3] LAFCO Countywide Fire Service Review, FINAL REPORT, Adopted by Santa Clara LAFCO On October 4, 2023

<https://santaclaralafco.org/sites/default/files/FireSRReview-FinalReport-2023.pdf> [pg. xii]

Recommendations from Fire and Emergency Services Overview:

Emergency Response Performance:

Gilroy, Mountain View, Palo Alto, Santa Clara, and San Jose have adopted performance standards (goals) through their elected officials. Sunnyvale and CCFD (including SFD and LAHCFD) have published response time goal, however, their elected officials have not adopted the standard. **Morgan Hill**, Milpitas and SCFD have not adopted a response time standard. Organizations should adopt a performance goal and present those to the elected officials for adoption. The organizations should consider a baseline standard that defines the expectation of service for the community.

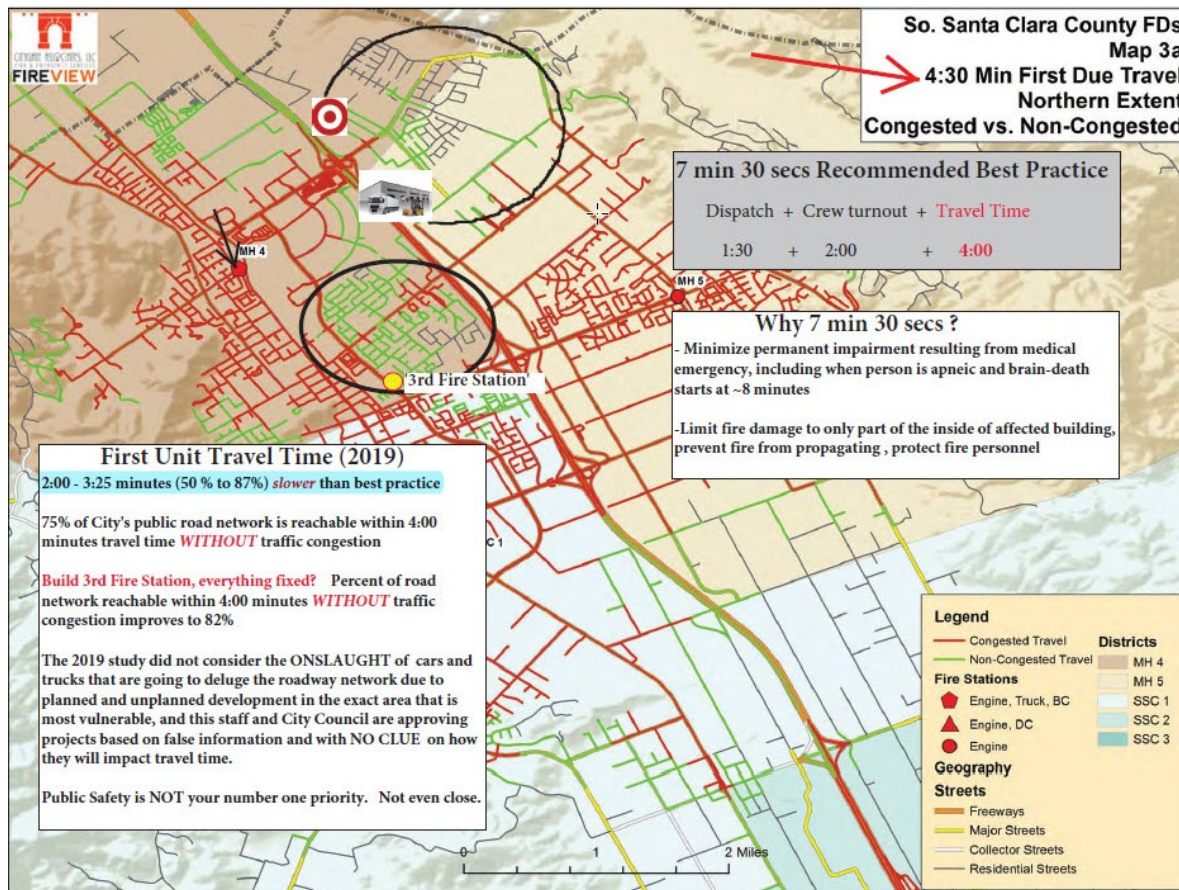
[4] Chief Hess on Next Steps and why, even though "we can't get there overnight" , adopting Emergency Response Time Performance Goals is important. Unedited one minute 25 second slice of January 2020 Goal Setting Workshop video archive.

https://youtu.be/_4Xl7Pep-F4

[5] Citygate Associates, November 2019, Standards of Coverage Assessment, Volume 2 of 2: Study Map Atlas - Final

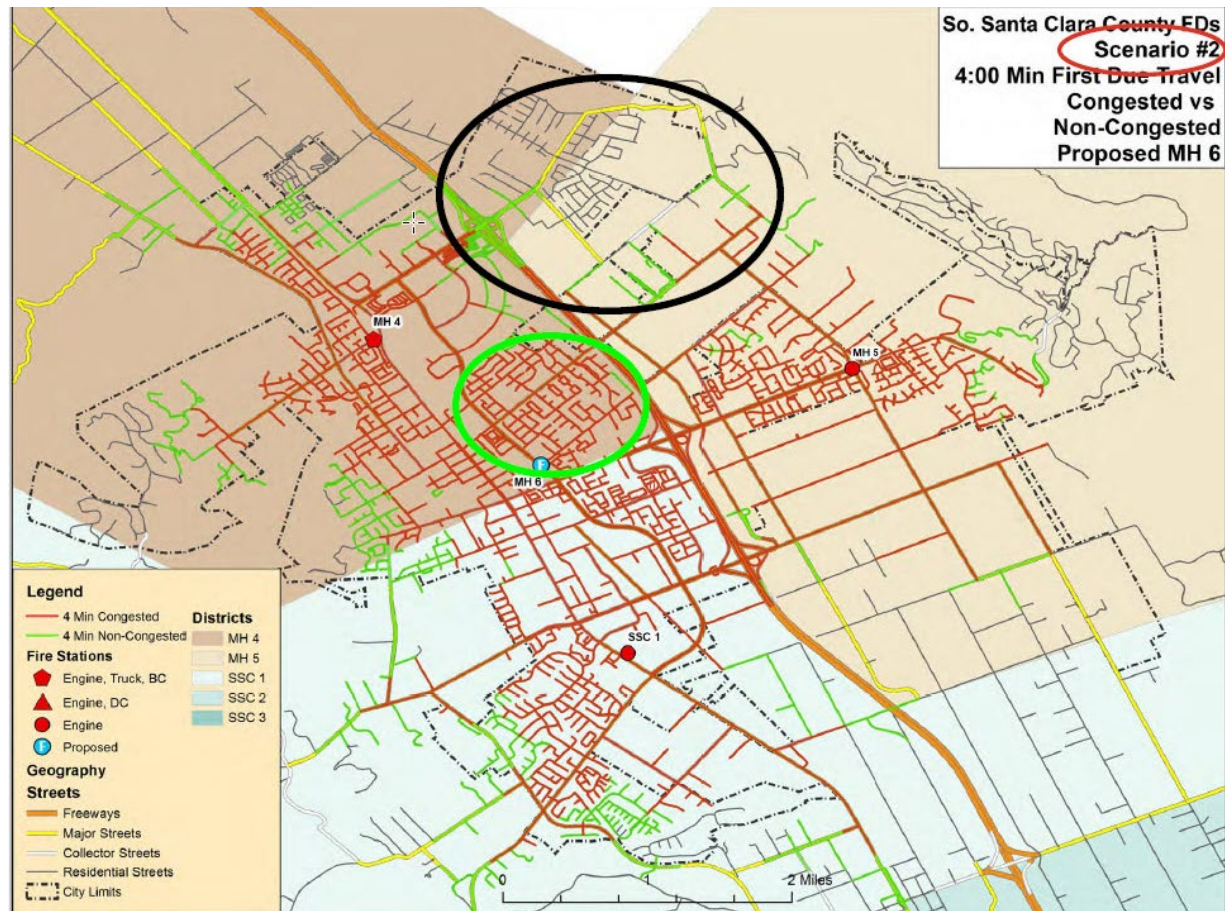
<https://www.morganhill.ca.gov/documentcenter/view/35788>

[Page 6, annotations are mine] 2019 conditions, new fire station NOT included.



[page 22] 4 minute travel time analysis WITH '3rd' Fire Station in operation

One black hole still exists even assuming nothing has changed since 2019!



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CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

ACCEPTANCE OF 2024 PAVEMENT REHABILITATION PROJECT IN THE AMOUNT OF \$3,220,947

RECOMMENDATION(S)

1. Accept as complete the 2024 Pavement Rehabilitation Project;
2. Authorize the City Engineer to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

On May 15, 2024, the 2024 Pavement Rehabilitation Project was awarded to A. Teichert & Son, Inc. DBA Teichert in the amount of \$3,437,968 with a construction contingency of \$343,797. The project included pavement rehabilitation at the following streets (Attachment 1 - Vicinity Map):

- East Dunne Avenue Overpass between Condit Road and Laurel Road
- Vineyard Blvd between Monterey Road and LaCrosse Drive
- Vineyard Court
- Del Monte Avenue between 2nd Street and Keystone Avenue
- Keystone Avenue between Del Monte Avenue and Monterey Road
- Del Monte Avenue between Ciolino Avenue and Cosmo Avenue
- Manor Court
- Matilda Court

- Foothill Court
- San Pedro Avenue between Butterfield Boulevard and Walnut Grove Drive
- San Ramon Drive between San Pedro Avenue and San Marcos Drive
- Markcross Court
- Cochrane Circle
- Digital Drive

The project's scope of work is described as follows but not limited to: Pavement Milling and Filling, Slurry Seal, Full Depth Asphalt Concrete Pavement Repairs, Crack Sealing, Replacement of all Existing Traffic Delineation and Markings, Utility Adjustments, Traffic Signal Loop Removal and Restoration, and all other related work within the City Limits. The project began on July 15, 2024, and was substantially completed by February 28, 2025. A Zero Change Order was authorized for this project (Attachment 2), and the final construction contract with Teichert Construction is \$3,220,947. Materials quantities are estimated for bidding purposes, and the contractor is paid based on the quantities used for work to be completed. For this project, there were contract savings below the base bid because the quantities required were lower than the contract amount.

Staff recommend accepting this project as it is completed in accordance with the plans and specifications. Staff further requests and directs the City Clerk to file the Notice of Completion (Attachment 3).

COMMUNITY ENGAGEMENT:

Inform

Before and during construction, City staff and the contractor coordinated all construction activities and roadway closures through citywide emails, social media posts, and the City website. Additionally, weekly emails were sent to emergency services, the post office, the school district, and the trash pickup service to minimize disruptions to these essential services. The contractor also provided "no parking" signage to affected residents and businesses in advance of any work.

ALTERNATIVE ACTIONS:

Accepting the project in accordance with the contract documents is a required process that enables the City to release any retained funds owed to the contractor, as per California Public Contract Code Section 7107.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

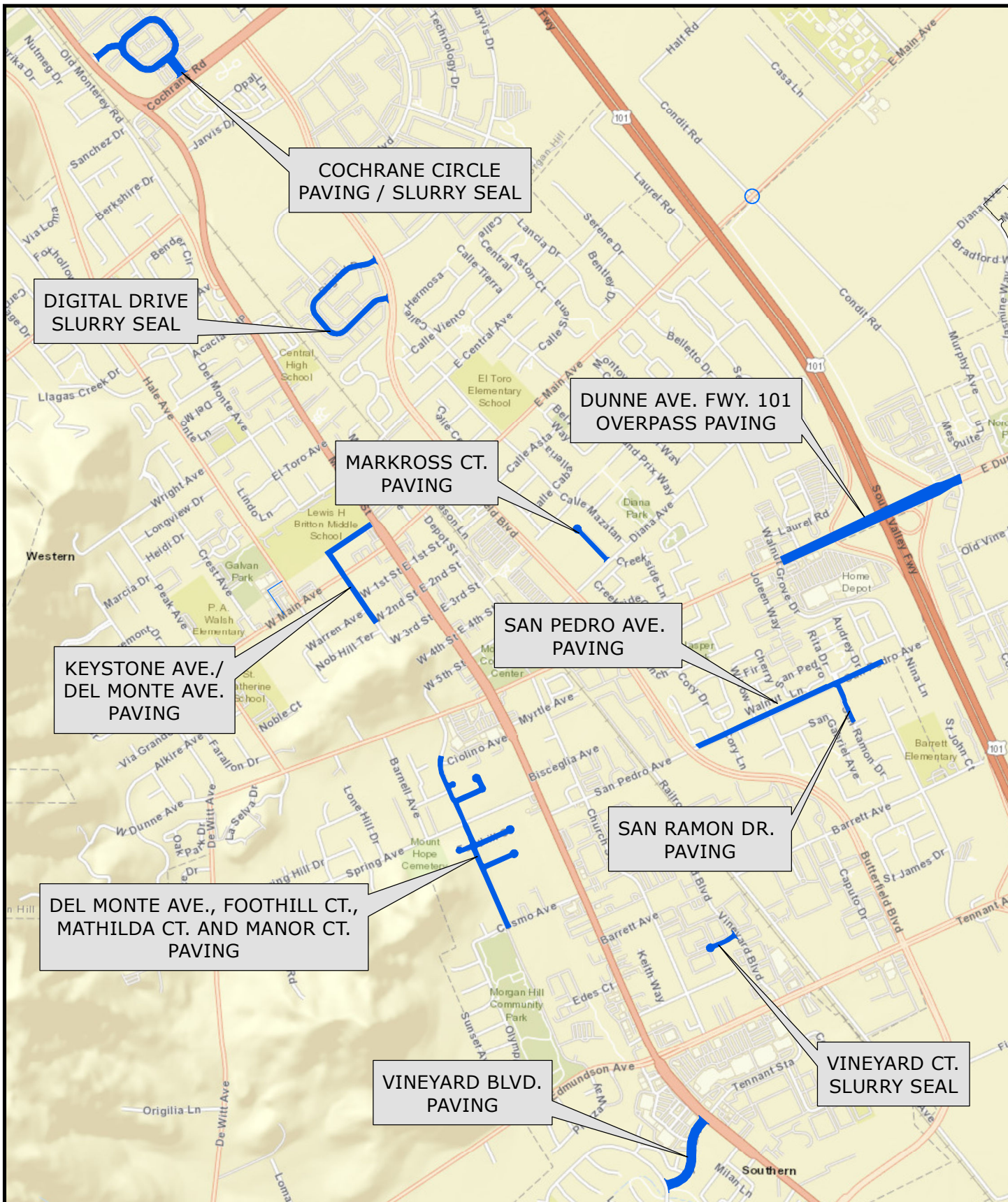
- On January 17, 2024, the City Council received the Pavement Condition Update and Pavement Rehabilitation Planning Update.
- On May 5, 2024, the City Council awarded the 2024 Pavement Rehabilitation Project to A. Teichert & Son, Inc. DBA Teichert Construction in the amount of \$3,437,968.

FISCAL AND RESOURCE IMPACT:

The final contract amount for the 2024 Pavement Rehabilitation project is \$3,220,947. The project was awarded to Teichert Construction in the amount of \$3,437,968 with an authorized contingency of \$343,797. This project is funded in the adopted Capital Improvement Program Budget, under Project SR5004, Pavement Rehabilitation, funded by the Street CIP Fund (308). The balance of \$560,818 will be returned to the Street CIP Fund (308).

CEQA (California Environmental Quality Act):**Categorical Exemption**

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA guidelines (Existing Facilities), as the subject work involves the repair, maintenance, or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.



CITY OF MORGAN HILL

**Engineering and Utilities Division
Capital Improvement Program**

G:\R-14\Proj\GIS\John\Yat_JacksonOaksRelocWater.mxd

**LOCATION MAP
2024 PAVEMENT
REHABILITATION PROJECT**



CIP Contract Acceptance Funding Closeout Statement

Project:	2024 Pavement Rehabilitation Project		
Project No:	SR5004		
Date of Project Award:	15-May-24	Project Award Amount:	\$3,437,968
Funding Source:	F308	Contingency Authorized:	\$343,797
Date of Project Acceptance:	4-Jun-25	Total Authorized:	\$3,781,765
		Actual Base Contract Spent:	\$3,220,947

Change Orders				
	Description	Date	Council Approval Req'd? (Y/N)	
			Total C.O.:	\$0.00

Additional Appropriations		
Source	Amount	Date
None		

		Total Construction Amount (Base Contract plus CO's):	\$3,220,947.11
Construction Fund Balance:	\$560,817.89		

Recording Requested By:
The City of _____

When Recorded Mail To:

_____ <name, title>

_____ <street address>
_____ <city, state and zip>

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§ 6103, 27383

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION
Civil Code §§ 8182, 8184, 9204, and 9208

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the agent of the owner of the Project described below.
2. Owner's full name is City of Morgan Hill ("City")
3. City's address is 17575 Peak Avenue Morgan Hill, CA 95037
4. The nature of City's interest in the Project is:
XX Fee Ownership ___ Lessee ___ Other: _____
5. Construction work on the Project performed on City's behalf is generally described as follows:

Pavement Milling and Filling, Slurry Seal, Full Depth Asphalt Concrete Pavement Repairs, Crack sealing, Replacement of all Existing Traffic Delineation and Markings, Utility Adjustments, Traffic Signal Loop Removal and Restoration, and all other related work within the City Limits.
6. The name of the original Contractor for the Project is: A. Teichert & Son, Inc. DBA Teichert Construction
7. The Project was accepted as complete on: June 4, 2025
8. The Project is located at:
 - East Dunne Avenue Overpass between Condit Road and Laurel Road
 - Vineyard Blvd between Monterey Road and LaCrosse Drive
 - Vineyard Court
 - Del Monte Avenue between 2nd Street and Keystone Avenue
 - Keystone Avenue between Del Monte Avenue and Monterey Road
 - Del Monte Avenue between Ciolino Avenue and Cosmo Avenue
 - Manor Court
 - Matilda Court
 - Foothill Court
 - San Pedro Avenue between Butterfield Boulevard and Walnut Grove Drive
 - San Ramon Drive between San Pedro Avenue and San Marcos Drive
 - Markross Court
 - Cochrane Circle

- Digital Drive

Verification: In signing this document, I, the undersigned, declare under penalty of perjury under the laws of the State of California that I have read this notice, and I know and understand the contents of this notice, and that the facts stated in this notice are true and correct.

Signature

Date

Scott Creer, City Engineer

*EXEMPT FROM NOTARY ACKNOWLEDGMENT REQUIREMENTS PER
GOVERNMENT CODE § 27287 AND CIVIL CODE § 920*



CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Kim Mancera, Deputy City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2364, NEW SERIES, UPDATING AND DESIGNATING FIRE HAZARD SEVERITY ZONES IN LOCAL RESPONSIBILITY AREAS

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2364, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

2024-2025 Strategic Priorities

Community Engagement

Guiding Documents

Fire Services Standards of Coverage

Morgan Hill 2035 General Plan

Public Safety Master Plan

REPORT NARRATIVE:

On May 21, 2025, the City Council introduced Ordinance No. 2364, New Series, by the following roll call votes: AYES: Turner, Vega, Librers, Iwanaga, Martinez Beltran; NOES: None; ABSTAIN: None; ABSENT: None;

As required by Government Code Section 51179, local jurisdictions are required to adopt, by ordinance, updated fire hazard severity zones (FHSZ) within 120 days of receiving recommendations from the State Fire Marshal pursuant to Government Code Section 51178. CalFire provided the recommended FHSZ Map to the local Bay Area jurisdictions on February 24, 2025. The map was then released to the public for public comment.

With the adoption of the FHSZ, there will be new requirements to be implemented by the City, some of which will impact new development depending on the severity zone.

Chapter 7A of the California Building Code, "Materials and Construction Methods for Exterior Wildfire Exposure", and hazard disclosures apply to all properties within the High and Very High Severity Zones. In addition, for those in the Very High Severity Zone, defensible space landscape requirements are required. The City will be adopting the updated version of the California Building Code in the fall.

COMMUNITY ENGAGEMENT:

Inform

The map of FHSZs was released to the public via a Citywide email and the 411. The map and all relevant information and links to CalFire materials were placed on the website. A specific "firemap" email was established to receive comments.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council adopted Resolution No. 6238 on March 18, 2009, establishing fire hazard zones for the City. The new map and Ordinance supersede the 2009 Resolution and corresponding map.

FISCAL AND RESOURCE IMPACT:

The future financial impact is unknown. Resources will be required for inspection and code enforcement activities in the High and Very High Fire Hazard Severity Zones.

CEQA (California Environmental Quality Act):

Introduction and adoption of the proposed ordinance is not subject to California Environmental Quality Act (CEQA) pursuant to the following sections of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3: (1) Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and (2) Section 15060(c)(3) (the activity is not a project as defined in Section 15378) because the ordinance has no potential for resulting in any significant physical change to the environment, either directly or indirectly.

ORDINANCE NO. 2364, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL UPDATING AND DESIGNATING FIRE HAZARD SEVERITY ZONES IN LOCAL RESPONSIBILITY AREAS

WHEREAS, in 2009, the City of Morgan Hill adopted Resolution No. 6238, Fire Hazard Zones, and designated Very High Fire Hazard Severity Zones as recommended by the Director of the California Department of Forestry and Fire Protection; and

WHEREAS, pursuant to Government Code §51178, the State Fire Marshal is required to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread in those areas; and

WHEREAS, on February 24, 2025, the California Department of Forestry and Fire Protection released updated Fire Hazard Severity Zones maps; and

WHEREAS, the purpose of this ordinance is to comply with Government Code §51178, §51178.5, §51179 and California Code of Regulations §1280.02 by designation of Fire Hazard Severity Zones within the jurisdiction of the City of Morgan Hill; and

WHEREAS, by so designating Fire Hazard Severity Zones, identified measures as contained in Government Code §51182 are intended to retard the rate of spread and reduce the potential intensity of uncontrolled fires that threaten to destroy life, property, and resources; and

WHEREAS, the requirement of such measures provides for the protection of the public safety, health, property and welfare of the City of Morgan Hill for development in areas designated as Fire Hazard Severity Zones.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. The City of Morgan Hill hereby designates the Fire Hazard Severity Zones as recommended by the California Department of Forestry and Fire Protection pursuant to Government Code Section 51178.

Section 2. The Fire Hazard Severity Zone Map adopted by the Council is attached hereto and shall be located on the City's website at the following internet address: <https://morganhill.ca.gov/2617/Fire-Hazard-Severity-Zones-Maps>

Section 3. The City Council finds that adoption of this ordinance is not subject to California Environmental Quality Act (CEQA) pursuant to following sections of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3: (1) Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and (2)

Section 15060(c)(3) (the activity is not a project as defined in Section 15378) because the ordinance has no potential for resulting in any significant physical change to the environment, either directly or indirectly.

Section 4: Transmission to the Board of Forestry and Fire Protection. Within thirty (30) days of adoption of this ordinance, the City Manager or their designee are directed to transmit a copy of the ordinance and a map depicting the adopted zones within the local agency to the Board of Forestry and Fire Protection and may provide additional information as may be requested by the Board.

Section 5. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 6. Effective Date; Posting. This Ordinance shall take effect on the 31st day following adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21ST DAY OF MAY, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 4TH DAY OF JUNE, 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2364, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 4th day of June, 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

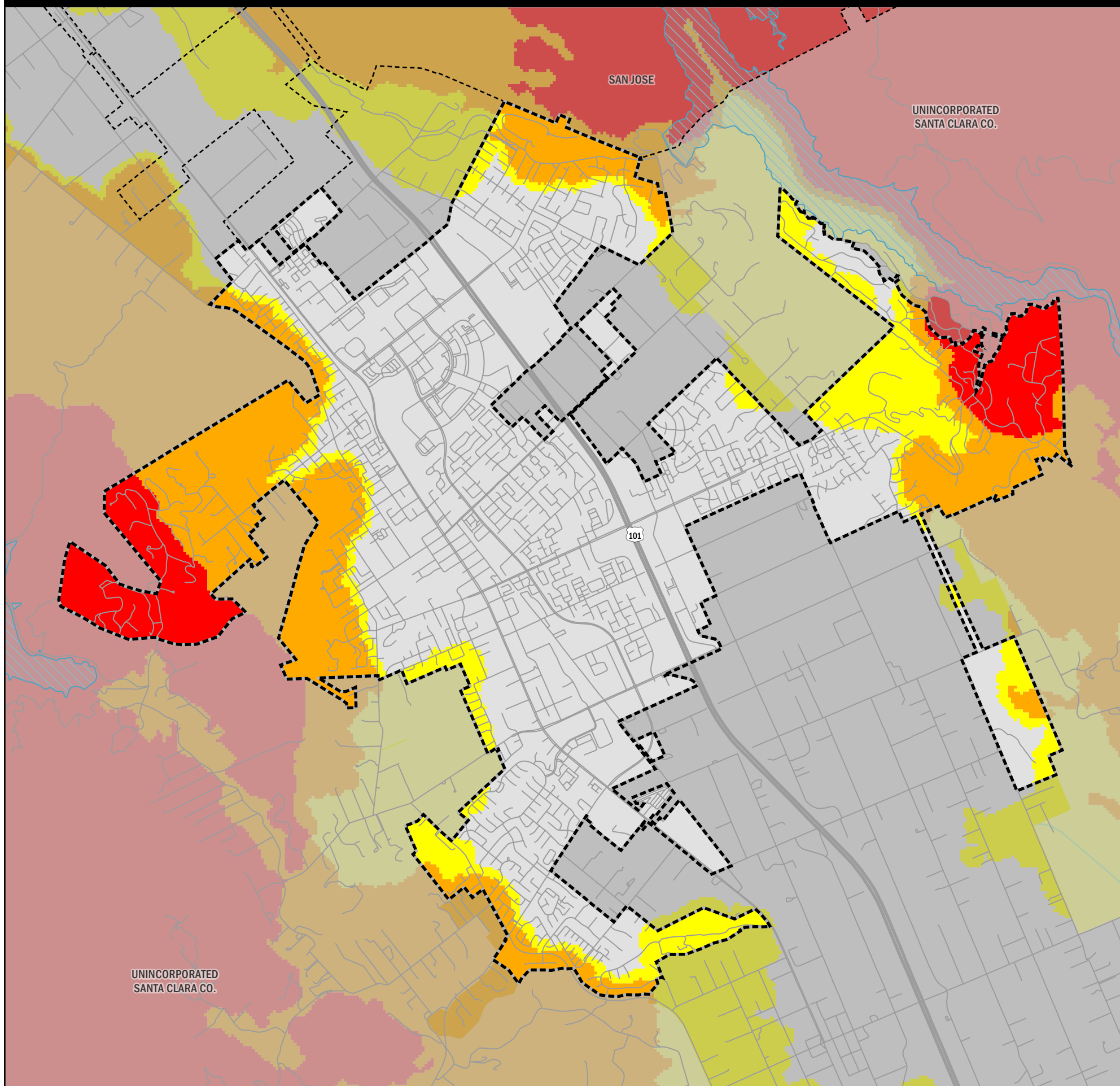
MICHELLE BIGELOW, City Clerk



Local Responsibility Area Fire Hazard Severity Zones

As Identified by the
State Fire Marshal

February 24, 2025

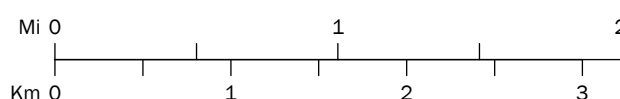


Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal

■ Very High ■ High ■ Moderate

Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024

■ Very High ■ High ■ Moderate



Projection: NAD 83 California Teale Albers
Scale: 1:43,000 at 11" x 17"

- Incorporated City
- Waterbody
- Unzoned LRA
- Federal Responsibility Area (FRA)

Government Code section 51178 requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent

statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Moderate, high, and very high fire hazard severity zones shall be based on fuel loading, slope, fire weather,

and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread.

The State of California and the Department of Forestry and Fire Protection make no representations or warranties regarding the accuracy of data or maps. Neither the State nor the Department shall be liable under any circumstances for any direct, special, incidental, or consequential damages with respect to any claim by any user or third party on account of, or arising from, the use of data or maps.

Gavin Newsom, Governor, State of California
Wade Crowfoot, Secretary for Natural Resources, CA Natural Resources Agency
Joe Tyler, Director/Fire Chief, CA Department of Forestry and Fire Protection
Daniel Berlant, State Fire Marshal, CA Department of Forestry and Fire Protection

Data Sources:
CAL FIRE Fire Hazard Severity Zones (FHSZSRA23_3, FHSZLRA_25_1)
CAL FIRE State Responsibility Areas (SRA25_1)
City and County boundaries as of 10/22/24 (CA Board of Equalization)



CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Kim Mancera, Deputy City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2365, NEW SERIES, AMENDING SECTIONS 3.04.240 (CONSULTANT CONTRACTS) AND 3.04.250 (REQUEST FOR PROPOSALS) OF CHAPTER 3.04 (PURCHASING) OF TITLE 3 (REVENUE AND FINANCE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PROCUREMENT OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING, AND CONSTRUCTION PROJECT MANAGEMENT SERVICES PURSUANT TO ARTICLE XXII OF THE CALIFORNIA CONSTITUTION AND GOVERNMENT CODE § 4529.10 ET SEQ.

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2365, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

REPORT NARRATIVE:

On May 21, 2025, the City Council introduced Ordinance No. 2365, New Series, by the following roll call votes: AYES: Turner, Vega, Libreros, Iwanaga, Martinez Beltran; NOES: None; ABSTAIN: None; ABSENT: None;

The purpose of this ordinance revising language in Chapter 3.04 is to clarify the legally required procurement process for the selection of consultants who provide architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services to the City. Article XXII of the California Constitution authorizes the City to hire such consultants and Government Code § 4529.10 et seq. requires that a fair and competitive selection process be used to select said consultants. The request for qualifications (RFQ) process is often used to hire these types of consultants, so this process is added as an option in Chapter 3.04.

COMMUNITY ENGAGEMENT:

This report serves to inform the community of the changes being made to comply with

state law.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

No recent actions have been taken by City Council with respect to procurement.

FISCAL AND RESOURCE IMPACT:

There is some financial and resource impact anticipated as the City procures the services of architects and engineers through a fair and competitive selection process in some situations in which it was not done in the past. For smaller projects, the process is likely to be informal in an attempt to minimize the costs.

CEQA (California Environmental Quality Act):

Not a Project - This is an administrative action that will not have any foreseeable impact on the environment.

ORDINANCE NO. 2365, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING SECTIONS 3.04.240 (CONSULTANT CONTRACTS) AND 3.04.250 (REQUEST FOR PROPOSALS) OF CHAPTER 3.04 (PURCHASING) OF TITLE 3 (REVENUE AND FINANCE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PROCUREMENT OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING, AND CONSTRUCTION PROJECT MANAGEMENT SERVICES PURSUANT TO ARTICLE XXII OF THE CALIFORNIA CONSTITUTION AND GOVERNMENT CODE § 4529.10 ET SEQ.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Section 3.04.240 (Consultant Contracts) of Chapter 3.04 (Purchasing) of Title 3 (Revenue and Finance) is hereby amended to read as follows:

3.04.240 Consultant contracts.

- A. The city council finds and declares that the competitive bid process based on price is ill-suited for the selection of consultants. A fair and competitive selection process based on qualifications is required for selection of consultants who provide architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services pursuant to Article XXII of the California Constitution and Government Code § 4529.10 *et seq.* The request for proposal or qualifications procedure set forth in Section 3.04.250 shall be used when hiring a professional as described in this paragraph and may be used if a determination is made by the officer or official responsible for the purchase — the purchasing officer, city manager or city council, respectively — that to do so would be in the best interest of the city in selecting the best qualified consultant. Consultants are required for professional or technical expertise and for matters requiring specialized abilities or a high degree of skill. Their numbers in relation to a particular skill or expertise required are comparatively limited. Where consultants are involved, the bidding process is not likely to result in a lower price to the city or eliminate unnecessary expense or delay.
- B. The officer or official responsible for the purchase — the purchasing officer, city manager or city council, respectively — shall be empowered to engage a consultant (including, but not limited to, material testing service, construction inspection services, testing, appraising, environmental, planning, financial, legal, development processing, governmental operations, special studies, information technology and services graphic design and other services related thereto) without the necessity of an informal bid or competitive bid or notice thereof in the following circumstances and subject to the following criteria and conditions:

1. Subject to the delegation of the city manager, with department head approval if the consultant's total fee for services and supplies under the contract by which the consultant is engaged on a per project basis, including any amendments to the contract, does not exceed ten thousand dollars, so long as there exists a sufficient unencumbered appropriation in the fund against which the contract expense may be appropriately charged and provided further that any bifurcation of a purchase or contract into subunits or phases for the purpose of avoiding the maximum dollar amounts set forth in this section is prohibited; or
2. With city manager approval if the consultant's total fee for services and supplies under the contract by which the consultant is engaged on a per project basis, including any amendments to the contract, does not exceed the amount authorized to be performed by the employees of a public agency for public projects per State of California's Uniform Public Construction Cost Accounting Act, so long as there exists a sufficient unencumbered appropriation in the fund against which the contract expense may be appropriately charged and provided further that any bifurcation of a purchase or contract into subunits or phases for the purpose of avoiding the maximum dollar amounts set forth in this section is prohibited; or
3. With city council approval if the consultant's total fee for services and supplies under the contract by which the consultant is engaged on a per project basis exceeds the amount authorized to be performed by the employees of a public agency for public projects per State of California's Uniform Public Construction Cost Accounting Act. City council approval is not required for services in excess of the amount authorized to be performed by the employees of a public agency for public projects per State of California's Uniform Public Construction Cost Accounting Act if the consultant's total fee for services and supplies is to provide environmental services for a project that will be paid for by a development processing project applicant.

Section 2. Section 3.04.250 (Request for Proposals) of Chapter 3.04 (Purchasing) of Title 3 (Revenue and Finance) is hereby amended to read as follows:

3.04.250 Request for proposals or qualifications.

- A. In lieu of competitive bidding, the officer or official responsible for the purchase — the purchasing officer, city manager or city council, respectively — may utilize the request for proposal or request for qualifications method of purchasing supplies or services upon a determination that competitive bidding based on price is not practical or advantageous to the city because of one or more of the following reasons:
 1. Quality, capability, performance or qualification is overriding in relation to price;
 2. Delivery, installation, service, maintenance, reliability or replacement is overriding in relation to price;
 3. In the opinion of the purchasing officer, city manager or city council, respectively, the marketplace will respond better to a solicitation permitting a range of alternative

proposals or evaluation and discussion of proposals before entering into the contract;
or

4. Any of the considerations set forth in Section 3.04.080 are overriding.
- B. The identity of persons responding to the request and the content of the submittals to the city may be kept confidential during the process of negotiation and until a contract is awarded, if deemed necessary by the purchasing officer, city manager or city council to enter into a contract that is the best value and most advantageous for the city in their respective sole discretion.
- C. The formats and procedures for requests for proposals or request for qualifications shall be established by the purchasing officer.
- D. The contract award shall be based upon the proposal or statement of qualifications determined by the purchasing officer, city manager or city council, respectively, to be most advantageous to the city, taking into consideration price and the evaluation factors set forth in the request.
- E. The purchasing officer, city manager or city council, respectively, may reject any and all proposals or statement of qualifications if such rejection is deemed to be in the best interests of the city and may thereupon direct that proposals or statement of qualifications be solicited or utilize any other purchasing method set forth in this section.
- F. As provided in the request for proposals or request for qualifications, discussions may be conducted with responsible offerors who submit proposals or statement of qualifications determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and conformance to, the solicitation requirements. Offerors shall be accorded equal treatment with respect to any opportunity for discussion and revision of proposals or statement of qualifications and such revisions may be permitted after submissions and prior to award for the purpose of obtaining the best and final offers. In conducting discussions, there shall be no disclosure of the identity of competing offerors, or of any information derived from submittals by competing offerors.

Section 3. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 4. **Effective Date; Posting.** This Ordinance shall take effect on July 5, 2025. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the May 21, 2025, and adopted at a meeting held on the June 4, 2025, and said ordinance was duly passed and adopted in accordance with law by the following vote:

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

APPROVED: ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2365, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 4th day of June, 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Kim Mancera, Deputy City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2366, NEW SERIES AMENDING CHAPTER 5.32 (MASSAGE ESTABLISHMENTS AND MASSAGE PROFESSIONALS PERMIT REQUIREMENTS) OF TITLE 5 (BUSINESS LICENSES GENERALLY) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL MODIFYING THE PERMITTING PROCEDURE FOR MASSAGE THERAPY ESTABLISHMENTS AND SERVICES

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2366, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

Guiding Documents

Economic Blueprint

Public Safety Master Plan

REPORT NARRATIVE:

On May 21, 2025, the City Council introduced Ordinance No. 2366, New Series, by the following roll call votes: AYES: Turner, Vega, Librers, Iwanaga, Martinez Beltran; NOES: None; ABSTAIN: None; ABSENT: None;

This ordinance is to improve the massage establishment regulation process since its enactment in May 2024. The amendments to Municipal Code Chapter 5.32 address areas that the City staff identified as needing improvement and concerns raised by the massage establishment community as described below.

COMMUNITY ENGAGEMENT:

Inform and Consult

Members of the Economic Development Team met with massage establishment operators and received feedback on the changes to the City's proposed regulation

changes. In particular, operators requested that in some instances they be allowed to operate earlier in the morning (prior to 8 a.m.) to accommodate working clients, especially those with medical issues. To address this, language is added to Section 5.32.140(a)(1) to allow operators to apply to the Police Chief for an exception to the hours of operation. Another issue raised is the window tinting restrictions, which are necessary for the privacy and comfort of clients but also present an enforcement issue. Language has been added to Section 5.32.140(a)(17) to allow some tinting (clear viewing into the lobby that is at least four feet in height, starting not higher than two feet from the finished floor). An email was sent to operators in March informing them of the proposed amendments.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 15, 2024, the City Council adopted ordinance number 2354 to implement a new massage establishment permit process.

FISCAL AND RESOURCE IMPACT:

Costs of the permitting and inspection are covered in the initial permit application and renewal fees as established by the City Council. These fees are updated every year on July 1st.

CEQA (California Environmental Quality Act):

Not a Project - This is a regulatory action that will not have any foreseeable impact on the environment.

ORDINANCE NO. 2366, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.32 (MASSAGE ESTABLISHMENTS AND MASSAGE PROFESSIONALS PERMIT REQUIREMENTS) OF TITLE 5 (BUSINESS LICENSES GENERALLY) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL MODIFYING THE PERMITTING PROCEDURE FOR MASSAGE THERAPY ESTABLISHMENTS AND SERVICES

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 5.32 is amended to read as:

5.32.010 Purpose and intent.

In enacting this chapter, the city council recognizes that massage therapy is a professional pursuit which can offer the public valuable health and therapeutic services, but that unless properly regulated, the practice of massage therapy and the operation of massage businesses may be associated with unlawful activity and pose a threat to the quality of life in the local community. It is the purpose and intent of this chapter to provide for the orderly regulation of offices and establishments providing massage therapy services, and to prevent and discourage the misuse of massage therapy as a front for human trafficking, prostitution, and related activities in violation of state law, all in the interests of the public health, safety, and welfare, by providing certain minimum building, sanitation, and operation standards for such businesses, and by requiring certain minimum qualifications for the operators and practitioners of such businesses. It is the further intent of this chapter to streamline local massage therapy permitting procedures, while still facilitating and advancing the ethical practice of massage therapy, by relying upon the uniform statewide regulations enacted by the Legislature in 2008 as Business and Professions Code Sections 4600 et seq., known as the Massage Therapy Act, as subsequently amended, and by restricting the commercial practice of massage in the city to those persons duly certified to practice by the California Massage Therapy Council formed pursuant to those statutes.

5.32.020 Definitions.

For the purpose of this chapter, unless the context clearly requires a different meaning, the words, terms, and phrases set forth in this section shall have the meanings that are given them in this section:

- (a) "Authorized massage professional" means a massage professional who is identified in a permit issued pursuant to this chapter as a person employed or retained by a massage establishment to practice massage.
- (b) "California Massage Therapy Council" or "CAMTC" means the massage therapy organization formed pursuant to Business and Professions Code Section 4600 et seq.

- (c) "CAMTC-certified massage professional" means any individual currently certified by the California Massage Therapy Council as a massage therapist or massage practitioner pursuant to Business and Professions Code Section 4600 et seq.
- (d) "City manager" means the city manager of the City of Morgan Hill or his or her designee.
- (e) "Compensation" means the payment, loan, advance, donation, contribution, deposit, exchange, or gift of money or anything of value.
- (f) "Employee" means any person employed by a massage business who may render any service to the business, and who receives any form of compensation from the business, including, but not limited to, an independent contractor.
- (g) "Hearing Officer" means the individual designated to hear an appeal.
- (h) "Inspector" means the person or persons designated by the city to conduct any inspections required or permitted under this chapter.
- (i) "Massage," "massage therapy," and/or "bodywork" for purposes of this chapter mean the skillful application of touch, including, but not limited to, pressure, stroking, kneading, compression on or movement of the external surfaces of the body by a practitioner to produce increased awareness, relaxation, pain relief, injury rehabilitation, or neuromuscular reeducation.
- (j) "Massage establishment" means any business that offers massage therapy, baths or health treatments including, but not limited to, aromatherapy, vapor, shower, electric tub, sponge, hot towels, mineral fermentation, sauna, steam or any other type of bath, involving massages or baths in exchange for compensation. Home-based massage businesses and businesses that provide outcall massage services are also considered to be massage establishments. For purposes of this chapter, the term "massage establishment" may be applied to include establishments which offer or advertise themselves as providing "relaxation" or "tanning" where the essential nature of the interaction between the employee and the customer involves "massage" as defined herein. The terms, names or phrases listed on business license or fictitious name application forms are not necessarily conclusive as to the nature of the business.
- (k) "Massage establishment permit" means a permit to operate a "Massage establishment" as provided in this chapter.
- (l) "Operator" or "massage establishment operator" means any person who is an owner or manager of a massage establishment.
- (m) "Outcall massage service" means the engaging in or carrying on of massage therapy for compensation at locations other than a massage establishment at a fixed location.
- (n) "Owner" or "massage establishment owner" means any of the following persons:
 - (1) The sole proprietor of a sole proprietorship operating a massage establishment.
 - (2) Any general partner of a general or limited partnership that owns a massage establishment.

- (3) Any person who has a ten percent or greater ownership interest in a corporation that owns a massage establishment.
- (4) Any person who is a member of a limited liability company that owns a massage establishment.
- (5) All owners of any other type of business association that owns a massage establishment.
- (o) "Patron" means an individual on the premises of a massage establishment for the purpose of receiving massage therapy.
- (p) "Person" means any individual, firm, association, partnership, corporation, joint venture, limited liability company, or combination of individuals.
- (q) "Police chief" means the chief of police of the City of Morgan Hill or his or her designee charged with the administration of this chapter.
- (r) "Reception and waiting area" means an area immediately inside the main entry door of the massage establishment dedicated to the reception and waiting of patrons or visitors of the massage establishment and which is not a massage therapy room or otherwise used for the provision of massage therapy services.
- (s) "Sole proprietorship" means a massage establishment where the owner owns one hundred percent of the business and has one or no other employees or independent contractors.
- (t) "Visitor" means any individual not retained or employed by the massage establishment and not receiving or waiting to receive massage therapy services, but excluding law enforcement personnel or governmental officials performing governmental business.

5.32.030 Business license required.

The requirements of this chapter are in addition to any business license and business license tax requirements imposed pursuant to Chapter 5.04 of this code.

5.32.040 Other permits and authorizations required.

The requirements of this chapter are in addition to any permits or authorizations that may be required under other applicable laws including, but not limited to, the city's building, fire, zoning, and health regulations.

5.32.050 Exemptions.

This chapter shall not apply to the following classes of individuals while engaged in the performance of the duties of their respective professions:

- (a) Physicians, surgeons, chiropractors, osteopaths, podiatrists, physical therapists, nurses, acupuncturists or any other person licensed to practice any healing art under the provisions of Division 2 (commencing with Section 500) of the Business and Professions Code when engaging in such practice within the scope of his or her license and persons working directly under the supervision of or at the direction of such

- licensed persons, working at the same location as the licensed person, and administering massage services subject to review or oversight by the licensed person.
- (b) Trainers of any amateur, semi-professional, or professional athlete or athletic team, so long as such persons do not practice massage therapy as their primary occupation at any location where they provide such services in the city.
 - (c) Barbers, estheticians, and cosmetologists who are duly licensed under the laws of the State of California, while engaging in practices within the scope of their licenses.
 - (d) Individuals administering massages or health treatments involving massage to persons participating in single-occurrence athletic, recreational, or educational events such as road races, track meets, triathlons, educational events, or conferences, provided that the event is open to the public or to a significant segment of the public such as employees of sponsoring or participating corporations, and the massage services are provided at the site of the event during, immediately preceding, or immediately following the event.
 - (e) Somatic practitioners who use no physical touch of any kind at any time in their practice.
 - (f) Enrolled students of a school of massage when they are performing massage within the city as part of a formal supervised internship or training program operated by the school, without compensation other than school credit, on the premises of a massage establishment duly authorized to operate pursuant to the terms of this chapter; and provided that the operator of the massage establishment has first notified the police chief in writing of the name, residence address, and school of the students and the dates of the trainings.

5.32.060 CAMTC certification required.

It shall be unlawful for any individual to practice massage therapy for compensation within the city unless that individual is a CAMTC-certified massage professional. The massage establishment operator or owner must report to the City any investigation being conducted by the CAMTC or any criminal charges of any owner, operator, or employee, or the suspension of a CAMTC license of any owner, operator, or employee within two business days of the notification by CAMTC or within two business days of the criminal charges.

5.32.080 Massage establishment permit required—Prohibited conduct.

- (a) It is unlawful for any person to operate a massage establishment within the city without first obtaining a massage establishment permit from the police department of the City of Morgan Hill.
- (b) It shall be unlawful for a massage establishment operator to employ or retain any person to practice massage therapy for compensation, or to allow any person to perform massage therapy for compensation on the premises of a massage establishment, unless that person is a CAMTC-certified massage professional and unless that person is identified as an authorized massage professional on the permit issued pursuant to this chapter. For purposes of this chapter, a massage establishment operator "employs or retains" a person to practice massage therapy for compensation when:

- (1) That person is a directly paid employee of the massage establishment; or
 - (2) That person's association with a massage establishment is that of an independent contractor who receives compensation for massage therapy provided to patrons of the massage establishment; or
 - (3) That person receives a referral of patrons from the massage establishment and, at any time before or after the referral, arranges in any way for compensation to flow to the massage establishment operator.
- (c) It is unlawful for a massage establishment to operate under any name or conduct business under any designation not specified in the massage establishment permit issued pursuant to this chapter.
- (d) It is unlawful for a massage establishment to continue to operate following the sale or transfer of any interest in the massage establishment to a person who was not identified as an owner in the massage establishment permit application.

5.32.090 Permit application.

1. The owners of the massage establishment shall file an application for a permit on a form provided by the police chief. The applicant must be the owner of the massage establishment. The application shall be accompanied by the non-refundable fee established by the city's fee schedule. Any change in ownership or location requires a new application. The application shall include the following information:

- (a) The name, address, and telephone number of the massage establishment. It shall be the responsibility of each owner or operator to notify the city of any intention to rename, change management, or convey the business to another person within seven days of the change.
- (b) The name, date of birth, residence address and telephone number, and business address and telephone number of each owner of the massage establishment.
- (c) The form of business under which the applicant will be conducting the massage establishment, i.e. corporation, general or limited partnership, limited liability company, or other form and the state of formation. If the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation, together with the names and residence addresses of each of its officers, directors, and each shareholder holding more than ten percent of the stock of the corporation. If the applicant is a general or limited partnership, the application shall set forth the name and residence address of each of the partners, including limited partners. If one or more of the partners is a corporation, the provisions of this section pertaining to a corporate applicant shall apply. If the applicant is a limited liability company, the application shall set forth the name and residence address of each of the members. If one or more of the members is a partnership, limited liability company, or corporation, the provisions of this section pertaining to a partnership, limited liability company, or corporate applicant shall apply, as applicable.
- (d) The name, address, and telephone number of the owner of the real property upon, in, or from which the certified massage establishment is to be operated. In the event the

applicant is not the legal owner of the property, the application shall be accompanied by a copy of any written lease between the applicant and the property owner authorizing use of the premises for a massage establishment, or, alternatively, if there is no written lease, then a written, notarized acknowledgment from the property owner that the property owner has been advised that a massage establishment will be operated by the applicant upon, in, or from the property owner's property.

- (e) If the massage establishment will be located on a property in a residential or commercial condominium or other common interest development, the applicant shall submit a notarized statement from the homeowner's association or condominium owner's association acknowledging that the association has been advised that a massage establishment will be operated by the applicant and that such use of the property is allowed by the property's covenants, codes, and restrictions.
- (f) A description of the proposed massage establishment, including the type of treatments to be administered.
- (g) The name and date of birth of each individual who the massage establishment employs or retains to perform massage therapy for compensation, whether on or off the massage establishment premises. It shall be the responsibility of each owner or operator to notify the city within seven days of any change in persons providing massage services and to provide copies of the state massage certification for all such persons to the city prior to such persons providing massage services.
- (h) The name of each individual who is regularly employed or retained by the massage establishment to perform services on the premises other than massage therapy, and the nature of their services.
- (i) For each individual who the massage establishment does or will employ or retain to perform massage therapy for compensation, whether on or off the massage establishment premises, a color copy of that individual's current certification from the CAMTC as a certified massage practitioner or certified massage therapist, and a color copy of his or her current CAMTC-issued identification card.
- (j) For each owner of the massage establishment who is a CAMTC-certified massage professional, a color copy of his or her current certification from the CAMTC as a certified massage practitioner or as a certified massage therapist and a color copy of his or her current CAMTC-issued identification card.
- (k) For each owner of the massage establishment who is a CAMTC-certified massage professional, the date and length of time for any CAMTC suspension.
- (l) For each owner of the massage establishment who is not a CAMTC-certified massage professional, the following information:
 - (1) Whether any owner of the massage establishment has within the five years immediately preceding the date of application been convicted of any felony in any state.
 - (2) Whether any owner of the massage establishment is currently required to register under the provisions of Section 290 of the California Penal Code.

- (3) The business, occupation, and employment history of each owner of the massage establishment for five years preceding the date of application, and the inclusive dates of same.
 - (4) One set of fingerprints to be taken at an authorized fingerprint location designated by the police chief, and any required fee for such fingerprinting shall be paid by the applicant.
 - (m) Provide a complete massage permit history including whether any license or permit has ever been issued to the applicant by any jurisdiction under the provisions of any ordinance or statute governing massage or somatic practice, and as to any such license or permit, the name and address of the issuing authority, the effective dates of such license or permit, whether such license or permit was ever suspended, revoked, withdrawn, or denied; and copies of any documentary materials relating to such suspension, revocation, withdrawal, or denial.
 - (n) Detailed diagram showing the interior floorplan of the premises and depicting all interior rooms. It shall be the responsibility of each owner or operator to notify the city within seven days of any change to the floor plan. Building Code requirements are applicable and interior changes may require a building permit.
 - (o) Such other information as may be required by the permit authority to determine compliance with any other eligibility requirements for issuance of the permit as specified by federal, state, or local law.
 - (p) A statement that within the last five years the applicant has not failed to comply with a final court order or administrative action of an investigatory agency finding a violation of applicable federal, state and local wage and hour laws, including, but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and any local minimum wage ordinance or prevailing wage requirements. For purposes of this subsection, a final court order or administrative action is one as to which there is no pending appeal and the time for filing an appeal has passed.
2. Incomplete applications shall be rejected and not processed.

5.32.100 Permit issuance.

- (a) The police chief shall issue a massage establishment permit if the applicant meets the requirements of this chapter and no grounds for denial exist under Section 5.32.110. The police chief may impose conditions on the permit consistent with this chapter and applicable law.
- (b) Notice to Property Owner. If the applicant is not the record owner of the property where the massage establishment is located, the police chief may send a written notice to the property owner advising of the issuance of the permit and of the regulations applicable to the massage establishment. The police chief may also provide the property owner with copies of any other notices or communications with the applicant sent at any time before or after issuance of the permit.
- (c) Term. A massage establishment permit issued pursuant to the terms of this chapter shall be valid for the fiscal year in which it is issued, and, unless suspended or revoked, must be

renewed by the massage establishment operator annually so long as the massage establishment is operating within the city.

5.32.110 Permit denial.

1. The police chief may deny an application for a massage establishment permit on any of the following grounds:

- (a) The massage establishment, as proposed by the applicant, would not comply with the requirements of this chapter.
- (b) The massage establishment, as proposed by the applicant, would not comply with any applicable law, including, but not limited to, the city's building, fire, zoning, and health regulations.
- (c) The applicant has knowingly made any false, misleading or fraudulent statement of material fact in the application for a massage establishment permit. Any omission or falsified information within the application will result in an automatic denial.
- (d) Any owner of the massage establishment, within five years immediately preceding the date of filing of the application, has been convicted in a court of competent jurisdiction of any offense that relates directly to the operation of a massage establishment whether as a massage establishment owner or operator or as a person practicing massage for compensation, or as an employee of either; or has at any time been convicted in a court of competent jurisdiction of any felony the commission of which occurred on the premises of a massage establishment.
- (e) Any owner of the massage establishment is currently required to register under the provisions of Section 290 of the California Penal Code.
- (f) Any owner of the massage establishment, within five years of the date of application, has been convicted in a court of competent jurisdiction of any violation of Sections 266, 266a, 266e, 266f, 266g, 266h, 266i, 266j, 315, 316, 318, 647(b), or 653.22 of the California Penal Code, or conspiracy or attempt to commit any such offense, or any offense in a jurisdiction outside of the State of California that is the equivalent of any of the aforesaid offenses.
- (g) Any owner of the massage establishment has been subjected to a permanent injunction against the conducting or maintaining of a nuisance pursuant to Sections 11225 through 11235 of the California Penal Code, or any similar provision of law in a jurisdiction outside the State of California.
- (h) Any owner of the massage establishment, within five years of the date of application, and as established by a preponderance of the evidence, which may include evidence of a prior arrest, has engaged in acts prohibited under California Penal Code Sections 266, 266a, 266e, 266f, 266g, 266h, 266i, 266j, 315, 316, 318, 647(b), or 653.22.
- (i) Any owner of the massage establishment is an individual who has not attained the age of eighteen years.
- (j) Any owner of the massage establishment, within five years immediately preceding the date of filing of the application, has had a permit or license to practice massage for

compensation or to own and/or operate a massage establishment revoked or denied in any jurisdiction, including by the CAMTC.

- (k) Any owner of the massage establishment currently owns or operates a massage establishment in the city of Morgan Hill that is not in good standing due to the existence of uncorrected violations or unpaid fines or fees.
- (l) Within the last five years, the applicant has failed to comply with a final court order or administrative action of an investigatory agency finding a violation of applicable federal, state and local wage and hour laws, including, but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and any local minimum wage ordinance or prevailing wage requirements. For purposes of this subsection, a final court order or administrative action is one as to which there is no pending appeal and the time for filing an appeal has passed.
- (m) The massage establishment was operated within the city without first obtaining a massage establishment permit from the police department of the City of Morgan Hill

2. The city shall not accept an application for the same or substantially similar massage establishment permit for the same site for a period of twelve months following the denial of a permit, or the date the denial was upheld, whichever is later.

3. The notices provided to the massage establishment pursuant to this section may also be sent to the owner of the premises where the massage establishment is located. However, failure to provide notice to the property owner shall not invalidate any actions taken by the city.

5.32.120 Notice of denial—Appeal.

- (a) If an application for a massage establishment permit is denied, the police chief shall give written notice to the applicant specifying the time and place of an informal meeting with the Police Chief, the ground or grounds for denial, the pertinent code sections, and a brief statement of the factual issues in support thereof. The notice shall be mailed to the applicant at the address specified in the application, or it shall be delivered to the applicant personally.
- (b) No appeal may be taken to any such administrative decision made by the police chief pursuant to the provisions of this chapter unless such decision to appeal has been first taken up with the police chief. This shall be an informal meeting to allow the applicant to provide evidence that the permit should not be denied. Failure to attend an informal meeting with the Chief shall be deemed a forfeiture of any appeal on the decision to deny a permit.
- (c) Within ten business days of the informal meeting, the police chief shall render his or her decision in writing, stating his or her findings and the action taken, if any. The decision letter shall be mailed to the applicant or it shall be delivered to the applicant personally. The decision letter shall include the information of the right to appeal.
- (d) The applicant may appeal the decision to deny a massage establishment permit by filing a written notice of appeal with the city manager within ten days after deposit of the decision in the mail or its receipt by the applicant, whichever occurs first, specifying in detail the ground or grounds for such appeal.

- (e) The city manager shall set a time and place for the hearing on the appeal not less than fifteen days and not more than sixty days from the date the appeal was received by the city manager, and shall give at least five days' written notice by mail to the applicant of the date, time, and place for the hearing. The hearing shall be conducted in accordance with Section 5.32.190.
- (f) After the hearing on the appeal, the hearing officer may refer the matter back to the police chief for a new investigation and decision, may affirm the decision of the police chief, or may direct the police chief to issue the license. The permittee will be notified by the city manager. The decision of the hearing officer upon such appeal shall be final and shall be subject to judicial review according to the provisions and time limits set forth in Code of Civil Procedure Section 1094.6.

5.32.130 Amendments to permit.

- (a) Whenever the information provided in the application for a certified massage establishment on file with the city changes, the operator shall file an application within seven business days, provided by the police chief, to amend the permit to reflect such change. A change includes but is not limited to the suspension or revocation of an owner or operator's CAMTC license. The application shall be accompanied by the fee established by the city's fee schedule.
- (b) The application shall not be approved unless the police chief determines that the terms of the amended permit comply with all requirements of this chapter and all other local, state, and federal laws, and the massage establishment has no outstanding violations or unpaid citations or fees. Inspection of the massage establishment may be required prior to approval of the amendment.
- (c) An amendment shall not be used to change the location or owners of a massage establishment. Instead, a new permit application is required pursuant to section 5.32.090.
- (d) A denial of an application to amend a massage establishment permit may be appealed in the same manner as a denial of an application for a permit under Section 5.32.120.

5.32.140 Requirements for all massage establishment facilities and operations.

- (a) Operational Requirements. Except as otherwise specifically provided in this chapter, the following operational requirements shall be applicable to all massage establishments located within the city:
 - (1) No massage establishment shall be kept open for business between the hours of ten p.m. of one day and eight a.m. of the following day. A massage begun any time before ten p.m. must nevertheless terminate at ten p.m. The owner of an establishment may apply to the police chief for an exception to open prior to eight a.m. The police chief shall establish criteria by which the exception shall be reviewed.
 - (2) The hours of operation of the massage establishment shall be displayed in a conspicuous public place in the reception and/or waiting area and in any front window clearly visible from outside of the massage establishment.

- (3) Patrons and visitors shall be permitted in the massage establishment only during the hours of operation.
- (4) During the hours of operation, patrons shall be permitted in massage therapy rooms only if at least one duly authorized certified massage professional is present on the premises of the massage establishment. Patrons shall not be permitted in any employee break room on the premises.
- (5) During the hours of operation, visitors shall not be permitted in massage therapy rooms except as follows:
 - (A) The parents or guardian of a patron who is a minor child may be present in the massage therapy room with that minor child;
 - (B) The minor child of a patron may be present in the massage therapy room with the patron when necessary for the supervision of the child; or
 - (C) The conservator, aid, or other caretaker of a patron who is elderly or disabled may be present in the massage therapy room with that elderly or disabled person.
- (6) During the hours of operation, except as otherwise provided herein, no visitors shall be permitted in massage therapy rooms, break rooms, dressing rooms, showers, or any other room or part of the massage establishment premises other than the reception and waiting area or toilet rooms.
- (7) Except for a patron who is inside a massage therapy room for the purpose of receiving a massage, no patrons or visitors shall be permitted in or on the massage establishment premises at any time who are less than fully clothed in outer garments of nontransparent material, or who display or expose themselves in underclothing or similar intimate apparel.
- (8) A list of services available and the cost of such services shall be posted in an open and conspicuous public place on the premises. The services shall be described in English and may also be described in such other languages as may be convenient. No massage establishment operator shall permit, and no person employed or retained by the massage establishment shall offer to perform any services or request or demand fees other than those posted.
- (9) The massage establishment shall keep on the premises a complete and current roster of all owners, operators, and managing employees of the massage establishment and all massage professionals and other persons employed or retained by the massage establishment. The roster shall include the name, residence address, and phone number of each individual. The roster shall be available for inspection by city officials charged with the enforcement of this chapter.
- (10) All massage services and all tips, if any, shall be paid for in the reception area. Massage establishments may utilize a system where tip envelopes are provided in the treatment rooms to be utilized and deposited by the client in the reception area.
- (11) All owners and operators are expected to comply with the city's Wage Theft Prevention Policy (CP-17-01) adopted by city council on July 26, 2017.

- (12) Monitors and any electronic recording equipment for any security system are prohibited in the massage therapy rooms.
 - (13) A massage table or professional massage chair specifically designed for seated massage shall be used for all massage therapy, with the exception of "Thai," "Shiatsu," and similar forms of massage therapy, which may be provided on a padded mat on the floor, provided the patron is fully attired in loose clothing, pajamas, scrubs, or similar style of garment. Massage tables shall have a minimum height of eighteen inches.
 - (14) Beds, floor mattresses, and waterbeds are not permitted on the premises of the massage establishment, and no massage establishment shall be used for residential or sleeping purposes, which may be shown by circumstantial evidence such as the presence of bedding, pillows, sleeping bags, suitcases, clothing, toiletries or other personal belongings, cooking appliances, utensils, or food in excess of a business establishment's normal requirements.
 - (15) No massage table or professional massage chair may be modified from its intended purpose.
 - (16) Main entry door and reception and waiting area required. One main entry door shall be provided for patron entry to the massage establishment, which shall open to an interior patron reception and waiting area immediately. All patrons and any persons other than individuals employed or retained by the massage establishment shall be required to enter and exit through the main entry door. Unless the massage establishment is a sole proprietorship or a home occupation with one or no other employees, the main entry door shall be unlocked at all times during business hours.
 - (17) No massage establishment located in a building or structure with exterior windows fronting a public street, highway, walkway, or parking area shall block visibility into the interior reception and waiting area through the use of curtains, closed blinds, tints, or any other material that obstructs, blurs, or unreasonably darkens the view into the premises. Premises shall provide clear viewing into the lobby that is at least four feet in height starting not higher than two feet from the finished floor.
 - (18) Patrons' genitals and female patrons' breasts must be fully draped at all times while any individual employed or retained by the massage establishment is in the massage room or cubicle with the patron. No massage shall be provided to a patron that results in intentional contact, or occasional and repetitive contact, with the genitals or anal region of a patron, or of a female patron's breasts without the written consent of the person receiving the massage and a referral from a licensed California health care provider.
 - (19) No alcoholic beverages shall be sold, served, or furnished to any patron or visitor; nor shall any alcoholic beverages be consumed, kept, or possessed on the premises of a massage establishment.
 - (20) No birth control device or aid, including, but not limited to, condoms, shall be stored, kept, or distributed on the premises of a massage establishment.
- (b) Physical Facility and Building and Fire Code Requirements. Except as otherwise specifically provided in this chapter, the following physical facility and building code requirements shall be applicable to all massage establishments located within the city:

- (1) All interior doors, including massage therapy rooms or cubicles, but excluding individual dressing rooms, showers, and toilet rooms, shall be incapable of being locked and shall not be blocked to prevent opening. Draw drapes, curtain enclosures, or accordion-pleated closures in lieu of doors are acceptable on all inner massage therapy rooms or cubicles.
 - (2) Minimum lighting equivalent to at least one forty-watt light shall be provided in each massage therapy room or cubicle.
 - (3) All locker facilities that are provided for the use of patrons shall be fully secured for the protection of the patrons' valuables, and each patron shall be given control of the key or other means of access.
 - (4) The massage establishment shall comply with all applicable state and local building and fire codes as adopted in Title 15 of this code.
- (c) Health and Safety Requirements. Except as otherwise specifically provided in this chapter, the following health and safety requirements shall be applicable to all massage establishments located within the city:
- (1) The massage establishment shall at all times be equipped with an adequate supply of clean sanitary towels, coverings, and linens, and all massage tables or chairs shall be covered with a clean sheet or other clean covering appropriate to the equipment for each patron. After a towel, covering, or linen has been used once, it shall be deposited in a closed receptacle, or directly into a washing machine, and not used again until properly laundered and sanitized. Towels, coverings, and linens shall be laundered either by regular commercial laundering, or by a noncommercial laundering process that includes immersion in water at least one hundred forty degrees Fahrenheit for not less than fifteen minutes during the washing or rinsing operation. Clean towels, coverings, and linens shall be stored in closed, clean cabinets when not in use. A certified massage professional engaged in the practice of outcall massage shall carry a sufficient quantity of clean and sanitary towels, sheets, and linens to comply with the requirements.
 - (2) All massage therapy rooms or cubicles, wet and dry heat rooms, toilet rooms, shower compartments, hot tubs, and pools shall be thoroughly cleaned and disinfected as needed, and at least once each business day when the premises has been or will be open and such facilities in use. All bathtubs shall be thoroughly cleaned and disinfected after each use.
 - (3) All liquids, creams, or other preparations used on or made available to patrons shall be kept in clean and closed containers. Powders may be kept in clean shakers. All bottles and containers shall be distinctly and correctly labeled to disclose their contents. When only a portion of a liquid, cream, or other preparation is to be used on or made available to a patron, it shall be removed from the container in such a way as not to contaminate the remaining portion.
 - (4) Unless otherwise licensed under state or local law, no invasive procedures shall be performed on any patron. Invasive procedures include, but are not limited to:
 - (A) Application of electricity that contracts the muscle;

- (B) Penetration of the skin by metal needles;
 - (C) Abrasion of the skin below the nonliving, epidermal layers;
 - (D) Removal of skin by means of any razor-edged instrument or other device or tool;
 - (E) Use of any needle-like instrument for the purpose of extracting skin blemishes;
and
 - (F) Other similar procedures.
- (5) All bathrobes, bathing suits, and/or other garments that are provided for the use of patrons shall be either fully disposable and not used by more than one patron, or shall be laundered after each use pursuant to subsection (c)(1) of this section.
- (6) All combs, brushes, and/or other personal items of grooming or hygiene that are provided for the use of patrons shall be either fully disposable and not used by more than one patron, or shall be fully disinfected after each use.
- (7) No patrons shall be allowed to use any shower facilities of the massage establishment unless such patrons are wearing slip-resistant sandals or flip-flops while in the shower compartment. All footwear such as sandals or flip-flops that are provided for the use of patrons either shall be fully disposable and not used by more than one patron, or shall be fully disinfected after each use.
- (d) Attire and Physical Hygiene Requirements. The following attire and physical hygiene requirements shall be applicable to all employees and any other persons who work permanently or temporarily on the premises of a massage establishment within the city, including, but not limited to, all persons who are employed or retained to practice massage for the massage establishment:
- (1) No person shall dress in:
 - (A) Attire that is transparent, see-through, or substantially exposes the person's undergarments;
 - (B) Swim attire, unless providing a water-based massage modality approved by the CAMTC;
 - (C) A manner that exposes the person's chest, breasts, buttocks, or genitals;
 - (D) A manner that constitutes a violation of Section 314 of the California Penal Code.
 - (2) No massage establishment operator, employee, or visitor shall, while on the premises of a massage establishment or while performing any outcall massage service, and while in the presence of any patron, customer, employee or visitor, expose his or her chest, breast, buttocks, or genitals.
 - (3) All persons shall thoroughly wash their hands with soap and water or any equally effective cleansing agent immediately before providing massage to a patron. No massage shall be provided upon a surface of the skin or scalp of a patron where such skin is inflamed, broken (e.g., abraded or cut), or where a skin infection or eruption is present.
 - (4) No massage establishment shall store undergarment clothing.

(e) Display of Permit and Certifications.

- (1) The massage establishment permit shall be displayed in an open and conspicuous place on the premises visible from the main entry door and/or reception and waiting area of the massage establishment.
- (2) Each person employed or retained by a massage establishment to perform massage in or on the premises or through an outcall massage service shall display on his or her person the original, valid current photograph-bearing identification card issued to that employee by the CAMTC. A copy of each such identification card and the person's original CAMTC certificate shall also be displayed in an open and conspicuous place visible from the main entry door and/or reception and waiting area of the massage establishment. The home address of any employee need not be displayed.

(f) Display of Human Trafficking Notices. The massage establishment shall comply with the requirements in California Civil Code Section 52.6 related to the posting of information for victims of human trafficking.

(g) Home Occupation and Outcall-Only Businesses—Exemptions.

- (1) Where a certified massage establishment is a home occupation, and the operator has complied with the provisions of Section 18.92.060 of this code pertaining to home occupations, the provisions of subsections (a)(2), (b)(1)—(3), and (b)(6) of this section shall not apply, and the portions of the residence subject to the requirements of subsections (b) and (c) of this section shall be only those portions that are used at any time by the patron of the massage establishment.
- (2) For massage establishments that provide outcall-only services and have no fixed location for performing massage, provisions of this section related to businesses with fixed locations shall not apply. Specifically, the provisions of subsections (a)(2)—(9), (b)(1)—(4), (b)(6)—(8), (c)(2) and (7), (e)(1), and (f) of this section shall not apply to outcall-only establishments.

5.32.150 Massage establishment inspections.

- (a) The inspector shall have the right to enter any massage establishment, other than an establishment providing outcall-only services, during regular business hours, without a search or inspection warrant, to make reasonable inspection to ascertain whether there is compliance with the provisions of this chapter. Inspectors shall have access to all areas of the massage establishment, including, but not limited to, drawers and cupboards used for storage. Identification may be requested of any employee within the establishment who is not displaying a CAMTC identification card. Photographs and digital and video recordings may be taken by the inspector to document the violations. For home occupations, reasonable inspection shall be limited to the portions of the residence open to patrons.
- (b) For those violations which may be corrected, the massage establishment operator shall take immediate action to correct each violation noted by the inspector. A reinspection will be performed to ensure that each violation noted by the inspector has been corrected. .

5.32.160 Violations—Moratorium.

- (a) For the purpose of enforcing the requirements of this chapter, all owners and operators of the massage establishment shall be jointly and severally responsible for the conduct of all massage establishment employees, agents, independent contractors, or other representatives while such persons are on the premises of the massage establishment or providing outcall massage services on behalf of the massage establishment.
- (b) In addition to any other remedy available to the city under applicable law, a massage establishment permit may be suspended or revoked as provided in Sections 5.32.170 and 5.32.180 . Upon issuance of a final order by the police chief, city manager or hearing officer to revoke the massage permit, the massage establishment shall immediately cease operation, and, if so ordered by the hearing officer, no other massage establishment shall be permitted to operate at that location by any person for a period of not less than five years ("the moratorium period"). If the operator is not also the legal owner of the real property on which the massage establishment is situated, notice of such revocation and the five-year prohibition shall be provided by the permit authority to the owner of record of the property as shown on the latest county assessment roll.
- (c) In addition to any other remedy available to the city under applicable law, a massage establishment permit may not be renewed or amended unless and until all due and unpaid citations issued pursuant to this chapter are paid in full, and all outstanding violations have been corrected.
- (d) Notwithstanding any other provision of this chapter, where a notice of revocation or suspension has been issued to the operator of a massage establishment pursuant to Section 5.32.180 of this chapter, the police chief shall not process or grant an application for a massage establishment permit for a new massage establishment at the same premises unless and until such notice of revocation or suspension is dismissed; or a final determination is made pursuant to that section that the current operator's massage establishment permit is not or should not be revoked; or any moratorium period imposed pursuant to this chapter has expired.

5.32.170 Revocation or suspension.

All massage establishment operators shall be deemed to know and understand the requirements and prohibitions of this chapter. Any massage establishment permit issued pursuant to this chapter may be suspended or revoked after a hearing, where findings are made that any of the following have occurred on even a single occasion:

- (a) The permittee or any person employed or retained by the massage establishment has violated any provision of this chapter, the California Business and Professions Code Sections 4600 et seq., or any local, state, or federal law.
- (b) The permittee or any person employed or retained by the massage establishment has been convicted in a court of competent jurisdiction of having violated, or has engaged in conduct constituting a violation of, any of the following: California Penal Code Sections 266, 266a, 266e, 266f, 266g, 266h, 266i, 266j, 315, 316, 318, 647(b), or 653.22, or conspiracy or attempt to commit any such offense, or any offense in a

jurisdiction outside of the State of California that is the equivalent of any of the aforesaid offenses.

- (c) The permittee or any person employed or retained by the massage establishment is required to register under Section 290 of the California Penal Code.
- (d) The permittee has been subject to a permanent injunction against the conducting or maintaining of a nuisance pursuant to this code, or Sections 11225 through 11235 of the California Penal Code, or any similar provision of law in any jurisdiction outside the State of California.
- (e) The permittee or any person employed or retained by the massage establishment has engaged in fraud or misrepresentation or has knowingly made a misstatement of material fact while working in or for the massage establishment.
- (f) The permittee has continued to operate the massage establishment after the massage establishment permit has been suspended.
- (g) The CAMTC license has been suspended or revoked of a licensed CAMTC massage therapist owner or operator.
- (h) Massage has been performed on the premises of the massage establishment, with or without the permittee's actual knowledge, by any person who is not a duly authorized, in good standing CAMTC-certified massage professional.
- (i) A person who is not a duly authorized CAMTC-certified massage professional has provided outcall massage services through or on behalf of the massage establishment.
- (j) There have been one or more acts prohibited under California Penal Code Sections 266, 266a, 266e, 266f, 266g, 266h, 266i, 266j, 315, 316, 318, 647(b), or 653.22 taking place on the premises of the massage establishment, whether or not any criminal prosecution has been pursued or conviction obtained for such acts, and whether or not they occurred with or without the actual knowledge of the permittee.
- (k) The permittee or any person employed or retained by the massage establishment or any other person on the premises of the massage establishment has engaged in conduct or committed acts that a reasonable person in the patron's position would understand as an offer to perform on or engage in with the patron acts that are sexual in nature or that involve touching of the patron's genitals, or anal region.
- (l) The permittee or any person employed or retained by the massage establishment has engaged in sexually suggestive advertising related to massage services on the premises of the massage establishment, including, but not limited to, displaying photographs of individuals clothed in swim attire, or attire that is transparent, see-through or substantially exposes the individual's undergarments, breasts, buttocks, or genitals, describing massage services as "erotic," "sensual" or similarly sexual in nature, listing advertisements in adult media, or describing the appearance or age of massage providers.
- (m) If the applicant has failed to comply with a final court order or administrative action of an investigatory agency finding a violation of applicable federal, state and local wage and hour laws, including, but not limited to, the Federal Fair Labor Standards Act, the

California Labor Code, and any local minimum wage ordinance or prevailing wage requirements. For purposes of this subsection, a final court order or administrative action is one as to which there is no pending appeal and the time for filing an appeal has passed.

5.32.180 Hearing for revocation or suspension.

- (a) The police chief shall give written notice of the proposed revocation or suspension of any permit granted pursuant to this chapter to the permittee. The notice shall set forth the date that the revocation or suspension is effective, the time and place of the informal meeting with the Police Chief, the ground or grounds upon which the revocation or suspension is based, the pertinent code sections, and a brief statement of the factual issues in support thereof. The notice shall be mailed to the permittee at the business address, or it shall be delivered to the permittee personally, at least ten business days prior to the effective date of the suspension or revocation, unless immediate revocation is necessary to protect the public health and safety, such as criminal activity resulting in the arrest of one or more individuals at the massage establishment or building code violations that render the massage establishment unsafe to occupy.
- (b) No appeal may be taken to any such administrative decision made by the police chief pursuant to the provisions of this chapter unless such decision to appeal has been first taken up with the police chief. This shall be an informal meeting to allow the permittee to provide evidence that the permit should not be suspended or revoked.
- (c) Failure to attend an informal meeting with the Chief shall be deemed a forfeiture of any right to appeal the decision to suspend or revoke a permit.
- (d) Within ten business days of the informal meeting, the police chief shall render his or her decision in writing, stating his or her findings and the action taken, if any. The decision letter shall be mailed to the permittee at the business address or it shall be delivered to the permittee personally. The decision letter shall include the information of the right to appeal.
- (e) The permittee may appeal the decision to suspend or revoke a massage establishment permit by filing a written notice of appeal with the city manager, within ten days from the deposit of the decision letter in the mail or its receipt by the permittee, whichever occurs first, specifying in detail the ground or grounds for the appeal.
- (f) The city manager shall set a time and place for the hearing on the appeal not less than fifteen days and not more than sixty days from the date the appeal was received by the city manager, and shall give at least five days' written notice by mail to the permittee of the date, time, and place for the hearing. The hearing shall be conducted in accordance with Section 5.32.190.
- (g) After the hearing on the appeal, the hearing officer may refer the matter back to the police chief for a new investigation and decision, may affirm the decision of the police chief, may dismiss the disciplinary action, or may revoke or suspend the permit. The permittee will be notified by the city manager. The decision of the hearing officer upon such appeal shall be final and shall be subject to judicial review according to the provisions and time limits set forth in Code of Civil Procedure Section 1094.6.

- (h) The notices provided to the massage establishment pursuant to this section may also be sent to the owner of the premises where the massage establishment is located. However, failure to provide notice to the property owner shall not invalidate any actions taken by the city.

5.32.190 Hearing rules.

The following rules shall apply to any hearing required by this chapter.

- (a) The city manager may hear the appeal, or designate a city employee or third party to act as the hearing officer.
- (b) All parties involved shall have the right to offer testimonial, documentary, and tangible evidence bearing on the issues, to be represented by counsel, and to confront and cross-examine witnesses.
- (c) Any relevant evidence may be admitted if it is the sort of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs.
- (d) The hearing officer may conduct the hearing informally, both as to rules of procedure and admission of evidence, in any manner which will provide a fair hearing.
- (e) A continuance may be granted for good cause if the party seeking the continuance has made a good faith effort to prevent the recurrence of the incident that led to the notice of intent to revoke or suspend.
- (f) If the police chief submits an additional written report concerning the revocation or suspension to the hearing officer for consideration at the hearing, then a copy of this report also shall be mailed to the person requesting the hearing at least five days prior to the date of the hearing. Any administrative citation, revocation or suspension letter, and any additional report submitted by the police chief shall constitute prima facie evidence of the respective facts contained in those documents.
- (g) The standard of proof shall be by a preponderance of the evidence.
- (h) Failure to attend an appeal hearing is grounds for dismissal of the appeal and constitutes a failure to exhaust the administrative remedies.

5.32.200 Violations unlawful and a public nuisance—Penalties, nuisance abatement, and other remedies.

Any massage establishment operated, conducted, or maintained contrary to the provisions of this chapter shall be, and the same is hereby declared to be, unlawful and a public nuisance, and the city attorney may, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinder thereof, in the manner provided by law. Such remedies shall be in addition to any other judicial and administrative penalties and remedies available to the city under this code or under state law.

Section 2. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 3. Effective Date; Posting. This Ordinance shall take effect on the 31st day following adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 21ST DAY OF MAY, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 4TH DAY OF JUNE, 2025, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2366, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 4th day of June, 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Cynthia Iwanaga, Management Analyst

APPROVED BY: City Manager

APPROVE COUNTY OF SANTA CLARA FISCAL AGENT SERVICE AGREEMENT

RECOMMENDATION(S)

1. Approve the FY 25-26 Fiscal Agent Service Agreement with the County of Santa Clara in the amount of \$399,543; and
2. Authorize the City Manager to execute and administer the Fiscal Agent Service Agreement with the County of Santa Clara, with the option to extend the contract for up to four additional one-year terms in amounts to be approved by the County of Santa Clara Recycling and Waste Reduction Commission as part of their annual budget approval process.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Advancing Regional Initiatives

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider entering into a second Fiscal Agent Service Agreement with the County of Santa Clara (County) to provide fiscal agent services to the Countywide Solid Waste Services (CSWS) Program for FY 25-26. In July 2021, the City became the County Recycling and Waste Reduction Commission (Commission) Technical Advisory Committee (TAC) Administrator and Contracting Agent. In 2021, the City entered into contract with the County, so that the County could retain the role of fiscal agent for the Commission. The County's fiscal agent services include the collection of the County solid waste planning fees as well as managing and reporting to the State on various aspects of Countywide solid waste and diversion efforts.

In March 2022, the City Council authorized the City Manager to authorize up to four one-year extensions of the term of the County Fiscal Agent Service Agreement. In June 2025, the third one-year extension will be completed. A new Fiscal Agent Service Agreement is proposed for FY 25-26 to account for a change in the scope of work that will enable the County to continue to provide fiscal agent services to the Commission, TAC, and Implementation Committee along with new work related to the collection and management of Food Recovery Program fees from jurisdictions throughout Santa Clara

County.

COMMUNITY ENGAGEMENT:

Not Applicable

This work supports a regional program and will not result in direct impacts to the Morgan Hill community. No community engagement activities were conducted prior to this meeting, and no engagement activities on this work are planned after this meeting.

ALTERNATIVE ACTIONS:

The City Council could decline to approve the Fiscal Agent Service Agreement, but this is not recommended as the CSWS Program would not have a fiscal agent to collect solid waste planning fees from participating county jurisdictions and special districts.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Although no action has previously been taken on this new Fiscal Agent Service Agreement, Council has previously taken action on the original Fiscal Agent Service Agreement executed with the County of Santa Clara for FY 21-22:

- On March 3, 2021, the City Council authorized the City Manager to execute an agreement with the County of Santa Clara for Fiscal Agent and Related Planning Services.
- On March 2, 2022, the City Council approved the First Amendment to the FY 21-22 Fiscal Agent Service Agreement with the County of Santa Clara increasing the original amount of the agreement by an additional \$156,659.
- The FY 23-24 and FY 24-25 Fiscal Agent Service Agreements were entered into administratively under the contract which allowed for up to four one-year extensions of the contract term.

FISCAL AND RESOURCE IMPACT:

There would be no impact to the City's General Fund (010) as this contract would be funded by CSWS Fund 246.

CEQA (California Environmental Quality Act):

Not a Project

The activities associated with this item are administrative activities that will not result in direct changes to the physical environment.

**SERVICE AGREEMENT
COUNTYWIDE SOLID WASTE FISCAL AGENT SERVICES**

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, in its capacity as contracting agent on behalf of the Recycling and Waste Reduction Commission (RWRC) Technical Advisory Committee ("CITY"), and County of Santa Clara, a political subdivision of the State of California, a California corporation ("SERVICE PROVIDER") hereinafter referred to each individually a "PARTY" and collectively as the "PARTIES." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2026 at which time SERVICE PROVIDER'S services shall be completed. The Parties, upon mutual agreement, are authorized to extend the term of this Agreement for up to four additional one-year terms. Any such extension shall be in writing and signed by both Parties to this Agreement. The costs for any such one-year extension shall be determined pursuant to Section IX.D of the June 4, 2013 of the Agreement Creating the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee ("June 4, 2013, MOA"), as amended, attached hereto as **Exhibit D**.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be Fiscal Agent for Countywide Solid Waste Activities as further described in **Exhibit A**.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount. \$399,543.06.** Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Three Hundred Ninety-Nine Thousand Five Hundred Forty Three dollars and Six cents, and shall be billed based on the rate and basis set forth in **Exhibit B**. If the Parties extend the term of this Agreement pursuant to the provisions of Section 2 above, the compensation for any such one-year extension shall be determined pursuant to Section IX.D of **Exhibit D**. Payment to SERVICE PROVIDER is subject to annual availability of RWRC funds.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice, which includes an accounting summary containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to **Exhibit B**) by SERVICE PROVIDER on a quarterly basis unless otherwise specified in **Exhibit B**. All accounting summaries shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Invoices shall be sent to CITY no later than the 15th day of the second month of each quarter for the first three quarters (8/15/25; 11/15/25 and 2/15/26), and by 8/31/26 for the fourth quarter. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any quarterly rate charge should be prorated when services were interrupted or provided for only part of the quarter). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one half of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the Recycling and Waste Reduction Commission Implementation Committee's judgment were necessary and reasonable.

- 4.3. Compensation for Additional Services. Prior to performing any services not included in the Scope of Services in Section 3 above and in excess of the total compensation set forth in Section 4.1, CITY and SERVICE PROVIDER must execute a mutual written agreement consistent with Section 20, below, specifying the scope of and compensation for the additional work.
5. Termination. CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.
- 5.1. Non-Appropriations. Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for services to be provided under this Agreement, CITY will immediately notify SERVICE PROVIDER of such occurrence, the Parties shall meet and confer to negotiate an amendment to this Agreement, including an amendment to the scope of services, for services to be provided under an amount within the reduced appropriated or available funds. Nothing in this section is intended to relieve CITY from its obligation to pay for services already provided by SERVICE PROVIDER.
6. Performance of Work. SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY'S City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement.
7. Insurance Requirements. SERVICE PROVIDER shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of SERVICE PROVIDER, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. **The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by CITY. SERVICE PROVIDER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to SERVICE PROVIDER, at any time as deemed necessary to protect the interests of CITY.**
- 7.1. Insurance Types and Amounts.

7.1.1. Commercial General Liability (CGL). SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.2. Workers' Compensation Insurance and Employer's Liability. SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

7.2. Qualification of Insurers. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

7.3. Certificates. SERVICE PROVIDER shall furnish CITY with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to SERVICE PROVIDER'S agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

7.4. Evidence of Insurance. SERVICE PROVIDER may meet the above insurance requirements through programs of self-insurance and excess insurance.

8. Non-Liability of Officials and Employees of the CITY. No official or employee of CITY or SERVICE PROVIDER shall be personally liable for any default or liability under this Agreement.

9. Compliance with Law.

9.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon

any basis prohibited by state or federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

- 9.2. Compliance with Wage and Hour Laws: SERVICE PROVIDER, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a “final judgment, decision, or order” refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against SERVICE PROVIDER and/or its subcontractors: BY SIGNING THIS AGREEMENT, SERVICE PROVIDER AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT SERVICE PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. SERVICE PROVIDER FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. SERVICE PROVIDER and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

City’s Right to Withhold Payment: Where SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, CITY reserves the right to withhold payment to SERVICE PROVIDER until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575

Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.

11. **California Public Records Act.** SERVICE PROVIDER is a public agency subject to the disclosure requirements of the California Public Records Act (“CPRA”). If CITY’S proprietary information is contained in documents or information submitted to SERVICE PROVIDER, and CITY claims that such information falls within one or more CPRA exemptions, CITY must clearly mark such information “CONFIDENTIAL AND PROPRIETARY,” and identify the specific lines containing this information. In the event of a request for such information, COUNTY will make best efforts to provide notice to CITY prior to such disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before SERVICE PROVIDER is required to respond to the CPRA request. If CITY fails to obtain such remedy within the time the SERVICE PROVIDER is required to respond to the CPRA request, SERVICE PROVIDER may disclose the requested information.

CITY further agrees that it shall defend, indemnify and hold SERVICE PROVIDER harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees and attorney’s fees) that may result from denial by SERVICE PROVIDER of a CPRA request for information arising from any representation, or any action (or inaction), by CITY.

12. **Conflict of Interest and Reporting.** SERVICE PROVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement including, without limitation, complying with California Government Code section 1090 *et seq.*, the California Political Reform Act (California Government Code section 87100 *et seq.*) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 *et seq.*). SERVICE PROVIDER will further comply, and will ensure that its agents and its subcontractors comply, with California Government Code section 84308 (“Levine Act”) and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1–18438.8).

13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of SERVICE PROVIDER is as follows:

County of Santa Clara
Integrated Waste Management Services
Consumer and Environmental Protection Agency
1553 Berger Drive, Bldg. #1
San Jose, CA 95112

Address of CITY is as follows:

Kathryn Pisano, TAC Admin
City of Morgan Hill
17575 Peak Ave.
Morgan Hill, CA 95037

with a copy to:
City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

14. **Maintenance of Records.**

- 14.1. **Maintenance.** SERVICE PROVIDER shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. SERVICE PROVIDER shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then SERVICE PROVIDER shall retain said records until such action is resolved.
- 14.2. **Access to and Audit of Records.** CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of SERVICE PROVIDER and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of CITY or as part of any audit of CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 14.3. **Ownership of Work Product.** All documents or other information developed or received by SERVICE PROVIDER for work performed under this Agreement shall be the property of Recycling and Waste Reduction Commission Implementation Committee. SERVICE PROVIDER shall provide CITY, with copies of these items upon demand or upon termination of this Agreement, in its capacity as contracting agent for the Recycling and Waste Reduction Commission Technical Advisory Committee.

15. **Familiarity with Work.** By executing this Agreement, SERVICE PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should SERVICE PROVIDER discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at SERVICE PROVIDER'S risk, until written instructions are received from CITY.

16. **Time of Essence.** Time is of the essence in the performance of this Agreement.

17. **No Assignment.** Neither party to this Agreement shall assign any portion of this Agreement without prior written consent of the other party. Any party's attempted assignment without prior approval of the other party shall be void.

18. **Third Party Beneficiaries.** Unless otherwise explicitly specified in this Agreement, this Agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties.

19. **Defense and Indemnification.**

19.1. CITY shall defend, indemnify and hold SERVICE PROVIDER, its officers, employees, and agents harmless from any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such liability, loss, expenses, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CITY, its officers, agents or employees.

19.2. SERVICE PROVIDER shall defend, indemnify and hold CITY, its officers, employees, and agents harmless from any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion and to the extent such liability, loss, expenses, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of SERVICE PROVIDER, its officers, agents or employees.

20. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

21. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

22. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

23. **Preservation of Agreement.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

24. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

25. **Notice Of Security and/or Privacy Incident.** If SERVICE PROVIDER, or its subcontractor, suspect, discover or are notified of a data security incident or potential breach of security and/or privacy relating to financial or other confidential data provided by CITY to SERVICE PROVIDER in the course and scope of this AGREEMENT (such as data provided during audits, budget approval, and workplan process), SERVICE PROVIDER shall make reasonable efforts to notify CITY of such incident or potential breach within forty-eight (48) hours from suspicion, discovery or notification of the incident or potential breach. SERVICE PROVIDER, upon CITY's request, shall take reasonable steps to investigate such incident or potential breach, inform the CITY of the results of any such investigation, and assist the CITY in maintaining the confidentiality of such information. In addition to the foregoing,

SERVICE PROVIDER shall provide CITY with any reasonable assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any such privacy incident or security breach to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies.

If CITY, or its subcontractor, suspect, discover or are notified of a data security incident or potential breach of security and/or privacy relating to financial or other confidential data provided by SERVICE PROVIDER to CITY in the course and scope of this Agreement (such as data provided during audits, budget approval, and workplan process), CITY shall make reasonable efforts to notify SERVICE PROVIDER of such incident or potential breach within forty-eight (48) hours from suspicion, discovery or notification of the incident or potential breach. CITY, upon SERVICE PROVIDER'S request, shall take reasonable steps to investigate such incident or potential breach, inform the SERVICE PROVIDER of the results of any such investigation, and assist the SERVICE PROVIDER in maintaining the confidentiality of such information. In addition to the foregoing, CITY shall provide SERVICE PROVIDER with any reasonable assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any such privacy incident or security breach to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies.

26. **Electronic Signatures.** Unless otherwise prohibited by law, SERVICE PROVIDER, or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY and SERVICE PROVIDER.
27. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all Parties, constitute a single binding agreement.

[Signatures on Next Page]

EXHIBIT A SCOPE OF SERVICES

The **SERVICE PROVIDER** shall provide the following services:

- A. **Core Duties.** The Fiscal Agent serves as the treasurer of the Countywide Funds and is responsible for collecting the Solid Waste Planning Fee (“SWPF”) from all solid waste disposal facilities and non-disposal facilities located within Santa Clara County. The Fiscal Agent also collects and receives grant funds and revenues from other sources. The Fiscal Agent shall diligently pursue collection of all SWPF funds and shall keep the Implementation Committee (“IC”) apprised of the amount and entity owing delinquent payments, as well as the status of collection activity initiated by the Fiscal Agent regarding the delinquent payments. The Fiscal Agent shall manage all funds in accordance with generally accepted government accounting procedures. The Fiscal Agent shall keep Countywide Funds segregated from all other funds administered by the Fiscal Agent in separately numbered and coded accounts that are readily identifiable as those containing Countywide Funds; shall credit appropriate interest income earned on such funds in each fiscal year; and shall not expend, use of transfer and funds except in accordance with the Annual Workplan and Budget approved by the IC and the Recycling and Waste Reduction Commission (Commission), or as otherwise directed by the IC. The Fiscal Agent shall transfer Countywide Funds to the Contracting Agent as directed by the IC, in accordance with the procedures in Attachment 5 of the Agreement creating the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee (TAC) as executed on June 4, 2013 and amended on December 12, 2023. The Fiscal Agent shall work cooperatively and collaboratively with the IC, the TAC Administrator and the Contracting Agent.
- B. **Quarterly and Annual Budget Status.** The Fiscal Agent shall prepare and submit quarterly budget updates to the IC every three (3) months, and shall provide a Year-End Budget Report. These reports shall be formatted in a clear and concise manner such that all expenditures, revenues, movement of monies, reallocation of funds and adjustments to the budget are detailed by project and line item (i.e., numerical reference and narrative description.) The Year-End Budget Report shall be submitted to the IC on or before October 31st of each year. The IC may, at any time, request additional budget information, detail, documentation and updates. The Fiscal Agent shall respond promptly to all such requests.
- C. **Biennial Audit.** The Fiscal Agent shall arrange for an audit by an independent third party Certified Public Accounting Firm (CPA) to be conducted every other year. The Fiscal Agent may utilize the CPA form retained by the jurisdiction of which the Fiscal Agent is a part, to perform that PARTY’S annual audit. In such event, the results of the audit of the Countywide Funds and accounts shall be clearly and separately called out in the CPA’s audit report. The results of the audit shall be reported to the IC on or before January 15th every other year.
- D. **Evaluation of the Fiscal Agent.** Each year the Fiscal Agent shall prepare a self-evaluation, along with the Year-End Budget Report, for submittal to the IC. The self-evaluation shall include a description of key work tasks performed, any duties or tasks not completed, and any non-planned work tasks completed. The report will include recommendations and suggestions for improving the services of the Fiscal Agent. The self-evaluation shall be submitted at the same time as the Year-End Budget Report. The IC will review the report at the regular meeting and discuss any suggested or needed changes or improvements. The IC will rate the overall performance of the Fiscal Agent based upon the ability of the Fiscal Agent to perform its duties in a timely manner and in accordance with the requirements of this Agreement. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Fiscal Agent. This feedback will be used by the Fiscal Agent to make any changes, based on requirements of this Agreement, to

operations and procedures and/or work tasks for the next fiscal year. In addition to the annual review of the Fiscal Agent, the IC may, at any time, discuss questions, concerns or issues of performance with the designated representative of the Fiscal Agent.

E. Countywide Solid Waste Planning Activities required by State Law. The Fiscal Agent will also perform additional solid waste planning activities required by State Law and typically completed by County agencies including:

- a. Disposal reporting;
- b. Non-disposal facility element updates; and
- c. Other responsibilities in waste management planning which are mandated by State law under the Integrated Waste Management Act of 1989 and other legislation and regulations

Compensation for the Fiscal Agent's performance of these additional solid waste planning activities shall be included in the proposed costs that the Fiscal Agent shall provide to the TAC Administrator under Section IX.D of Exhibit D. Costs for the performance of these additional solid waste planning activities shall be paid with Countywide Funds, as those funds are defined in Exhibit D.

F. Other Contracts Managed by Fiscal Agent. Fiscal Agent shall manage the contract listed below and has the authority under this Agreement to pay directly for those contracts. The CITY shall reimburse Fiscal Agent for payments that Fiscal Agent made directly for those contracts in amounts not to exceed the following for each respective contract:

No contracts for FY26.

G. Food Recovery Program Responsibilities of the Fiscal Agent.

The Fiscal Agent will collect and transfer funds from the Parties for implementation of the Countywide Food Recovery Program per the Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Countywide Food Recovery Program as defined in **Exhibit E**. The Countywide Food Recovery Program Funds will be segregated from the Countywide Solid Waste Program Funds in separately numbered and coded accounts that are readily identifiable as those containing Countywide Food Recovery Program Funds or Countywide Solid Waste Program Funds. The Fiscal Agent shall not expend, use or transfer any funds except in accordance with the annual work plan and budget.

Annual Food Recovery Duties:

- The Fiscal Agent will calculate the annual invoice using base costs and enhancements selected by the Jurisdiction as well as Fiscal Agent program costs.
- The Fiscal Agent will annually submit to the Parties an invoice for the jurisdictional contribution amounts due under this MOU by May 15th of each year.
- The Fiscal Agent will receive jurisdictional payments or follow-up with jurisdictions to collect the invoice amount within ninety (90) calendar days of receipt
- The Fiscal Agent will ensure that the Santa Clara County Food Recovery Program Fund account is segregated from the Solid Waste Program Fee Fund account managed pursuant to the TAC MOA.
- Fiscal Agent will provide the City a Fund Transfer amount provided by jurisdictional contributions including the Fiscal Agent administrative costs.

- The Fiscal Agent will provide IC with an update on the status of Jurisdictional payments in June, July, and August.
- In order to calculate the program costs for the following year, the Fiscal Agent shall provide the TAC Administrator with the proposed costs to perform these duties listed above by August 30th of each year

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Payment for Services.

Compensation for the first year of this Agreement’s Fiscal Agent Services (FY 25/26) shall not exceed the budget of \$399,543.06, which was approved by the Recycling and Waste Reduction Commission (RWRC) at its May 8, 2025 meeting, and is estimated as follows:

Item	Amount
Staff Services	\$257,089.94
Indirect Costs, Services and Supplies	\$123,427.26
Miscellaneous Costs (previously 5%)	\$ 19,025.86
TOTAL FY 25-26 Fiscal Agent Agreement	\$399,543.06**

Compensation for future years shall be based on the proposed costs submitted by the County of Santa Clara to the Implementation Committee by September 15th of each year. The proposed costs will be reviewed by the IC as part of the review of the Annual Workplan and Budget. If there is a question or concern about the proposed costs, the Chair of the IC and the TAC Administrator will meet with the Fiscal Agent concerning the issues. Upon approval of the Annual Work Plan and Budget by the IC and the RWRC, the Contracting Agent will prepare an amendment to this agreement to be signed by the Fiscal Agent and the Contracting Agent to perform services for the new fiscal year.

Prior to performing any services for work performed and expenses incurred beyond the Scope of Services in Section 3 of this Agreement, and in excess of the total compensation set forth in Section 4.1 of the Agreement, CITY and SERVICE PROVIDER must execute a mutual written agreement consistent with Section 22 of the Agreement, specifying the scope of and compensation for the additional work.

**The Fiscal Agent services are approved in the FY 25-26 budget for \$399,543.06, of which \$393,063.06 will be paid by County Solid Waste Program Fees (SWPF) and the remaining balance of \$6,480.00 will be paid by the Food Recovery Program Participating Jurisdictions’ Contributions collected by the Fiscal Agent for FY 25-26. The \$6,480.00 is the County’s FRP Administration fee to act as Fiscal Agent (FA) for the Food Recovery Program (FRP), and as stated above will be funded by the FRP’s participating jurisdictions’ contributions to the FRP base program and any enhancement service costs. The FA will collect each participating jurisdictions’ contributions to the FRP base program and any enhancement service costs, and make payment to the CITY no later than thirty (30) calendar days after receiving the CITY’S Request for Fiscal Year (FY) Food Recovery Program Transfer requests.

Payment Schedule

Quarter	Deadline to Submit Invoice	Payment Amount
Qtr #1: July-Sept 2025 (25% of total amt)	August 15, 2025	\$99,885.77
Qtr #2: Oct-Dec 2025 (25% of total amt)	November 15, 2025	\$99,885.77
Qtr #3: Jan-Mar 2026 (25% of total amt)	February 15, 2026	\$99,885.77
Qtr #4: Apr-June 2026 (25% of total amt)	August 31, 2026	Reconciled remaining balance

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

The following describes the major tasks to be completed as detailed in Exhibit A. These tasks shall be completed pursuant to the schedule specified in the Annual Workplan approved for each year of the Agreement.

1. Collection of Fees, including management of delinquent payments and reporting compliance
2. Collections and Receipt of other Funding Sources
 - a. Food Recovery Program
3. Core Accounting and Recordkeeping
4. Transfer of Funds to Contracting Agent/CITY per the below schedule:

Quarter	Payment Date
First Quarter (July - September)	August 15 th
Second Quarter (October – December)	November 15 th
Third Quarter (January-March)	February 15 th
Fourth Quarter (April – June)	May 15 th

5. Quarterly and Annual Budget Reports
6. Biennial Audit
7. Annual Self-Evaluation
8. Annual Cost Estimate for Following Fiscal Year
9. Additional Solid Waste Planning Activities required by State Law, including:
 - a. Disposal Reporting;
 - b. Non-disposal facility element updates;
 - c. Other responsibilities in waste management planning and contract management which are mandated by State law under the Integrated Waste Management Act of 1989 and other legislation and regulations

EXHIBIT D

FIRST AMENDMENT TO AGREEMENT CREATING THE SANTA CLARA COUNTY RECYCLING AND WASTE REDUCTION TECHNICAL ADVISORY COMMITTEE

This FIRST AMENDMENT ("FIRST AMENDMENT") TO AGREEMENT CREATING THE SANTA CLARA COUNTY RECYCLING AND WASTE REDUCTION TECHNICAL ADVISORY COMMITTEE ("AGREEMENT") is entered into and becomes effective on DEC 12 2023 ("Effective Date"), by and between the COUNTY OF SANTA CLARA, a political subdivision of the State of California; CITY OF CAMPBELL, a municipal corporation of the State of California; CITY OF CUPERTINO, a municipal corporation of the State of California; CITY OF GILROY, a municipal corporation of the State of California; CITY OF LOS ALTOS, a municipal corporation of the State of California; TOWN OF LOS ALTOS HILLS, a municipal corporation of the State of California; TOWN OF LOS GATOS, a municipal corporation of the State of California; CITY OF MILPITAS, a municipal corporation of the State of California; CITY OF MONTE SERENO, a municipal corporation of the State of California; CITY OF MORGAN HILL, a municipal corporation of the State of California; CITY OF MOUNTAIN VIEW, a municipal corporation of the State of California; CITY OF PALO ALTO, a municipal corporation of the State of California; CITY OF SAN JOSE, a municipal corporation of the State of California; CITY OF SANTA CLARA, a chartered municipal corporation of the State of California; CITY OF SARATOGA, a municipal corporation of the State of California; and CITY OF SUNNYVALE, a municipal corporation of the State of California.

All the above-mentioned entities are hereinafter collectively referred to as "PARTIES" or individually as "PARTY."

RECITALS

WHEREAS, PARTIES entered into the AGREEMENT creating the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee ("TAC");

WHEREAS, pursuant to "**Section III, Paragraph C. Attendance From A Remote Location**" of the AGREEMENT, member participation in TAC's meetings virtually through teleconference technology was strongly discouraged;

WHEREAS, starting in December 2020, pursuant to the first state of emergency teleconferencing procedures and subsequently AB 361, PARTIES were routinely meeting virtually through teleconference technology, which continues to support robust participation and communication; and

WHEREAS, PARTIES wish to enter into this FIRST AMENDMENT to revise the language in "**Section III, Paragraph C. Attendance From A Remote Location**" of the AGREEMENT to remove any indication that participation in TAC meetings virtually through teleconference technology is prohibited or strongly discouraged and allow members to participate in TAC meetings by utilizing teleconference technology, pursuant to the teleconferencing provisions in the Ralph M. Brown Act (Government Code Section 54953(b)) ("Brown Act").

FIRST AMENDMENT

NOW, THEREFORE, it is agreed among the PARTIES to incorporate the above Recitals hereto, and that the AGREEMENT is hereby amended as follows:

1. **Amendment.** All terms and conditions of the AGREEMENT, as attached hereto and incorporated

Approved: 12/12/2023

118325

herein as Exhibit "1" shall remain in full force and effect except that the following amendment shall be made as set forth below. "**Section III, Paragraph C. Attendance From A Remote Location**" shall be amended and replaced in its entirety by the following:

"C. Satellite and Auxiliary Teleconferencing Attendance in Meetings.

1. Definitions:

Satellite Locations: Satellite Locations are defined in paragraph 2 below and include designated locations that will be determined in advance by the TAC in consultation with the Administrator.

Auxiliary Locations: Auxiliary Locations are defined in paragraph 3 below and do not include previously designated Satellite Locations and must be approved in advance by the Administrator.

2. Satellite Locations. Meetings of the TAC may be held via video teleconference from multiple Satellite Locations located within Santa Clara County. Each designated Satellite Location will be open to the public, and public comment may be made from all Satellite Locations. The TAC shall comply with all Brown Act teleconferencing requirements, including but not limited to, requiring a quorum of the TAC to participate from Satellite Locations within the TAC's jurisdiction, posting the agendas at all Satellite Locations, and posting the members' Satellite Location on the notice and agenda. Satellite Locations, including number and location, shall be determined by the TAC in consultation with the Administrator.

3 Auxiliary Teleconference Location. In the event of an unavoidable schedule conflict, a member may participate in a meeting from an Auxiliary Teleconference Location not previously designated as a Satellite Location via teleconferencing technology, provided that an Auxiliary Teleconference Location meeting room or rooms comply with all Brown Act teleconferencing requirements, including, but not limited to, the ability to connect the Auxiliary Teleconference Location to the other locations where TAC members are meeting and the ability for the public to address the TAC directly. The Auxiliary Teleconference Location will be open to the public, and public comment may be made from the separate Auxiliary Teleconference Locations. The agenda shall be posted at each Auxiliary Teleconference Location, and the agenda will include the member's separate Auxiliary Teleconference Location on the notice and agenda. The member shall comply with all Brown Act teleconferencing requirements.

In such event, the member will notify the Administrator at least seven (7) days in advance of the meeting and request to attend from an Auxiliary Teleconference Location. The Administrator will advise the member if attendance from the Auxiliary Teleconference Location is permissible. If attendance from the Auxiliary Teleconference Location is permissible, the Administrator will comply with all Brown Act teleconferencing requirements, including but not limited to, requiring a quorum of the TAC to participate from teleconferencing locations within the TAC's jurisdiction. The member shall be responsible for posting of the agenda and public access at the Auxiliary Teleconference Location.

A member who attends a meeting from a separate Auxiliary Teleconference Location outside the jurisdiction of Santa Clara County will not be included in the count to determine a quorum; however, the member's vote will be counted. A member who attends a meeting from a separate Auxiliary Teleconference Location within the jurisdiction of Santa Clara County shall be included in the count to determine the quorum.

Attendance from an Auxiliary Teleconference Location is to be used only in rare cases of unavoidable schedule conflicts. In person and Satellite Location attendance at meetings is strongly preferred and encouraged.

2. Except as amended by this FIRST AMENDMENT, all other applicable terms and conditions of the original Agreement and attachments shall remain in full force and effect. The terms of this First Amendment shall control if any conflict exists.

3. The unenforceability, invalidity or illegality of any provision(s) of this FIRST AMENDMENT shall not render the other provisions unenforceable, invalid or illegal.

4. The PARTIES may execute this FIRST AMENDMENT in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. The parties agree that an electronic copy of a signed agreement, or an electronically signed agreement, has the same force and legal effect as an agreement executed with an original ink signature. The term "electronic copy of a signed agreement" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed agreement in a portable document format. The term "electronically signed agreement" means an agreement that is executed by applying a verified electronic signature using technology approved by the County.

5. The signatories to this FIRST AMENDMENT warrant and represent that each is authorized to execute this FIRST AMENDMENT and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this FIRST AMENDMENT.

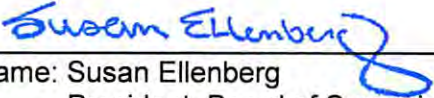
6. This FIRST AMENDMENT is authorized by Article XII, Section G, of the AGREEMENT, which provides that the AGREEMENT may be amended by unanimous written agreement of the PARTIES.

[SIGNATURES ON FOLLOWING PAGE]

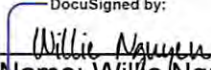
IN WITNESS WHEREOF, the PARTIES have executed this FIRST AMENDMENT effective as of the date first written above.

COUNTY OF SANTA CLARA, a political subdivision of the State of California

Date: DEC 12 2023

By: 
Name: Susan Ellenberg
President, Board of Supervisors

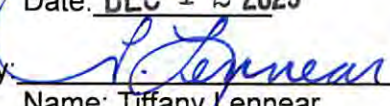
Approved as to Form and Legality:
Date: 12/12/2023

DocuSigned by:
By: 
Name: Willie Nguyen, Esq.
Deputy County Counsel

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors

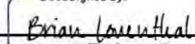
ATTEST

Date: DEC 12 2023

By: 
Name: Tiffany Lennear
Clerk of the Board of Supervisors

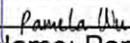
CITY OF CAMPBELL, a municipal corporation of the State of California

Date: 11/27/2023

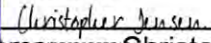
By: 
Name: Brian Loventhal
City Manager

CITY OF CUPERTINO, a municipal corporation of the State of California

Date: 11/21/2023

By: 
Name: Pamela Wu
City Manager

Approved as to Form:
Date: 11/21/2023

DocuSigned by:
By: 
Name: Christopher Jensen
City Attorney

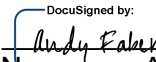
CITY OF GILROY, a municipal corporation of the State of California

Date: 11/27/2023

Approved as to Form:

Date: 12/1/2023

By: 
Name: Jimmy Forbis
City Administrator

By: 
Name: Andy Faber
City Attorney

CITY OF LOS ALTOS, a municipal corporation of the State of California

Date: 11/21/2023

Approved as to Form:

Date: 11/21/2023

By: 
Name: Gabriel Engeland
City Manager

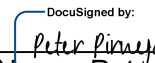
By: 
Name: Jolie Houston
City Attorney

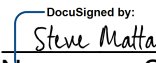
TOWN OF LOS ALTOS HILLS, a municipal corporation of the State of California

Date: 11/21/2023

Approved as to Form:

Date: 11/21/2023

By: 
Name: Peter Pirnejad
Town Manager

By: 
Name: Steve Mattas
Town Attorney


TOWN OF LOS GATOS, a municipal corporation of the State of California

Date: 11/27/2023

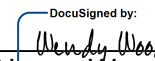
Approved as to Form:

Date: 11/21/2023

By: 
Name: Laurel Prevetti
Town Manager

By: 
Name: Gabrielle Whelan
Town Attorney

Date: 11/21/2023

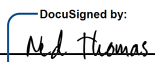
By: 
Name: Wendy Wood, Town Clerk

CITY OF MILPITAS, a municipal corporation of the State of California

Date: 11/21/2023

Approved as to Form:

Date: 11/22/2023

By: 
Name: M. Thomas

By: 

Name: Ned Thomas
Acting City Manager

Name: Michael Mutalipassi
City Attorney

CITY OF MONTE SERENO, a municipal corporation of the State of California

Date: 11/23/2023

Approved as to Form:
Date: 11/27/2023

By: DocuSigned by:
STEVEN LEONARDIS
Name: Steve Leonardis
City Manager

By: DocuSigned by:
Kirsten Powell
Name: Kristen Powell
City Attorney

CITY OF MORGAN HILL, a municipal corporation of the State of California

Date: 11/26/2023

Approved as to Form:
Date: 11/22/2023

By: DocuSigned by:
Christina Turner
Name: Christina Turner
City Manager

By: DocuSigned by:
Donald Larkin
Name: Donald Larkin
City Attorney

CITY OF MOUNTAIN VIEW, a municipal corporation of the State of California

Date: 11/23/2023

Approved as to Form:
Date: 11/21/2023

By: DocuSigned by:
Kimbra McCarthy
Name: Kimbra McCarthy
City Manager

By: DocuSigned by:
Diana Fazely
Name: Diana Fazely
Assistant City Attorney

Date: 11/21/2023

Date: 11/26/2023

By: DocuSigned by:
Dawn Cameron
Name: Dawn Cameron
Public Works Director

By: DocuSigned by:
Derek Rampone
Name: Derek Rampone
Finance Director & Administrative
Services Director

CITY OF PALO ALTO, a municipal corporation of the State of California

Date: 11/22/2023

Approved as to Form:
Date: 12/1/2023

By: DocuSigned by:
Ed Shikada
Name: Ed Shikada
City Manager

By: DocuSigned by:
Maideleine Salak
Name: Gaio Arellano
City Attorney

CITY OF SAN JOSE, a municipal corporation of the State of California

Date: 12/11/2023

Approved as to Form:
Date: 12/11/2023

By: *Sarah Zarate*
Name: Sarah Zarate
Director of City Manager's Office of
Administration, Policy and
Intergovernmental Relations

Sarah Zarate
Email: sarah.zarate@sanjoseca.gov
Date: 12/11/2023 PST

By: *Rosalia Burgueno Tapia*
Name: Rosalia Burgueno-Tapia
Senior Deputy City Attorney

Rosalia Burgueno Tapia
Email: rosalia.tapia@sanjoseca.gov
Date: 12/11/2023 PST

CITY OF SANTA CLARA, a chartered municipal corporation of the State of California

Date: 12/6/2023

Approved as to Form:
Date: 11/21/2023

By: *Jovan D. Grogan*
Name: Jovan D. Grogan
City Manager

DocuSigned by:
Jovan D. Grogan
E041664B0C9E1

By: *Luis M. Haro*
Name: Glen R. Googins
City Attorney

DocuSigned by:
Luis M. Haro
E041664B0C9E1

CITY OF SARATOGA, a municipal corporation of the State of California

Date: 11/27/2023

Approved as to Form:
Date: 11/21/2023

By: *James Lindsay*
Name: James Lindsay
City Manager

DocuSigned by:
James Lindsay
E041664B0C9E1

By: *Richard Taylor*
Name: Richard Taylor
City Attorney

DocuSigned by:
Richard Taylor
E041664B0C9E1

CITY OF SUNNYVALE, a municipal corporation of the State of California

Date: 11/27/2023

Approved as to Form:
Date: 11/21/2023

By: *Kent Steffens*
Name: Kent Steffens
City Manager

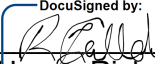
DocuSigned by:
Kent Steffens
E041664B0C9E1

By: *Rebecca Moon*
Name: Rebecca Moon
Senior Assistant City Attorney

DocuSigned by:
Rebecca Moon
E041664B0C9E1

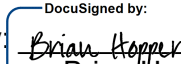
SANTA CLARA VALLEY WATER DISTRICT, a State of California Special District

Date: 12/8/2023

By:  _____
Name: Rick Callender, Esq.
Chief Executive Officer

Approved as to Form:

Date: 12/5/2023

By:  _____
Name: Brian Hopper
Senior Assistant District Counsel

AGREEMENT
CREATING THE SANTA CLARA COUNTY
RECYCLING AND WASTE REDUCTION
TECHNICAL ADVISORY COMMITTEE

THIS AGREEMENT, is made and entered into this 4th day of June 2013 by and between the COUNTY OF SANTA CLARA, a political subdivision of the State of California; CITY OF CAMPBELL, a municipal corporation of the State of California; CITY OF CUPERTINO, a municipal corporation of the State of California; CITY OF GILROY, a municipal corporation of the State of California; CITY OF LOS ALTOS, a municipal corporation of the State of California; TOWN OF LOS ALTOS HILLS, a municipal corporation of the State of California; TOWN OF LOS GATOS, a municipal corporation of the State of California; CITY OF MILPITAS, a municipal corporation of the State of California; CITY OF MONTE SERENO, a municipal corporation of the State of California; CITY OF MORGAN HILL, a municipal corporation of the State of California; CITY OF MOUNTAIN VIEW, a municipal corporation of the State of California; CITY OF PALO ALTO, a municipal corporation of the State of California; CITY OF SAN JOSE, a municipal corporation of the State of California; CITY OF SANTA CLARA, a chartered municipal corporation of the State of California; CITY OF SARATOGA, a municipal corporation of the State of California; and CITY OF SUNNYVALE, a municipal corporation of the State of California.

All of the above-mentioned entities are hereinafter collectively referred to as "PARTIES" or individually as "PARTY."

RECITALS:

- A. In 1989, the California Legislature passed and enacted the California Integrated Waste Management Act, known as "AB 939", (Public Resources Code Section 40000 et. seq) requiring jurisdictions to divert 25% of waste from disposal by 1995 and 50% of waste from disposal by 2000. AB 939 required each County to develop and periodically update a County Integrated Waste Management Plan and to appoint an AB 939 Local Task Force.
- B. Prior to 1992, the Solid Waste Committee of the Santa Clara County Intergovernmental Council advised the cities and the County on solid waste and recycling issues. The Technical Advisory Committee, also originally convened by the Intergovernmental Council, provided technical advice to the Solid Waste Committee on solid waste and recycling issues.
- C. On or about February 1992, the Santa Clara County Board of Supervisors and the cities in Santa Clara County designated the Solid Waste Committee of the Intergovernmental Council as the AB 939 Task Force for Santa Clara County.
- D. On February 4, 1992, the Santa Clara County Board of Supervisors replaced the Solid Waste Committee of the Intergovernmental Council with the Solid Waste Commission of Santa Clara County ("Commission") in order to streamline the

TAC MEMORANDUM OF AGREEMENT

decision-making process on solid waste and recycling issues. (Ordinance No. NS-300.495) The powers and duties of the Commission are defined in Chapter XVII, Division A6 of the County of Santa Clara Ordinance Code.

- E. On December 4, 2001, the Santa Clara County Board of Supervisors approved Ordinance No. NS-300.658 changing the name of the Commission to the Recycling and Waste Reduction Commission of Santa Clara County.
- F. The Commission advises city councils and the Board of Supervisors in Santa Clara County on countywide solid waste and recycling planning issues and on the County Solid Waste Management Plan/County Integrated Waste Management Plan.
- G. The By-Laws of the Commission (also approved by the County Board of Supervisors on February 4, 1992) continued the existence of the Recycling and Waste Reduction Technical Advisory Committee (the "TAC"). The purpose of the TAC was to provide technical advice to the Commission on solid waste management and policy; to bring together a wide spectrum of viewpoints and expertise on countywide solid waste and recycling issues affecting individual jurisdictions; and to assist in development of policies, programs and revisions and amendments to countywide plans.
- H. On an annual basis, the TAC prepares and submits an Annual Workplan and Budget for review and approval by the Commission. The Commission-approved Annual Workplan is then implemented by the TAC using funds in the Commission-approved Annual Budget.
- I. In accordance with the AB 939 provisions for financing solid waste diversion and planning activities, the County of Santa Clara levies and collects the Countywide Solid Waste Planning Fee ("SWPF") on each ton of solid waste disposed at landfills located within the County, on tons taken to non-disposal facilities located within the county and subsequently transported for disposal to landfills outside Santa Clara County, and on tons transported directly to disposal facilities located outside Santa Clara County. The current SWPF of \$0.78 per ton was established by the County Board of Supervisors on May 19, 2009. Funds from the SWPF are used to fund the activities and programs of the Commission and the TAC. In addition, funds from grants, voluntary contributions from other agencies and other revenue sources are used to fund these activities and programs. Such funds, including monies from the SWPF, are referred to herein as "Countywide Funds".
- J. In 2011, Assembly Bill 341 ("AB 341") was signed into law establishing a statewide goal of diverting 75% of solid waste from disposal by 2020 and requiring The California Department of Resources, Recycling and Recovery to prepare and submit a plan to the Legislature on or before January 1, 2014 on how to achieve this goal.
- K. Since the TAC was originally established, the field of solid waste management and recycling has become much more complex and the PARTIES must comply with an increasing number of laws and regulations. In order to achieve the statewide goal of 75% diversion, many materials currently disposed in landfills must be segregated and

TAC MEMORANDUM OF AGREEMENT

processed at new facilities, and channeled into useful purposes. New infrastructure, diversion systems and enhanced producer responsibility measures must be implemented in order to accomplish this goal.

- L. Commensurate with changes in the breadth and complexity of the solid waste and recycling field, the work and functions of the TAC have evolved over time to encompass not only providing advice to the Commission, but also recommending, implementing and monitoring countywide public education and diversion programs included in the Commission-approved Annual Workplan and Budget where it is cost effective for the PARTIES to jointly provide such programs.
- M. The TAC requires expanded powers and authority to monitor ongoing staffing support for programs in the Commission-approved Annual Workplan as well as the power and authority to recommend, monitor and audit the funding for these programs, at the levels contained in the Commission-approved Annual Budget.
- N. In order to address these issues, the Commission appointed the Ad Hoc Committee for TAC Organizational Study, and the TAC appointed the TAC Ad Hoc Organizational Study Subcommittee. Pursuant to recommendations from these Committees, the County retained Arroyo Associates in 2010 to conduct an independent Organizational Study. The study evaluated the countywide integrated waste management programs and services and provided operational and organizational recommendations to enhance the efficiency and effectiveness of the countywide solid waste management system. The Commission's Ad Hoc Committee held a meeting on May 29, 2012 with representatives of the TAC and the public to discuss the recommendations of the Organizational Study and options for restructuring the operating parameters of the TAC.
- O. The purpose of this Agreement is to implement the recommendations of the Commission's Ad Hoc Committee and the TAC Ad Hoc Subcommittee to revise the functions, powers, membership, structure and duties of the TAC to make these consistent with the manner in which the TAC currently functions; and to simplify the reporting relationship between the Commission and the TAC. Such changes are desired by the PARTIES in order to facilitate countywide and regional approaches for meeting the statewide goal of 75% diversion articulated in AB 341; remaining in compliance with the existing requirements of AB 939, SB 1016 and all other state and federal laws and regulations, and planning for the goal of zero waste in the future.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

I. PURPOSES AND FUNDING

The Santa Clara County Recycling and Waste Reduction Technical Advisory Committee ("TAC") is hereby established to replace the Recycling and Waste Reduction Technical Advisory Committee referred to in Article V of the Commission Bylaws dated October 2001.

A. *Purposes.* The purposes of the TAC are:

TAC MEMORANDUM OF AGREEMENT

1. To implement the Commission-approved Annual Workplan and Budget;
2. To advise the Commission and the decision-making bodies of all PARTIES on technical and policy issues related to solid waste management and recycling including plans to achieve the statewide AB 341 goal of 75% diversion by 2020 and plans for working toward the goal of zero waste;
3. To bring together a wide spectrum of viewpoints and expertise to focus on countywide solid waste management, issues affecting individual communities, and solid waste and recycling issues affecting public environmental health;
4. To assist in development of policies, programs and revisions and amendments to countywide plans that can meet countywide needs and, thus, receive countywide approval;
5. To provide a forum for exchange of solid waste, recycling, composting and other diversion information;
6. To inform the PARTIES' respective agencies and jurisdictions about issues and recommendations of the Commission, and perform follow-up actions, as necessary;
7. To recommend Commission approval of countywide programs to maximize the effectiveness of local funds spent for public education and recycling programs, and to implement and monitor such programs.
8. To assist with future master planning for facilities and infrastructure, as requested by the Commission.
9. To perform technical and policy review and make technical and policy recommendations to the Commission and technical recommendations to the PARTIES concerning best practices in solid and hazardous waste management; recycling, composting, diversion programs, source reduction; litter reduction on land; reduction of litter that originates from the storage, collection, transportation, and processing of solid waste, recyclable materials and organic materials that affects water quality in local creeks, San Francisco Bay, and oceans; and 'cradle-to-cradle' extended producer responsibility for products and packaging from creation through use and ultimate recycling or other disposition, with regard to:
 - a. The feasibility of technical proposals;
 - b. Analysis of issues and problems in solid waste management;
 - c. Proposed and/or needed national and state legislation and policies;
 - d. New infrastructure required to achieve countywide goals, and;
 - e. Financing and management options for creation of such infrastructure.
10. To perform other duties as directed by the Commission.

B. *Funding.* The TAC is funded by the Solid Waste Planning Fee ("SWPF") that is charged to customers by the operators of all disposal and non-disposal facilities located within the County of Santa Clara, and remitted, by those facility operators, to the County of Santa Clara. The SWPF is also charged on tons of solid waste that are hauled directly to out-of-county disposal facilities. The amount of the SWPF is established by the Board of Supervisors based upon input and recommendations from the Commission and the TAC Implementation Committee. Additional revenues come from grants, voluntary contributions of other agencies and other sources. These, together with the SWPF funds constitute the Countywide Funds used to fund the Commission-approved Annual Workplan and Budget.

II. COMPOSITION

A. Voting members, not to exceed 27 in number, shall include:

1. One (1) staff person from each City or Town that is a PARTY
2. Three (3) staff persons from the County as follows:
 - a. One (1) to represent the Unincorporated Area
 - b. One (1) to represent County interests related to environmental health
 - c. One (1) to represent County interests related to integrated waste management
3. One (1) staff person from the Santa Clara Valley Water District
4. Up to eight (8) persons from non-governmental organizations appointed by the Commission as follows:
 - a. No more than three (3) representing for-profit industry groups and/or business organizations (however, no member shall represent a single for-profit company)
 - b. No more than four (4) representatives of non-profit groups that advocate for source reduction, recycling programs, sustainability, and/or producer responsibility
 - c. No more than two (2) representatives of institutions of higher learning located within Santa Clara County

B. Appointment of Members. All members representing a public agency shall be re-designated annually via a letter on agency letterhead addressed to the TAC Administrator ("Administrator"). The Commission will accept requests and nominations for non-governmental organizations to serve on the TAC. The Administrator will publish a notice in a daily local newspaper of general circulation to a minimum of two-hundred fifty thousand (250,000) people in September of every other year announcing that nominations and requests to serve are being accepted. The Administrator will take other reasonable and cost-effective measures to distribute the announcement via other media, including, but not limited to, websites, local publications and social media, to reach persons who might not see the notice in a daily newspaper. The Commission will select the non-governmental organizations to be represented on the TAC. Those organizations will, in turn, submit a letter to the Administrator designating a member and an alternate. Members representing non-governmental organizations shall serve for a period of two (2) years beginning in January. At the end of that time, the Commission shall select the non-governmental organizations to be represented on the TAC for the new two (2) year term. The initial group of non-governmental organization representatives will be selected by the Commission on or before December 31, 2013 and will begin serving their terms on January 1, 2014. The Administrator will publish a notice in the newspaper, and distribute the notice via other suitable media, in September 2013 announcing that the Commission will consider nominations and applications for non-governmental organizations to be represented on the TAC.

C. Alternates. Each PARTY may designate one or more alternate representative(s) to serve in the absence of the regular member. The alternate(s) will be designated in writing as described in Section II B. Alternates may serve on TAC committees,

TAC MEMORANDUM OF AGREEMENT

subcommittees, and ad hoc subcommittees.

D. *Vacancies.* Each PARTY is responsible for designating a replacement for its member if the member can no longer serve. In the event of a vacancy, the Chair shall, by letter, request that the PARTY designate a new member. If a vacancy occurs with regard to a representative of a non-governmental organization, the Administrator shall notify the non-governmental organization to designate a new member. In the event the non-governmental organization declines, the TAC shall notify the Commission and request that a new non-governmental organization be selected to fill the remainder of the term created by the vacancy.

E. *Attendance.* Attendance at meetings is vital to the proper and effective functioning of the TAC. Three (3) consecutive absences or a member missing over fifty percent (50%) of the TAC meetings in a calendar year are sufficient grounds for the Administrator to notify the member and request their attendance. Should a PARTY be unable to send its representative to meetings for an extended period of time, the PARTY shall notify the Chair in writing on letterhead and a replacement representative will not be requested from that PARTY.

III. QUORUM AND VOTING

A. *Quorum.* A quorum consists of thirteen (13) voting members physically present at a meeting.

B. *Voting.* Actions of the TAC shall be taken by a majority vote of the members present at the meeting. Each member has one vote. (See Section VI B for voting and quorum requirements for the Implementation Committee that differ from those for the full TAC.)

C. *Attendance From A Remote Location.* In the event of an unavoidable schedule conflict, a member may participate in a meeting from a remote location via telephone or video-conference provided that all requirements of the Brown Act (Government Code Section 54950, et seq.) are met and further provided that the scheduled meeting room has the technical capability to accommodate the request. In such event, the member will notify the Administrator at least ten (10) days in advance of the meeting and ask to attend from a remote location. The Administrator will advise the member if this is possible. If so, the Administrator will comply with all Brown Act requirements including stating the alternate location in the meeting notice. The member shall also comply with all Brown Act requirements in Government Code Section 54953 (b), including, but not limited to, posting a meeting notice and agenda on the door of the remote location for the duration of the meeting, and allowing members of the public to participate in the meeting from the remote location along with the member. The member's vote will be counted; however, the member will not be included in the count to determine a quorum. Attendance from a remote location is to be used only in rare cases of unavoidable schedule conflicts. In-person attendance and participation at meetings is strongly preferred and encouraged.

D. *Bylaws.* The TAC may, as necessary, recommend adoption of Bylaws for its

governance to the Commission for approval, and operate according to Bylaws approved by the Commission. In the event revisions to Commission-approved Bylaws are desired, the TAC may recommend such revisions to the Commission.

IV. OFFICERS AND THEIR RESPONSIBILITIES

A. *Officer Positions.* The officers of the TAC shall be the Chair, Vice Chair, and the Subcommittee Chairs. The Chair and Vice Chair of the TAC must be voting members or alternates representing a PARTY.

B. *Election and Term.* Each officer shall be elected by majority vote of a quorum of the voting membership at the last meeting of each calendar year or as soon thereafter as possible. All officers' terms begin with the first meeting of each calendar year.

C. *Duties.* The Chair of the TAC shall be responsible for chairing all meetings of the TAC and the Implementation Committee (IC), and representing the TAC and the IC at Commission meetings. The Chair shall approve the draft agendas for TAC and IC meetings, except that any agenda item proposed by two (2) or more voting members must be placed on the next available agenda. The Vice Chair shall serve as the Chair in the Chair's absence. The Chairs of the Subcommittees shall be responsible for calling meetings of their respective Subcommittees and chairing those meetings. The Subcommittee Chairs shall approve the draft agendas for their respective Subcommittees except that any items proposed by two (2) or more voting members of a Subcommittee shall be placed on the next available Subcommittee agenda.

V. MEETINGS

A. *Meetings.* The TAC shall meet monthly at the time and place published on the agendas. Additional meetings may be called as needed. The Chair shall provide every member of the TAC with seventy-two (72) hours written notice of regular and additional TAC meetings. The agenda for each meeting shall be developed by the Administrator in consultation with the TAC Chair, and shall be approved by the Chair.

B. *Conduct of Meetings.* All meetings of the TAC, including all Committees, Subcommittees, Ad Hoc Committees and Subcommittees and any closed sessions with legal counsel, shall be properly noticed and conducted in accordance with the "Brown Act" (Government Code Section 54950 et seq.) Except for official meetings of the TAC and its Committees, Subcommittees and Ad Hoc Committees and Subcommittees, nothing herein shall be interpreted to require meetings between staff members of the individual PARTIES (including designated representatives of the PARTIES) to be subject to the Brown Act, where the Brown Act would not otherwise apply. Each PARTY is individually responsible for ensuring it complies with the Brown Act. Wherever this Agreement is silent with regard to procedure, Robert's Rules of Order shall apply.

VI. IMPLEMENTATION COMMITTEE

A. *Composition and Duties.* The TAC Implementation Committee (IC) is comprised of one voting member from each PARTY to this Agreement plus one voting member from the Santa Clara Valley Water District (SCVWD). The PARTY'S

IC representative is usually also the PARTY'S TAC representative. Each PARTY and the SCVWD may also designate an alternate. The purpose of the IC is to make decisions and recommendations on all fiscal, management and administrative issues of the TAC. The IC selects, monitors and provides oversight of the Administrator, the Fiscal Agent, the Contracting Agent, and legal counsel to the TAC. The IC recommends the level and setting of the SWPF to the Commission.

B. Quorum, Voting and Meetings. A quorum of the IC is nine (9) voting members. (Note: the City of San Jose representative counts as two (2) voting members toward the IC quorum.) The affirmative vote of at least eight (8) voting members of the IC, including PARTIES collectively representing at least forty percent (40%) of the population of the incorporated and unincorporated areas of the County of Santa Clara, is necessary to approve any measure brought before the IC. (For purposes of calculating whether or not the forty percent (40%) figure has been reached, the population of each PARTY shall be counted; however, no population shall be attributed to the SCVWD due to the fact that it encompasses such a large percentage of the population of the entire incorporated and unincorporated County.) Each member of the IC shall have one vote, with the exception of the City of San Jose which shall have two (2) votes. The IC shall meet at least annually to consider and recommend approval of the Annual Workplan and Budget to the Commission for the upcoming fiscal year. The Chair may call other meetings of the IC as needed. All IC meetings are open to the public and to all TAC members. Participation and discussion by all TAC members and by members of the public is encouraged. The Chair of the IC forwards all recommendations made by the IC directly to the Commission, and also makes an informational report to the TAC on the recommendations forwarded to the Commission. The Chair shall strive to achieve consensus among IC members. Consensus is defined as general agreement in sentiment or belief. If clear consensus cannot be reached, the Chair will call for a vote of the voting members present. In such event, the Chair will report the recommendation of the IC along with the dissenting opinion(s) and viewpoints, to the Commission and to the TAC. In the event of a tie, the Chair will report that outcome and the viewpoint(s) expressed that led to that outcome. In the alternative, the Chair may, in the Chair's sole discretion, re-agendize the item for another IC meeting.

C. Use of Outside Contractors. The IC is responsible for selecting any consultant(s) or contractor(s) ("Outside Contractors") to perform tasks included in the Commission-approved Annual Workplan and Budget and who are to be paid from Countywide Funds, using a process created in consultation with the Contracting Agent. The IC is responsible for reviewing and approving the parameters of any contracts with Outside Contractors, including the scope(s) of work, schedules of performance, use of subcontractors, and compensation for such Outside Contractors. The IC then directs the Contracting Agent to conduct the procurement process for Outside Contractors and to execute contracts with the selected Outside Contractor(s).

VII. TAC SUBCOMMITTEES

A. *Issue and Policy Subcommittees.* Issue and policy subcommittees shall be established as needed by the TAC. The TAC will evaluate and establish standing Subcommittees in December of each year. Additional Subcommittees may be established at other times throughout the year as needed.

B. *Membership and Meetings.* Membership on all issue and policy Subcommittees is open to all TAC voting members and designated alternates. There is no maximum size for each Subcommittee. The TAC shall appoint a Chair for each Subcommittee. A quorum is two (2) or more Subcommittee members. Subcommittees may elect a Vice-Chair to serve in the Chair's absence. Subcommittee chairs shall be responsible for calling and chairing meetings. The Subcommittee chairs shall approve the draft agenda and report the activities and recommendations of the Subcommittee to the TAC. Subcommittee chairs shall strive to achieve consensus among members. Consensus is defined as general agreement in sentiment or belief. If clear consensus cannot be reached, the Chair will call for a vote of the voting members present. In such event, the Chair will report the recommendation of the Subcommittee along with the dissenting opinion(s) and viewpoints, to the TAC. In the event of a tie, the Subcommittee Chair will report that outcome and the viewpoint(s) expressed that led to that outcome. In the alternative, the Subcommittee Chair, in consultation with the TAC Chair, may decide to re-agendize the item for discussion at another meeting.

C. *Ad Hoc Subcommittees.* The TAC may establish Ad Hoc Subcommittees as needed to address specific issues or problems. The TAC shall appoint a Chair for each Ad Hoc Subcommittee. All Ad Hoc Subcommittees shall follow the same operating procedures as the standing issue and policy subcommittees. The TAC Chair shall monitor the work of all Ad Hoc Subcommittees, and all such Subcommittees shall be promptly disbanded by the TAC once their tasks have been accomplished.

VIII. TAC ADMINISTRATOR

A. *Duties.* The TAC Administrator provides administration and management services to the TAC and carries out the Annual Workplan. Duties of the Administrator include, but are not limited to: scheduling meetings of the TAC and all committees, subcommittees, and ad hoc subcommittees; preparing agendas and meeting minutes; maintaining all TAC records and files; notifying the TAC of correspondence received and preparing outgoing correspondence; completing all tasks in the Annual Workplan; providing monthly reports at TAC meetings on the status of the Workplan; and other duties as directed by the IC. The Administrator reports to the Chair of the TAC. The Administrator shall work cooperatively and collaboratively with the IC, the Fiscal Agent and the Contracting Agent. The Administrator is paid from funds in the adopted TAC budget.

B. *Selection.* The IC shall select a PARTY or an Outside Contractor to serve as the Administrator for the TAC. The IC will receive and evaluate proposal(s) and make a recommendation to the Commission on selection of an Administrator, as further described in Attachment 2.

C. *Initial Administrator.* The initial Administrator for the TAC shall be the County of Santa Clara, Integrated Waste Management Division ("County IWMD"). The initial staff provided is described on Attachment 1. In the event of a change in the initial staff, the procedures described in Attachment 2 shall be followed. In the event the IC determines there is a need for a change in the Administrator in the future (due to costs, availability of designated employees or for other reasons), or in the event the County IWMD is unable or unwilling to serve, the procedures for selection of a new Administrator in Attachment 2 shall be followed.

D. *If Administrator Is Also A PARTY.* In the event the Administrator is a PARTY, that PARTY shall appoint a TAC/IC representative whose function is to represent the PARTY's point of view on issues, policy and fiscal matters. The PARTY'S TAC/IC representative shall be a person who is not be involved in the work of the Administrator. This designation shall be made in writing on the PARTY'S letterhead to the Chair of the TAC. The person(s) fulfilling the duties of the Administrator shall act as staff to the TAC, TAC committees and subcommittees, and to the IC.

E. *Contract With Administrator.* All duties and responsibilities of the Administrator, and a list and description of all staff assigned to provide Administrator services, shall be included in a contract between the Contracting Agent and the Administrator. The contract term may be for a single year or for multiple years, at the discretion of the IC. In the event that the Administrator is a PARTY, a letter agreement will be prepared between the Contracting Agent and the Administrator, containing all of the duties, responsibilities, staffing commitments and costs for the Administrator to serve for the upcoming fiscal year. The letter agreement will include the Annual Workplan and costs for the Administrator's services. The letter agreement shall state that the Administrator agrees to provide the described services at the approved costs for the upcoming fiscal year and that all employee and overhead costs will be maintained at the levels specified in the agreement for that fiscal year. With regard to the initial Administrator, the first letter agreement shall be prepared and executed prior to July 1, 2014 to reflect the costs and the scope of work to be performed for FY 2014/15. If the Administrator and the Contracting Agent are the same PARTY, the letter agreement will be prepared and signed by a staff person designated to represent the Administrator and also signed by a separate staff person designated to represent the Contracting Agent.

F. *Annual Workplan and Budget.* As the work of the TAC progresses each year, the Administrator will maintain a list of potential work items to be placed in the Annual Workplan for the upcoming fiscal year. Beginning with preparation of the Annual Workplan and Budget for fiscal year 2014/15, the following schedule will apply. In November of each year, the IC will review the list of potential work items compiled by the Administrator, add additional items as needed, and direct the Administrator to prepare a proposed Workplan and Budget for the upcoming fiscal year. The proposed Annual Workplan will contain the elements described in Attachment 3.

The Administrator shall submit the final draft of the proposed Annual Workplan and

Budget to the IC no later than December 15 of each year. If required, the IC will provide revisions and comments to the Administrator, who will then revise and finalize the Annual Workplan and Budget. The IC will approve the Annual Workplan and Budget on or before January 31 of each year and forward it to the Commission for approval. Commission approval is anticipated to be during the month of February. Upon approval by the Commission, the Contracting Agent will prepare agreements with the Administrator, the Fiscal Agent and the Contracting Agent that include the approved Annual Workplan and Budget (for the Administrator) and the approved costs and duties (for the Fiscal Agent and the Contracting Agent) as described in Sections VIII E, IX D and X C. The agreements will be signed by designated representatives of the Administrator, the Fiscal Agent and the Contracting Agent. In the event the Administrator, the Fiscal Agent and/or the Contracting Agent are the same PARTY, that PARTY shall designate separate representatives to execute the agreements on behalf of the Administrator, the Fiscal Agent and the Contracting Agent. Said agreements shall be fully executed and in place prior to July 1 of each year.

G. Annual Reporting and Evaluation. The Administrator shall prepare a self-evaluation/audit report to the IC including significant accomplishments, work items planned but not accomplished, work items not planned but completed, and the status of all work items in the Annual Workplan. The report will include recommendations and suggestions for improving the work of the Administrator and will be submitted on or before September 15 each year. The IC will consider the report at a regular meeting and discuss and provide recommendations and feedback to the Administrator. The IC will rate the overall implementation and effectiveness of the Workplan and, in turn, rate the performance of the Administrator based upon the ability of the Administrator to meet the timelines and budget in the Workplan and to effectively support the Commission and the TAC. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Administrator. This feedback will be used by the Administrator to make any required changes in operations, procedures and/or work tasks for the next fiscal year. In addition to the annual review of the Administrator, the IC may, at any time, discuss questions, concerns or issues of performance with the Administrator.

IX. FISCAL AGENT

A. Duties. The Fiscal Agent serves as the treasurer of the Countywide Funds and is responsible for collecting the SWPF from all solid waste disposal facilities and non-disposal facilities located within Santa Clara County. The Fiscal Agent also collects and receives grant funds and revenues from other sources. The Fiscal Agent shall diligently pursue collection of all SWPF funds and shall keep the IC apprised of the amount and entity owing delinquent payments, as well as of the status of collection activity initiated by the Fiscal Agent regarding the delinquent payments. The Fiscal Agent shall manage all funds in accordance with generally accepted government accounting procedures. The Fiscal Agent shall keep Countywide Funds segregated from all other funds administered by the Fiscal Agent in separately numbered and coded accounts that are readily identifiable as those containing Countywide Funds; shall credit appropriate interest income earned on such funds in each fiscal year; and shall not expend, use or transfer

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any funds except in accordance with the Annual Workplan and Budget approved by the IC and the Commission, or as otherwise directed by the IC. In the event the Fiscal Agent is not also the Contracting Agent, the Fiscal Agent shall transfer Countywide Funds to the Contracting Agent as directed by the IC, in accordance with the procedures in Attachment 5. The Fiscal Agent shall work cooperatively and collaboratively with the IC, the Administrator, and the Contracting Agent.

B. Initial Fiscal Agent. The initial Fiscal Agent shall be the County of Santa Clara. The specific contact person shall be designated in writing to the Administrator and to the TAC Chair. In the event the IC determines there is a need for a change in the Fiscal Agent in the future (due to costs, lack of availability of designated employees or for other reasons), or in the event the County is unable or unwilling to serve, the following procedures for selection of a new Fiscal Agent shall be followed.

C. Selection. Any PARTY willing to serve as the Fiscal Agent may be nominated by another PARTY. The nominated PARTY(IES) will submit a letter proposal to the IC containing the costs for performing the services of the Fiscal Agent, including all employee and overhead costs and all proposed expenses. If the same PARTY is also already serving, or is proposing to serve, as the Administrator, the Contracting Agent, or both, the proposed costs to perform each function shall be separately specified. The IC will hold discussions with representatives of the nominated PARTY(IES) as needed. The recommendation of the IC will be forwarded to the Commission for approval. Upon receipt of Commission approval, the Contracting Agent will execute an agreement with the new Fiscal Agent that includes the approved costs for the PARTY to provide Fiscal Agent services for the upcoming fiscal year.

D. Payment For Services. The Fiscal Agent shall provide the Administrator with proposed costs to perform the duties of TAC Fiscal Agent for the upcoming fiscal year upon request. The proposed costs shall be at the level of detail described in Attachment 2. If the Fiscal Agent is also serving as the Administrator, the Contracting Agent, or both, the proposed costs to perform each function shall be separately specified. The proposed costs will be reviewed by the IC as part of review of the Annual Workplan and Budget. If there is a question or concern about the proposed costs, the Chair of the IC and the Administrator will meet with the Fiscal Agent concerning the issues. Upon approval of the Annual Workplan and Budget by the IC and the Commission, the Contracting Agent will prepare an agreement to be signed by the Fiscal Agent and the Contracting Agent to perform services for the new fiscal year. In the event that the Contracting Agent and the Fiscal Agent are the same PARTY, the agreement shall be signed by the designated employee of the PARTY serving as the Fiscal Agent and the (separate) designated employee of the PARTY serving as the Contracting Agent.

E. Quarterly and Annual Budget Status. The Fiscal Agent shall prepare and submit quarterly budget updates to the IC every three (3) months, and shall provide a Year-End Budget Report. These reports shall be formatted in a clear and concise manner such that all expenditures, revenues, movement of monies, reallocation of funds and adjustments to the budget are detailed by project and line item (i.e. numerical reference and narrative

description). The Year-End Budget Report shall be submitted to the IC on or before October 31 each year. The IC may, at any time, request additional budget information, detail, documentation and updates. The Fiscal Agent shall respond promptly to all such requests.

F. Biennial Audit. The Fiscal Agent shall arrange for an audit by an independent third party Certified Public Accounting Firm (CPA) to be conducted every other year beginning with an audit of the 2013/14 fiscal year. The Fiscal Agent may utilize the CPA firm retained by the jurisdiction of which the Fiscal Agent is a part, to perform that PARTY's annual audit. In such event, the results of the audit of the Countywide Funds and accounts shall be clearly and separately called out in the CPA's audit report. The results of the audit shall be reported to the IC on or before January 15 every other year.

G. Evaluation of the Fiscal Agent. Each year, the Fiscal Agent shall prepare a self-evaluation, along with the Year-End Budget Report, for submittal to the IC. The self-evaluation will include a description of key work tasks performed, any duties or tasks not completed, and any non-planned work tasks completed. The report will include recommendations and suggestions for improving the services of the Fiscal Agent. The self-evaluation shall be submitted at the same time as the Year-End Budget Report. The IC will review the report at a regular meeting and discuss any suggested or needed changes or improvements. The IC will rate the overall performance of the Fiscal Agent based upon the ability of the Fiscal Agent to perform its duties in a timely manner and in accordance with all requirements of this Agreement. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Fiscal Agent. This feedback will be used by the Fiscal Agent to make any required changes in operations and procedures and/or work tasks for the next fiscal year. In addition to the annual review of the Fiscal Agent, the IC may, at any time, discuss questions, concerns or issues of performance with the designated representative of the Fiscal Agent.

X. CONTRACTING AGENT

A. Duties. The Contracting Agent executes contracts with Outside Contractors, including the Administrator and the Fiscal Agent (where applicable) that have been requested and approved by the IC. The Contracting Agent consults with the IC to establish a procurement process for Outside Contractors, and then conducts that process once the IC has approved a scope of work, schedule, budget and other parameters of the contract that will be awarded by the Contracting Agent. The Contracting Agent shall conduct the procurement process and execute all contracts within a reasonable period of time after being directed to do so by the IC. The Contracting Agent shall provide a copy of any contract executed on behalf of the TAC to any PARTY, any TAC member, and to any PARTY or person designated by any PARTY or the IC upon request. The governing body of the Contracting Agent, at its discretion, may delegate authority to execute agreements and contracts approved by the IC to a designated employee. Notice of any such delegation of authority shall be provided in writing to the Chair of the IC and to the Administrator.

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In the event the Contracting Agent is not also the Fiscal Agent, the Contracting Agent shall receive Countywide Funds transferred to the Contracting Agent by the Fiscal Agent on a periodic basis as described in Attachment 5. The Contracting Agent shall manage all Countywide Funds in accordance with generally accepted government accounting procedures. The Contracting Agent shall keep Countywide Funds segregated from all other funds administered by the Contracting Agent in separately numbered and coded accounts that are readily identifiable as Countywide Funds, and shall not expend, use or transfer any funds except as specifically directed by the IC. At the close of the fiscal year, the Contracting Agent shall, pursuant to the procedures in Attachment 5, comply with all directions from the IC with regard to retention of funds for contracts with Outside Contractors that are still in effect, and with regard to return of unexpended or unencumbered funds to the Fiscal Agent. The Fiscal Agent shall work cooperatively and collaboratively with the IC, the Administrator, and the Contracting Agent.

B. Initial Contracting Agent. The initial Contracting Agent shall be the County of Santa Clara. The specific contact person shall be designated in writing to the Administrator and to the TAC Chair. In the event the IC determines there is a need for a change in the Contracting Agent in the future (due to costs, lack of availability of designated employees or for other reasons), or in the event the County is unable or unwilling to serve, the procedures for selection of a new Contracting Agent shall be the same as those for selection of a Fiscal Agent as described in Section IX C.

C. Payment For Services. The Contracting Agent shall provide the Administrator with proposed costs to perform the duties of TAC Contracting Agent for the upcoming fiscal year upon request. The proposed costs shall be at the level of detail described in Attachment 2. If the Contracting Agent is also serving as the Administrator, the Fiscal Agent, or both, the proposed costs to perform each function shall be separately specified. The proposed costs will be reviewed by the IC as part of review of the Annual Workplan and Budget. If there is a question or concern about the proposed costs, the Chair of the IC and the Administrator will meet with the Contracting Agent concerning the issues. Upon approval of the Annual Workplan and Budget by the IC and the Commission, the Administrator will prepare an agreement to be signed by the Contracting Agent and the Administrator to perform services for the new fiscal year. In the event that the Administrator and the Contracting Agent are the same PARTY, the agreement shall be signed by the designated employee of the PARTY serving as the Contracting Agent and the (separate) designated employee of the PARTY serving as the Administrator.

D. Annual Contract Status Report. The Contracting Agent shall prepare and submit an annual report to the IC on the status of all contracts (listing all contracts in progress, expired, terminated, and the amount of work and budget remaining in each) on or before October 31 each year. The report shall also note the amount of Countywide Funds held by the Contracting Agent, and specify the amount(s) of funds encumbered for contracts, and the amount(s) of funds that are unspent and unencumbered. The IC may, at any time, request additional information, detail, documentation and updates on any or all contracts. The Contracting Agent shall respond promptly to all such requests.

E. *Audits.* The Contracting Agent shall cooperate with and provide all information and documentation required in order to complete the bi-annual audit described in Section IX F. In the event the IC decides that any actions or activities of the Contracting Agent are not in compliance with this Agreement, or if the IC determines there are other reasons for an audit to be performed, the IC may perform an audit of the Countywide Funds received and expended by the Contracting Agent. In such event, the Contracting Agent shall cooperate fully, and in a timely manner, with persons performing the audit.

F. *Evaluation of the Contracting Agent.* Each year, the Contracting Agent shall prepare a self-evaluation, along with the Annual Contract Status Report, for submittal to the IC. The self-evaluation will include a description of key work tasks performed, any duties or tasks not completed, and any non-planned work tasks completed. The report will include recommendations and suggestions for improving the services of the Contracting Agent. The self-evaluation shall be submitted at the same time as the Annual Contract Status Report. The IC will review the report at a regular meeting and discuss any suggested or needed changes or improvements. The IC will rate the overall performance of the Contracting Agent based upon the ability of the Contracting Agent to perform its duties in a timely manner and in accordance with all requirements of this Agreement. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Contracting Agent. This feedback will be used by the Contracting Agent to make any required changes in operations and procedures for the next fiscal year. In addition to the annual review of the Contracting Agent, the IC may, at any time, discuss questions, concerns or issues of performance with the designated representative of the Contracting Agent.

XI. LEGAL COUNSEL

A. *Selection.* The IC may select an attorney or firm that is experienced in solid waste, recycling and municipal law to research legal issues, proposed legislation, and to provide legal advice to the TAC ("Legal Counsel") as provided for in the Commission-approved Annual Workplan and Budget. Legal Counsel may be a City Attorney or County Counsel (i.e. an employee of one of the PARTIES) or may be an outside attorney or law firm. The IC will interview and select Legal Counsel as needed, and direct the Contracting Agent to prepare a contract with Legal Counsel for the provision of legal services. The IC shall direct the work of Legal Counsel. The Administrator may assist in coordination of activities with Legal Counsel, but shall not give direction without prior authorization from the IC. Legal Counsel shall not be responsible for providing legal advice to individual PARTIES related to their individual compliance with Public Resources Code Section 40000 et. seq., but may provide such services under separate contract with any PARTY or PARTIES.

XII. OTHER AGREEMENTS OF THE PARTIES

A. *Term of Agreement.* The term of this Agreement shall commence on the date the last duly authorized representative of the PARTIES executes it. This Agreement shall remain in effect until terminated by the PARTIES or until eight (8) or more PARTIES containing more than fifty percent (50%) of the population of the incorporated and unincorporated areas of County of Santa Clara withdraw from the Agreement, whichever

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occurs first. A PARTY may withdraw from the Agreement by providing written notice to the Administrator, stating the effective date of the PARTY'S withdrawal. The withdrawal of a PARTY shall not entitle that PARTY to receive or retain any portion of the SWPF.

B. Ethical Code of Conduct. All TAC members and Alternates shall adhere to the Ethical Code of Conduct in Attachment 4. All TAC members and Alternates shall attend a TAC-sponsored ethics training every other year beginning in FY 2013/14. The Administrator shall arrange for this training and include the cost in the Annual Workplan and Budget for each year the training is required to be conducted.

C. Counterparts. This Agreement may be executed and delivered in any number of copies ("counterparts") by the PARTIES, including by means of facsimile and e-mail or PDF copies. When each PARTY has signed and delivered at least one counterpart to the Administrator, each counterpart shall be deemed an original, and taken together, shall constitute one and the same Agreement, which shall be binding and effective as to the PARTIES hereto.

D. Non-Compliance With State and Federal Laws. No PARTY shall, by entering into this Agreement, participating in the TAC or the IC, or agreeing to serve as Administrator, Fiscal Agent, Contracting Agent, and/or Legal Counsel, assume or be deemed to assume responsibility for any other PARTY in complying with the requirements of state and federal solid waste and recycling laws, including but not limited to, the California Integrated Waste Management Act of 1989 as amended (Public Resources Code Section 40000 et seq). This Agreement is intended solely for the convenience and benefit of the PARTIES hereto and shall not be deemed for the benefit of any third party and may not be enforced by any third party, including, but not limited to, the United States Environmental Protection Agency and the California Department of Resources, Recycling and Recovery, or any person acting on their behalf or in their stead.

E. Indemnification. In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the PARTIES pursuant to Government Code Section 895.6, the PARTIES agree that all losses or liabilities incurred by a PARTY, or by the Santa Clara Valley Water District in carrying out its duties under Section VI. Implementation Committee shall not be shared pro rata, but instead the PARTIES agree that pursuant to Government Code Section 895.4, each of the PARTIES hereto shall fully defend, indemnify and hold harmless each of the other PARTIES, and the Santa Clara Valley Water District in the carrying out of its duties under Section VI. Implementation Committee, from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying PARTY, its officers agents or employees, or in connection with or arising from any work, authority or jurisdiction delegated to such PARTY under this Agreement. No PARTY, nor any officer, board member, employee or agent thereof, shall be responsible for any damage or liability incurred by reason of the negligent acts or omissions or willful misconduct of the other PARTIES hereto, their officers, board members, employees or agents under or in connection with or arising from any work, authority or jurisdiction delegated to such

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PARTY under this Agreement.

F. *Entire Agreement.* This Agreement supersedes any prior arrangement or agreement among the PARTIES regarding the composition, structure, duties and powers of the TAC including, but not limited to, the TAC Rules of Procedure dated May 22, 2006, but does not supersede any other agreements between any of the PARTIES.

G. *Amendments.* This Agreement may be amended by unanimous written agreement of the PARTIES. All PARTIES agree to bring any proposed amendments to this Agreement to their Council or Board, as applicable, within three (3) months following acceptance by the IC. The IC shall, on a biennial basis, evaluate this Agreement and determine if any amendments are needed. The first biennial evaluation shall be in 2015. The IC may recommend amendments on a more frequent basis if desired.

H. *Venue.* In the event that suit shall be brought by any PARTY to this Agreement, the PARTIES agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

I. *Attachments.* Attachments 1 through 5 are attached hereto and incorporated herein by this reference.

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: JUN 04 2013

APPROVED AS TO FORM:

By: *Ken Yeager*
PRESIDENT Board of Supervisors

By: *Mu Bui* 6/3/2013
Deputy County Counsel

KEN YEAGER

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

Attest:

Lynn Regadanz
Lynn Regadanz, Clerk
Board of Supervisors

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

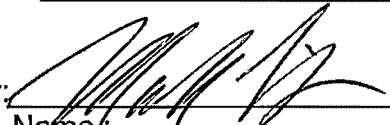
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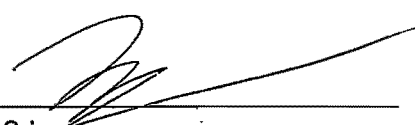
By: _____

CITY OF CAMPBELL

Date: July 17, 2013

APPROVED AS TO FORM:

By: 
Name: Mark Linder
Title: City Manager

By: 
Name: William R. Seligmann
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

CITY OF CAMPBELL

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Mark Linder

Name: _____

Title: City Manager

Title: City Attorney

CITY OF CUPERTINO

Date: 8/28/13

APPROVED AS TO FORM:

By: Carol Atwood for

By: Melissa Thonowat

Name: David Brandt

Name: Melissa Thonowat

Title: City Manager

Title: City Attorney

CITY OF GILROY

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Thomas Haglund

Name: _____

Title: City Administrator

Title: City Attorney

CITY OF LOS ALTOS

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Marcia Somers

Name: _____

Title: City Manager

Title: _____

TOWN OF LOS ALTOS HILLS

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Carl Cahill

Name: _____

Title: City Manager

Title: Town Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF CAMPBELL

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Mark Linder
Title: City Manager

By: _____
Name: _____
Title: City Attorney

CITY OF CUPERTINO

Date: _____

APPROVED AS TO FORM:


By: _____
Name: David Brandt
Title: City Manager

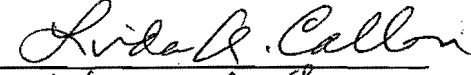
By: _____
Name: _____
Title: City Attorney

CITY OF GILROY

Date: 10/7/2013

APPROVED AS TO FORM:

By: 
Name: Thomas Haglund
Title: City Administrator

By: 
Name: LINDA A. CALLON
Title: City Attorney

ATTEST:

CITY OF LOS ALTOS

Date: _____

City Clerk

APPROVED AS TO FORM:

By: _____
Name: Marcia Somers
Title: City Manager

By: _____
Name: _____
Title: _____

TOWN OF LOS ALTOS HILLS

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Carl Cahill
Title: City Manager

By: _____
Name: _____
Title: Town Attorney

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

Date: _____

By: _____

CITY OF LOS ANGELES

Date: 7-9-13

APPROVED AS TO FORM:

By: Marcia Somers
Name: MARCIA SOMERS
Title: CITY MANAGER

By: Jolie Houston
Name: Jolie Houston
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name : _____
Title: _____

By: _____
Name : _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

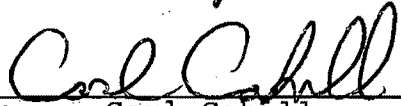
Date: _____


By: _____

CITY OF LOS ALTOS HILLS

Date: 10/14/2013

APPROVED AS TO FORM:

By: 
Name: Carl Cahill
Title: City Manager

By: 
Name: Steve Mattas
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

Date: _____

By: _____

~~CITY OF~~ ^{TOWN} LOS GATOS

Date: 7/1/17

APPROVED AS TO FORM:

By: [Signature]
Name: Gary Larson
Title: Town Manager

By: [Signature]
Name: Judith J. Propp
Title: Town Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

Title: City Manager

Title: Town Attorney

TOWN OF LOS GATOS

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Greg Larson

Name: _____

Title: Town Manager

Title: Town Attorney

CITY OF MILPITAS

Date: 9/11/13

APPROVED AS TO FORM:

By: 

By: 

Name: Tom Williams

Name: Michael J. Ogaz

Title: City Manager

Title: City Attorney

CITY OF MONTE SERENO

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Brian Loventhal

Name: _____

Title: City Manager

Title: _____

CITY OF MORGAN HILL

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Steve Rymer

Name: _____

Title: City Manager

Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

TOWN OF LOS GATOS

Date: _____

By: _____
Name: Greg Larson
Title: Town Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: Town Attorney

CITY OF MILPITAS

Date: _____

By: _____
Name: Tom Williams
Title: City Manager

APPROVED AS TO FORM:

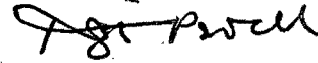
By: _____
Name: Michael J. Ogaz
Title: City Attorney

CITY OF MONTE SERENO

Date: 7/19/13

By: 
Name: Brian Loventhal
Title: City Manager

APPROVED AS TO FORM:

By: 
Name: Kirsten Powell
Title: City Attorney

CITY OF MORGAN HILL

Date: _____

By: _____
Name: Steve Rymer
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

TOWN OF LOS GATOS

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Greg Larson
Title: Town Manager

By: _____
Name: _____
Title: Town Attorney

CITY OF MILPITAS

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Tom Williams
Title: City Manager

By: _____
Name: Michael J. Ogaz
Title: City Attorney

CITY OF MONTE SERENO

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Brian Loventhal
Title: City Manager

By: _____
Name: _____
Title: _____

CITY OF MORGAN HILL

Date: 10/1/13

APPROVED AS TO FORM:

By: [Signature]
Name: Steve Rymer
Title: City Manager

By: [Signature]
Name: Renae Guzman
Title: City Attorney
Resolution No: 6638

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: 7-24-13

By: *Daniel H. Rich*
Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: *Jannie L. Quinn*
Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____
Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____
Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____
Name: Rosa Tsongtaatarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____
Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____
Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name : Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: 7.31.13

By: _____

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Cara Silver
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____

Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____

Name : Rosa Tsongtaarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____

Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____
Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name : Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____


By: _____
Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

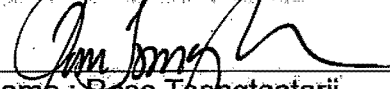
By: _____
Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: 8/1/13

By: 
Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: 
Name : Rosa Tsongtaatarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____
Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____
Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name : Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____

Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____

Name : Rosa Tsongtaatarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: 9-11-13

By: _____

Name: Julio J. Ruentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

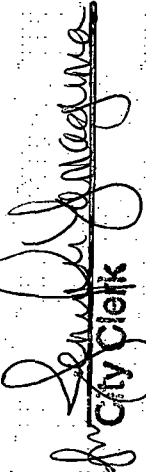
By: _____

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard Taylor
Title: City Attorney

Attest:

City Clerk

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____

Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____

Name: Rosa Tsongtaatarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____

Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: 7-25-2013

By: 

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: 

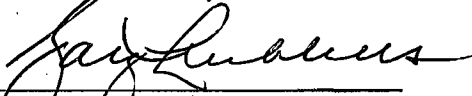
Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF SUNNYVALE

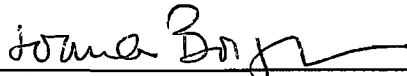
Date: 7/22/13

APPROVED AS TO FORM:

By: 

Name: Gary M. Luebbers

Title: City Manager

By: 

Name: Joan A. Borger

Title:

ATTACHMENT 1

INITIAL STAFFING OF ADMINISTRATOR

The following is the initial staff complement for the Administrator:

Staff Person	% FTE Committed To Administrator Duties	% FTE Committed To County Unincorporated Duties
Elizabeth Constantino, Program Manager II Provides oversight of all Annual Workplan tasks and all functions of the Administrator.	0.82 FTE	0.18 FTE
Lisa Rose, Senior Management Analyst Coordinates the Green Business Program, serves as staff to the Commission, and performs various other duties.	0.87 FTE	0.13 FTE
Clifton Chew, Management Analyst Serves as staff to the TAC, prepares state reporting and DRS, and performs various other duties.	0.80 FTE	0.20 FTE
Zachary DeVine, Management Analyst Contracts monitoring, budget tracking, Outreach Specialist, and various other duties.	0.67 FTE	0.33 FTE
Sue Sherrin, Associate Management Analyst B, Green Business Specialist	0.98 FTE	0.02 FTE
Sarah Smith, Management Analyst Home Composting Education Program Coordinator	1.0 FTE	0.00 FTE
Joanne Chapa, Office Specialist III	0.94 FTE	0.06 FTE

ATTACHMENT 2

SELECTION PROCESS FOR THE ADMINISTRATOR

- 1. Selection.** The IC shall select a PARTY or an Outside Contractor to serve as the Administrator for the TAC. As part of the selection process, the potential candidate(s) shall submit a proposal to the IC for providing Administrator services. The proposal shall include: a detailed scope of work for the upcoming fiscal year, detailed costs and work hours for the completion of each task, and a list of the employees proposed to perform each part of the Annual Workplan, as well as the administrative and management duties of the Administrator. The proposal shall also include a resume and description of the education, experience and expertise of each proposed staff member highlighting experience in solid waste management, recycling, diversion programs, producer responsibility, public education and outreach, legislative analysis, budgeting, public sector management, administration and policy development. It is of great importance that each member of the Administrator staff possess a high level of experience and expertise in the listed areas. The proposal shall designate the duties and activities to be carried out by each employee. The IC will review the proposal(s) and conduct interview(s) with the potential Administrator(s). The IC will select an Administrator and recommend approval to the Commission.
- 2. Change in Administrator Staff.** In the event any member of the Administrator's staff is unable or unavailable to serve in the capacity indicated in the original proposal, the IC shall work with the Administrator to determine if an acceptable alternate staff member is available. This shall include, if desired by the IC, having representatives from the IC participate in the selection process for the alternate staff person; review the resumes, references and writing samples of proposed candidates; attend and participate in interviews; and provide input to the decision-making process for selection of the proposed alternate staff member. If the proposed alternate staff person is not acceptable to the IC, and the IC determines that the employee who is unavailable is a key employee, the IC may give written notice to the Administrator that the TAC will seek another Administrator, and the IC may recommend to the Commission that the selection process for a new Administrator be commenced. Upon receipt of Commission approval, the IC will begin that process. The Administrator shall serve until such time as either a replacement Administrator is selected and approved by the Commission, or (if the Administrator is not a PARTY) until the current contract for the services of the Administrator expires, whichever occurs first. In the IC's sole discretion, the services of the Administrator may be terminated prior to the selection of a new Administrator. In the event the Administrator is not a PARTY, an early termination clause shall be placed in the contract with the Administrator for use by the IC in the event a key staff person becomes unavailable.
- 3. Key Employee.** A "key employee" includes, but is not limited to, any one of the following:

 - a. An employee who is performing twenty percent (20%) or more of the work hours in the Annual Workplan.

TAC MEMORANDUM OF AGREEMENT

- b. An employee whose work tasks require a high level of technical expertise and experience in recycling, solid and/or hazardous waste management programs and practices.
- c. An employee whose work tasks require a high level of professional judgment that is the product of numerous years of experience in recycling, solid and hazardous waste management, and/or in work for public agencies.
- d. An employee whose work tasks involve a high level of interaction with the public (e.g. in trainings, liaison with businesses or non-profit organizations, etc.).
- e. An employee whose work tasks involve presentations or testimony to public agencies (e.g. City Councils, the Board of Supervisors) and/or community organizations (e.g. service organizations, community groups, homeowner's associations, etc.).

ATTACHMENT 3

ELEMENTS TO BE CONTAINED IN THE ANNUAL WORKPLAN AND BUDGET

1. **Scope of Work.** The proposed Annual Workplan and Budget will contain a detailed scope of work for each proposed task, the employee work hours estimated to complete each task, the name(s) of the specific employees that will perform the work for each task, the cost of the work hours for each task, all proposed overhead costs for the Administrator and all other projected costs. If the Administrator is a public agency, the costs may be shown as a percentage of each Full Time Equivalent (FTE) and the cost therefore, as long as the position (such as 'Analyst I') and the name of the employee filling that position are indicated, along with the fully burdened cost of the specified percentage of each FTE. The proposed Annual Workplan shall contain a list of key milestones for each task.
2. **Administrative Tasks.** The Workplan shall include a task for providing administrative support for the TAC including work hours to prepare meeting agendas, to schedule meetings, attend meetings, prepare minutes and correspondence, and carry out the direction of the TAC and all Committees and Subcommittees. The Workplan shall also include a separate task for providing administrative support to the Commission including work hours to prepare agendas, attend Commission meetings, prepare minutes, and carry out the direction of the Commission, its Committees and Subcommittees.
3. **Other Staff Commitments.** The proposed Workplan will contain a listing of the other duties and responsibilities of each assigned employee (other than the work to be performed as Administrator for the TAC and the Commission) including the work hours and a general description of the key tasks and projects to be performed. This will serve as a cross-check (regardless of whether the Administrator is a public agency or a private firm) to ensure that the time of each employee is not overcommitted, and that sufficient time exists for each employee to complete all their assigned tasks.
4. **Fiscal Agent and Contracting Agent Costs.** The Administrator shall consult with the Fiscal Agent and with the Contracting Agent (in the event they are separate PARTIES) and shall incorporate the proposed costs for the services of each into the proposed Workplan and Budget. Such costs shall be clearly and separately identified for each function (and identified separately from those of the Administrator) and shall include the costs for employee time, expenses (such as bank fees), overhead charges and all other proposed costs.
5. **Cost Detail For Comparison.** The budget shall be formatted in a clear and concise manner such that all projected expenditures and revenues are detailed by project and line item. The proposed Workplan and Budget shall contain sufficient detail about proposed work hours and costs such that a comparison can be made between the proposed costs for the current Administrator, the current Fiscal Agent and the current

Contracting Agent, and other potential providers of these services.

- 6. Projected Amount of Fund Transfer From Fiscal Agent to Contracting Agent.** In the event the Fiscal Agent and the Contracting Agent are different PARTIES, the budget shall include the projected amount of funds to be transferred from the Fiscal Agent to the Contracting Agent in order to pay for contracts with Outside Contractors that will be awarded by the Contracting Agent in the upcoming year. Such projections shall take into account all funds currently held by the Contracting Agent (if any) and the amount of such funds already encumbered for contracts in progress. The projection shall be accompanied by a recommendation as to the frequency of fund transfers from the Fiscal Agent to the Contracting Agent that will be required to fund contracts awarded by the Contracting Agent for the upcoming year (e.g. annual one-time transfer of funds, quarterly transfer of funds, or other recommended timing.)
- 7. Discussion Concerning Potential Conflicts.** Once the initial draft of the proposed Annual Workplan is prepared, the IC Chair, the Administrator, the Fiscal Agent and the Contracting Agent shall meet to review and discuss the Workplan and shall work cooperatively to identify and address any potential conflicts that could arise with regard to policies of the Administrator, the Fiscal Agent or the Contracting Agent. Examples include proposed sale of recycling containers or other goods at less than the purchase price (i.e. subsidized cost of compost bins for the home composting program); provision of recycling grants, prizes, incentives; and other such items. At the direction of the IC Chair, the Administrator shall further investigate any potential conflicts that have been identified, and shall, in consultation with the Fiscal Agent and the Contracting Agent, research and propose solutions for each. If solutions cannot be found, the issue may be presented to the IC for further consideration and/or the IC Chair may direct the Administrator to revise the Workplan and Budget to remove the items creating the potential conflict. In this event the IC Chair will inform the IC of such action when the Annual Workplan and Budget are considered for approval.

ATTACHMENT 4

CODE OF ETHICAL CONDUCT

1. Members shall strive to conduct all meetings, discussions and deliberations in a spirit of collaboration and partnership. Members shall treat all persons with respect and courtesy. In the course of discussions, members shall make their arguments on the merits of the issue rather than engaging in personal remarks or attacks on persons holding positions other than their own.
2. All members shall remain aware that the activities of the TAC are funded by fees raised from the public; and that the TAC is recommending expenditures of public funds. Members shall act prudently and in the best interest of the public when making fiscal and policy decisions.
3. Members shall voluntarily recuse themselves from all discussions and votes, and shall refrain from expressing any opinion to other members on issues where any one of the following apply:
 - a. The member holds a financial interest such that the member could financially benefit from the action or issue being considered.
 - b. The member is an owner or investor of a business the TAC is considering doing business with.
 - c. The member owns land that is being considered for purchase or lease by the TAC or by any program funded by the TAC.
 - d. A charity, community group or non-governmental organization to which the member belongs or contributes funds would receive funds from the TAC for projects or services.
 - e. A person in the member's family could benefit financially from the action or issue being considered. Family includes the members' spouse, children, step-children, grandchildren and step-grandchildren, as well as siblings and parents of the member and the member's spouse.
4. A member recusing themselves shall mean (a) announcing the member has a conflict of interest when the item is opened for discussion, (b) leaving the meeting room before discussion on the matter commences, and (c) not returning to the room until after discussion and any vote on the matter is concluded.
5. Members shall periodically conduct a self-assessment and inventory of any potential conflicts of interest they may have and, if the member is unsure whether or not a conflict exists, the member shall discuss the issue with the TAC Chair, the Administrator, TAC Legal Counsel or legal counsel for the member's own agency.
6. In the event a member fails to recuse him or her self during discussion of an issue where the member appears to have a conflict of interest, the Chair of the meeting shall ask the member to recuse him or her self and shall halt discussion about the issue until the member has left the room.
7. Members shall not engage in financial transactions using non-public information nor allow the improper use of such information to further any personal or private interest.

TAC MEMORANDUM OF AGREEMENT

8. Members shall not solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the TAC, or whose interests may be substantially affected by actions of the TAC. Gifts do not include coffee, tea, donuts, discounts available to the general public, greeting cards or plaques of minor intrinsic value. It is appropriate and prudent for members to decline even items of minor intrinsic value from sources described in this section.
9. Members shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the TAC to take any type of action or to approve any contract, program or other commitment.
10. Members shall not use their membership on the TAC for private gain.
11. Members shall always act impartially and objectively and not give preferential treatment to any organization or individual.
12. Members shall not seek or accept any contract to provide services to the TAC for a period of at least six (6) months after termination of their membership on the TAC.
13. Members shall adhere to, and be vigilant that the TAC adheres to, all applicable state, federal and local laws and regulations.
14. All members shall participate in a TAC-sponsored Ethics Training biennially.
15. Members shall endeavor to avoid any actions or statements that violate, or that create the appearance that they are violating, the law or any ethical standards set forth in this Attachment.

**ATTACHMENT 5
PROCEDURES FOR TRANSFER OF COUNTYWIDE FUNDS FROM FISCAL AGENT
TO CONTRACTING AGENT**

The following procedures shall be used in the event the Fiscal Agent and the Contracting Agent are different PARTIES.

1. As part of its review and approval of the Annual Workplan and Budget, the IC shall establish the amount of funds and the schedule for transfer of funds from the Fiscal Agent to the Contracting Agent for the upcoming fiscal year.
2. Upon approval of the Annual Workplan and Budget by the Commission, the IC may take appropriate actions consistent with the Annual Workplan and Budget, including but not limited to, the following:
 - A. Direct the Fiscal Agent to transfer specific amount(s) of Countywide Funds to the Contracting Agent on a specified schedule. The schedule may call for annual, quarterly, or more frequent transfers, as needed for the fiscal year.
 - B. Adjust the timing and/or the amount(s) of funds to be transferred by the Fiscal Agent to the Contracting agent if circumstances change during the year, or if there are other reasons to do so.
 - C. In the event the IC directs a change in the scope of work for an existing Outside Contractor that will increase the cost of the work, the IC may direct the Fiscal Agent to transfer additional funds to the Contracting Agent to pay for the amended scope of work.
3. In the event the Fiscal Agent is also serving as the Administrator, the IC shall direct the Fiscal Agent to transfer funds to the Contracting Agent for payment of the Administrator. The Contracting Agent shall pay the Administrator pursuant to the contract executed between the Contracting Agent and the Administrator.
4. If a single PARTY is serving as the Fiscal Agent and the Contracting Agent, the IC may direct that PARTY to retain a specified amount of Countywide Funds to pay the PARTY for performing the services of Fiscal Agent and Contracting Agent.
5. In the event a single PARTY is serving as the Fiscal Agent, the Administrator and the Contracting Agent, the IC will direct the PARTY to implement the Annual Workplan and Budget as approved by the IC and the Commission. This includes paying the costs specified in the approved Budget for the PARTY performing the duties of the Administrator, the Fiscal Agent and the Contracting Agent, as well as carrying out the duties of each.
6. If the Contracting Agent is, at any time, running out of funds or projects a shortfall in funds due to changed conditions or circumstances, the Contracting Agent shall immediately inform the IC and the Fiscal Agent and proceed according to the directions of the IC.
7. When making transfers of funds to the Contracting Agent, the Fiscal Agent shall make the required arrangements for an electronic transfer of funds or for preparation of a check made payable to the Contracting Agent.
8. If the Contracting Agent does not receive funds from the Fiscal Agent pursuant to the schedule directed by the IC, the Contracting Agent shall promptly inform the Fiscal Agent and the Fiscal Agent shall promptly arrange for the funds to be transferred.

TAC MEMORANDUM OF AGREEMENT

9. At the end of the fiscal year, the IC will review the Year End Contract Status Report from the Contracting Agent, the Year-End Budget Report from the Fiscal Agent, and the Year-End Report from the Administrator. The IC may direct the Contracting Agent to transfer unspent, unencumbered funds to the Fiscal Agent or to retain such funds for use in the following fiscal year. The Contracting Agent will promptly comply with the directions of the IC.

10. If the IC directs the Contracting Agent to transfer unspent funds to the Fiscal Agent, the Fiscal Agent shall acknowledge receipt of such funds to the Contracting Agent and shall note the transfer in the accounting records of the Fiscal Agent pursuant to generally accepted government accounting procedures.


County of Santa Clara

Department of Agriculture and Environmental Management
Recycling and Waste Reduction Division

1555 Berger Drive Suite 300
San Jose, CA 95112
(408) 282-3180
Fax (408) 282-3188



<http://www.ReduceWaste.org>

DATE: September 2, 2014
TO: Clerk of the Board
FROM: Lisa Rose 
RE: Memorandum of Agreement

Attached are the original, signed copies of the Agreement Creating the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee, signed by each Party to the Agreement. Please forward an executed copy to me (electronically) and I will distribute to each of the cities. Please contact me at 408-282-3166 or lisa.rose@aem.sccgov.org if you have any questions.

EXHIBIT E

MEMORANDUM OF UNDERSTANDING AMONG LOCAL PUBLIC AGENCIES IN SANTA CLARA COUNTY FOR COUNTYWIDE FOOD RECOVERY PROGRAM

This Memorandum of Understanding (“MOU”) is entered into by and between the cities of Cupertino, a municipal corporation of the state of California; Gilroy, a municipal corporation of the state of California; Los Altos, a municipal corporation of the state of California; Milpitas, a municipal corporation of the state of California; Morgan Hill, a municipal corporation of the state of California; Mountain View, a municipal corporation of the state of California; Palo Alto, a municipal corporation of the state of California; San José, a municipal corporation of the state of California; Santa Clara, a municipal corporation of the state of California; Sunnyvale, a municipal corporation of the state of California; the West Valley Solid Waste Management Authority (on behalf of the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos); the Town of Los Altos Hills, a municipal corporation of the state of California; and the County of Santa Clara, a political subdivision of the State of California; collectively “Parties” or individually as a “Party.”

RECITALS

- A. The signatory Parties are also “PARTIES” to the Memorandum of Agreement (“MOA”) entered into on June 14, 2013 for the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee (“TAC”), which is a separate Committee created to assist the County of Santa Clara Recycling and Waste Reduction Commission (“RWRC” or “Commission”) that advances the interests of Party Jurisdictions by performing technical and policy review to inform parties and advise the Commission on solid waste management issues, and bring together varied expertise and viewpoints for planning and implementing the Commission approved annual workplan and budget. The MOA, which remains in effect, is attached hereto and incorporated herein by reference as Exhibit B.
- B. California’s Short-Lived Climate Pollutant Reduction law (SB 1383, Lara, Chapter 395, Statutes of 2016) establishes methane reduction targets for California, including a target to increase recovery by 20 percent of currently disposed edible food for human consumption by January 1, 2025.
- C. To meet the mandated statewide goal, SB 1383 requires each Jurisdiction in California to establish and monitor a robust food recovery program, which will strengthen the relationships between commercial edible food generators and food recovery organizations within their communities, requiring certain food businesses to send the maximum amount of edible food they would otherwise dispose to food recovery organizations and/or services.
- D. The Parties have previously agreed to jointly administer and fund the cost of a countywide edible Food Recovery Program (the “Program”) through the Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Food Recovery Program Costs entered into and covering the time period of July 1, 2023 to June 30, 2024 (“Former MOU”) to satisfy their respective obligations under SB 1383 and the corresponding regulations. The Former MOU is attached hereto as Exhibit C.
- E. The Parties desire to execute this MOU to ensure ongoing operation of the countywide food recovery program to provide for their respective share of costs for the Program.

F. The West Valley Solid Waste Management Authority (“Authority”) was established by the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos (collectively referred to as the “Member Agencies”), pursuant to the provisions of the Joint Exercise of Powers Act (Title 1, Division 7, Article 1, Section 6500 et seq. of the California Government Code) to arrange for and manage the waste reduction, collection, reuse, disposal, recycling, and diversion of discarded materials originating in the participating municipalities; and in furtherance of that purpose, the Member Agencies and the Authority have entered into agreements authorizing the Authority to act as the representative of the Member Agencies in the Food Recovery Program.

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. PURPOSE OF THE MOU

The purpose of this MOU is to establish a system of:

- 1) Ongoing management and operation of the Food Recovery Program.
- 2) Payment by the Parties for their share of the costs for implementation of the Program.

SECTION 2. EFFECTIVE DATE

This MOU shall be effective on July 1, 2024 (“Effective Date”), shall supersede the Former MOU, and shall automatically renew each year for all Parties, unless a Party withdraws, in accordance with Section 20 (Withdrawal From MOU) and subject to a Party’s annual appropriations of funds.

SECTION 3. DEFINITIONS

The original 2013 Memorandum of Agreement entered into between the parties (and as may be amended from time to time) defined in detail the duties of the TAC Administrator, Contracting Agent, and Fiscal Agent, and those definitions from the MOA shall apply to this MOU. For ease of reference, those definitions are summarized below.

- 3.1 The TAC Administrator provides administration and management services to the TAC and carries out the annual workplan.
- 3.2 The Contracting Agent executes contracts with outside contractors, including the Administrator and the Fiscal Agent that have been requested and approved by the Implementation Committee.
- 3.3 The Fiscal Agent serves as the treasurer of the countywide funds and is responsible for collecting the Solid Waste Planning Fee from all solid waste disposal facilities and non-disposal facilities located within Santa Clara County.
- 3.4 The Program Manager is the entity contracted by the Contracting Agent on behalf of the RWRC to implement the Santa Clara County Food Recovery Program.

Other terms used in this MOU that relate to the Food Recovery Program (e.g., including but not limited to the term “Jurisdictions”) are used as defined in SB 1383 and any implementing regulations, as may be amended from time to time.

SECTION 4. RESPONSIBILITIES OF THE TAC ADMINISTRATOR AND CONTRACTING AGENT

4.1 The TAC Administrator will provide administration and management of the Program. These duties include overseeing the work of the Program, development of the biennial budget, and inclusion of the Program in the annual work plan and budget. The costs to perform these duties will be included in the annual work plan and budget.

4.2 Contracts executed by the Contracting Agent with the Program, TAC Administrator and Fiscal Agent will be based on the approved budget for the Program. The Contracting Agent will provide an invoicing system to pay the Program Manager, TAC Administrator, and Fiscal Agent. The Contracting Agent shall provide the TAC Administrator with the proposed costs to perform these duties. The signatory Parties to this MOU (except when acting in their authorized capacities as Contracting Agent, TAC Administrator, and Fiscal Agent) are not direct parties to the third-party contracts entered into by those agents.

SECTION 5. RESPONSIBILITIES OF THE FISCAL AGENT

The Fiscal Agent will collect and receive funds from the Parties for implementation of the Countywide Food Recovery Program. The Countywide Food Recovery Program Funds will be segregated from the Countywide Solid Waste Program Funds in separately numbered and coded accounts that are readily identifiable as those containing Countywide Food Recovery Program Funds or Countywide Solid Waste Program Funds. The Fiscal Agent shall not expend, use or transfer any funds except in accordance with the annual work plan and budget.

The Fiscal Agent shall provide the TAC Administrator with the proposed costs to perform these duties.

SECTION 6. RESPONSIBILITIES OF THE PROGRAM MANAGER

The Program Manager will implement the Santa Clara County Food Recovery Program as described in Exhibit A.

SECTION 7. RESPONSIBILITIES OF THE PARTIES

The Parties will share costs of implementing the Program as described in Section 9 and undertake the duties assumed by the Jurisdictions as described in Exhibit A.

SECTION 8. BIENNIAL BUDGET

The TAC Administrator will prepare a biennial (two-year) budget that encompasses costs for the Program and Program Manager, the TAC Administrator, the Contracting Agent/Administration, and the Fiscal Agent. Approval of the biennial budget shall follow the annual work plan and budget process as specified in the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee MOA.

SECTION 9. FUNDING

9.1 The Parties agree to share costs of the Program based on the number of edible food generators, as defined by the California Code of Regulations (14 CCR Section 18982) operating in their Jurisdiction on an annual basis, according to the following formula: Party's Annual Share = (Total Budgeted Cost for Year

÷ Total Number of Edible Food Generators Under MOU) x Number of Edible Food Generators in Party's Jurisdiction.

The Parties agree to pay annually for the costs identified in the biennial budget and approved through the annual work plan and budget process as specified in the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee MOA.

9.2 The initial Program budget will be based on the Fiscal Year 2024 allocation including costs for the Fiscal Agent, totaling THREE HUNDRED AND TEN THOUSAND DOLLARS (\$310,000). No costs for TAC Administrator or Contracting Agent are included in the initial Program budget. Should cost recovery for the TAC Administrator or Contracting Agent be required in the future, these will be proposed during the annual work plan and budget process.

9.3 The Parties acknowledge that the Program Manager will evaluate the costs per Jurisdiction annually based on the number of generators operating within each Jurisdiction. Based on this evaluation, a cost adjustment will be projected to the second year of the biennial budget (see Section 8 above). The overall Program budget will not increase by more than TEN PERCENT (10%) of the prior year's Program budget without prior approval by the RWRC.

9.4 The Fiscal Agent will annually submit to the Parties an invoice for the amounts due under this MOU by May 15th of each year. Each Party will make their payment to the Fiscal Agent based on the invoice amount within ninety (90) calendar days of receipt.

9.5 The Fiscal Agent will ensure that the Santa Clara County Food Recovery Program Fund account is segregated from the Solid Waste Program Fee Fund account managed pursuant to the TAC MOA.

9.6 Should any unspent funds remain in the Santa Clara County Food Recovery Program Fund account at the end of the fiscal year, disposition of those funds will be decided by the RWRC through the annual work plan and budget process, which could include: retaining surplus funds as a reserve, crediting Jurisdictions toward future payment allocations, dedicating funding to food recovery infrastructure, and providing supplemental food recovery outreach and education or other food recovery program activities.

9.7 Jurisdictions wishing to contribute additional funds for the edible food recovery enhancement program, implemented by the Program Manager, may elect to do so during the annual work plan and budget process. Any Jurisdiction opting into any voluntary enhancement program shall do so at its own discretion and at its own cost. The Fiscal Agent will include the additional enhancement program funding formally selected by the Jurisdiction in the annual invoice submitted to each Party by May 15th of each year.

9.8 In the event of a CalRecycle Implementation Schedule for a food recovery capacity shortfall identified during a Santa Clara County Edible Food Recovery Capacity Assessment, the Program budget may increase by more than TEN PERCENT (10%) of the prior year's Program budget if needed to fund necessary capacity improvements as outlined in the CalRecycle Implementation Schedule, following prior approval of the budget increase by the RWRC.

SECTION 10. BOOKS AND ACCOUNTS

The Fiscal Agent will keep complete and accurate financial records related to accomplishing the purposes of this MOU. Upon reasonable notice to the Fiscal Agent, any Party to this MOU may inspect the financial records related to this MOU.

SECTION 11. FURTHER ASSURANCES

Each Party will adopt, execute, and make any and all further assurances, documents, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the Parties' performance of their obligations under this MOU.

SECTION 12. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to all other Parties as follows:

12.1 Authority: Each Party has the full legal right, power and authority under the laws of the State of California to enter into this MOU and to carry out all of its obligations herein.

12.2 Due Execution: Each Party's representatives who sign this MOU are duly authorized to sign and bind their respective agency.

12.3 Valid, Binding, and Enforceable Obligations: This MOU has been authorized and executed by each Party and constitutes the legal, valid, and binding agreement of the Parties, and is enforceable according to its terms.

SECTION 13. REMEDIES NOT EXCLUSIVE

No remedy herein conferred upon or reserved in this MOU is exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy provided hereunder or hereafter existing in law or in equity or by statute or otherwise, and all remedies may be exercised without exhausting and without regard to any other remedy.

SECTION 14. INDEMNIFICATION

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the Parties agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or Jurisdiction delegated to such Party under this MOU (including but not limited to work engaged in or contracts entered into by a Party acting in their capacity as Contracting Agent, Program Manager, TAC Administrator, or Fiscal Agent.). No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party hereto, its officers, board members, employees, or agents, under or in connection with or arising out of any work

authority or Jurisdiction delegated to such other Party under this MOU, as indicated in this Section. The obligations set forth in this paragraph will survive termination and expiration of this MOU.

SECTION 15. SEVERABILITY

The provisions of this MOU shall be severable, and if any clause, sentence, paragraph, provision or other part shall be adjudged by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOU will be valid and binding on the Parties.

SECTION 16. AMENDMENTS

This MOU may only be amended by a written instrument signed by the Parties.

SECTION 17. COUNTERPARTS

This MOU may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SECTION 18. USE OF ELECTRONIC SIGNATURES

Unless otherwise prohibited by law, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a writing as set forth in Evidence Code Section 1550. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the Parties. Should any Jurisdiction not permit electronic signatures only their copy of the MOU must be signed in the conventional manner.

SECTION 19. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.

This MOU, including all Exhibits attached hereto, represents the entire understanding of the Parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this MOU, the terms specified in the body of this MOU shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This MOU may be modified only by a written amendment duly executed by the Parties to this MOU. This MOU is intended to supplement the original MOA and does not replace the original MOA. The MOA shall remain in effect and to the extent that there are any contradictions between this MOU and the original MOA, the provisions in this MOU shall prevail.

SECTION 20. WITHDRAWAL FROM MOU

No individual Party may withdraw from this Agreement prior to July 1, 2025. Any party wishing to withdraw on or after July 1, 2025 must provide notice to the Contracting Agent on or before January 15 of each year. The Parties acknowledge that the Contracting Agent and each individual Party may recalculate Agreement costs pro rata in the event of any withdrawal from this Agreement and that this time is required in order to allow each remaining Party and the Contracting Agent to amend their respective budgets if needed. Any withdrawing Party must make full payments through the end of the-then current term ending

on June 30. In no event shall this clause to be interpreted to prevent all Parties by unanimous mutual consent from withdrawing from this Agreement.

SECTION 21. NO LEGAL RELATIONSHIP

By entering into this MOU, the Parties are neither forming, nor do they intend to form a partnership, agency, or any other legal entity relationship. No Party is authorized to bind or to act as the agent or legal representative of the other Party for any purpose, and neither Party is granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of any other Party.

SECTION 22. GOVERNING LAW, VENUE

This MOU has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California. Proper venue for legal action regarding this MOU shall be in the County of Santa Clara.

**MEMORANDUM OF UNDERSTANDING
AMONG LOCAL PUBLIC AGENCIES
IN SANTA CLARA COUNTY
FOR COUNTYWIDE FOOD RECOVERY PROGRAM**

IN WITNESS HEREOF, the Parties have executed the MOU as of the last date set forth below:

DocuSigned by:
Pamela Wu
AA92FF2294C7438...
City of Cupertino – City Manager

Date: 6/12/2024

DocuSigned by:
Christopher Jensen
4EA6B27CD2B74E4...
Approval as to form, Cupertino City
Attorney


Date: 6/12/2024

DocuSigned by:
Jimmy Forbis
FAB7DCFFD9254E3...
City of Gilroy- City Manager

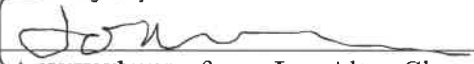
Date: 6/18/2024

DocuSigned by:
Andy Faber
1979C9EB5968470...
Approval as to form, Gilroy City
Attorney

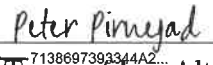
Date: 6/18/2024

DocuSigned by:

2E359125D48049E...
City of Los Altos – City Manager

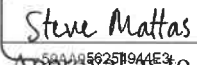
Date: 6/12/2024

DocuSigned by:

Approval as to form, Los Altos City
Attorney

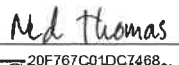
Date: 6/18/2024

DocuSigned by:

7138697393344A2...
Town of Los Altos Hills – Town
Manager


Date: 6/21/2024

DocuSigned by:

Approval as to form, Los Altos Hills
Town Attorney

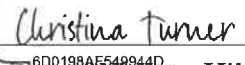
Date: 6/21/2024

DocuSigned by:

20F767C01DC7468...
City of Milpitas – City Manager


Date: 6/19/2024

DocuSigned by:

Approval as to form, Milpitas City
Attorney


Date: 6/20/2024

DocuSigned by:

6D0198AF549944D...
City of Morgan Hill, as a Party and as
Contracting Agent and TAC
Administrator

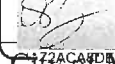
Date: 6/21/2024

DocuSigned by:

BFE66AF9672C451...
Approval as to form, Morgan Hill City
Attorney

Date: 6/13/2024

DocuSigned by:

639F2E44270740B...
City of Mountain View- Acting Public
Works Director

Date: 6/12/2024

DocuSigned by:

Approval as to form, Mountain View – Finance and
Administrative Services Director

Date: 6/14/2024

DocuSigned by:

Kimbra McCarthy

City of Mountain View- City Manager

Date: 6/12/2024

DocuSigned by:

Mitesh Bhakta

Approval as to form, Mountain View Senior Assistant City Attorney

Date: 6/12/2024

DocuSigned by:

Merry Monlux

City of Mountain View-Assistant City Clerk

Date: 6/14/2024

DocuSigned by:

Ed Shikada

City of Palo Alto – City Manager

Date: 6/19/2024

DocuSigned by:

Caro Andler

Approval as to form, Palo Alto Assistant City Attorney

Date: 6/19/2024

DocuSigned by:

Pola Hiron

West Valley Solid Waste Management Authority (on behalf of the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos) -Executive Director

Date: 6/13/2024

DocuSigned by:

Kirsten Powell

Approval as to form, West Valley Solid Waste Management Authority Attorney

Date: 6/24/2024

DocuSigned by:

Jovan D. Grogan

City of Santa Clara - City Manager

Date: 6/24/2024

DocuSigned by:

Luis M. Haro

Approval as to form, Santa Clara City Attorney

Date: 6/13/2024

DocuSigned by:
Kent Steffens
0C91E613C60A345F...
City of Sunnyvale – City Manager

Date: 6/19/2024

DocuSigned by:
[Signature]
24ED93D3C9664E9...
County of Santa Clara, as a Party and as
Fiscal Agent - Chief Operating Officer

Date: 6/19/2024

City of San José, Director of the City
Manager's Office of Administration,
Policy and Intergovernmental Relations

Date:

DocuSigned by:
Rebecca Moon
4004B8486114497...
Approval as to form, Sunnyvale Interim
City Attorney

Date: 6/19/2024

DocuSigned by:
Willie Nguyen
A37561876114415...
Approval as to form and legality, Santa
Clara County Deputy County Counsel

Date: 6/13/2024

Approval as to form, San José
Senior Deputy City Attorney

Date:

City of Sunnyvale – City Manager

Date: _____

Approval as to form, Sunnyvale Interim
City Attorney

Date: _____

County of Santa Clara, as a Party and as
Fiscal Agent - Chief Operating Officer

Date: _____

Approval as to form and legality, Santa
Clara County Deputy County Counsel

Date: _____

Sarah Zarate
Email: sarah.zarate@sanjoseca.gov
Date: 06/13/2024 PDT

City of San José, Director of the City
Manager's Office of Administration,
Policy and Intergovernmental Relations

Date: 06/13/2024

Rosalía Buzqueño Tapia
Email: rosalia.tapia@sanjoseca.gov
Date: 06/13/2024 PDT

Approval as to form, San José
Senior Deputy City Attorney

Date: 06/13/2024

Exhibit A
SANTA CLARA COUNTY FOOD RECOVERY PROGRAM
Proposed Jurisdiction Contributions for Base Program and Enhancements FY 2024-2025

Jurisdictions	Total Edible Food Generators	Base Program Contract Cost	Likely Jurisdiction Base and Fiscal Agent amount	Potential Infrastructure Enhancements		Jurisdiction Likely Amount with Full Infrastructure Enhancements
				low range	high range	
Campbell	57	\$ 7,781	\$ 7,945	\$ 4,081	\$ 6,578	\$ 14,523
Cupertino	80	\$ 10,920	\$ 11,151	\$ 5,728	\$ 9,232	\$ 20,383
Gilroy	57	\$ 7,781	\$ 7,945	\$ 4,081	\$ 6,578	\$ 14,523
Los Altos	41	\$ 5,597	\$ 5,715	\$ 2,936	\$ 4,731	\$ 10,446
Los Altos Hills	2	\$ 273	\$ 279	\$ 143	\$ 231	\$ 510
Los Gatos	51	\$ 6,962	\$ 7,109	\$ 3,652	\$ 5,885	\$ 12,994
Milpitas	113	\$ 15,425	\$ 15,751	\$ 8,091	\$ 13,040	\$ 23,842
Monte Sereno	1	\$ 137	\$ 139	\$ 72	\$ 115	\$ 255
Morgan Hill	55	\$ 7,508	\$ 7,666	\$ 3,938	\$ 6,347	\$ 14,013
Mountain View	131	\$ 17,882	\$ 18,260	\$ 9,380	\$ 15,117	\$ 33,377
Palo Alto	103	\$ 14,060	\$ 14,357	\$ 7,375	\$ 11,886	\$ 26,243
San Jose	941	\$ 128,447	\$ 131,166	\$ 67,376	\$ 108,591	\$ 239,757
Santa Clara	206	\$ 28,119	\$ 28,714	\$ 14,750	\$ 23,772	\$ 52,487
Saratoga	25	\$ 3,413	\$ 3,485	\$ 1,790	\$ 2,885	\$ 6,370
Sunnyvale	164	\$ 22,386	\$ 22,860	\$ 11,742	\$ 18,926	\$ 41,786
Unincorporated SCC	50	\$ 6,825	\$ 6,967	\$ 3,580	\$ 5,770	\$ 12,737
Total County-wide	2077	\$ 283,511	\$ 289,511	\$ 148,713	\$ 239,686	\$ 524,247

Contributions to Infrastructure Enhancements by each agency are subject to change pending final approvals by each Agency.

Exhibit A

SANTA CLARA COUNTY FOOD RECOVERY PROGRAM

Proposed Jurisdiction Contributions for Base Program and Enhancements FY 2025-2026

	Price per gen/auxillary site	144.5	147.68	153.33 Maximum	74.15	157.8	
Jurisdictions	Total Edible Food Generators	Base Program Contract Cost	Jurisdiction Base and Likely Fiscal Agent amount	Jurisdiction Base and Fiscal Agent amount	Potential Enhancements - low range	Potential Enhancements - high range	Jurisdiction with Full Enhancements
Campbell	57	\$ 8,237	\$ 8,418	\$8,740	\$4,227	\$8,995	\$ 17,412
Cupertino	80	\$ 11,560	\$ 11,814	\$12,266	\$ 5,932	\$12,624	\$ 24,438
Gilroy	57	\$ 8,237	\$ 8,418	\$8,740	\$ 4,227	\$8,995	\$ 17,412
Los Altos	41	\$ 5,925	\$ 6,055	\$6,287	\$ 3,040	\$6,470	\$ 12,525
Los Altos Hills	2	\$ 289	\$ 295	\$307	\$ 148	\$316	\$ 611
Los Gatos	51	\$ 7,370	\$ 7,532	\$7,820	\$ 3,782	\$8,048	\$ 15,579
Milpitas	113	\$ 16,329	\$ 16,688	\$17,326	\$ 8,379	\$17,831	\$ 25,067
Monte Sereno	1	\$ 145	\$ 148	\$153	\$ 74	\$158	\$ 305
Morgan Hill	55	\$ 7,948	\$ 8,122	\$8,433	\$ 4,078	\$8,679	\$ 16,801
Mountain View	131	\$ 18,930	\$ 19,346	\$20,086	\$ 9,714	\$20,672	\$ 40,018
Palo Alto	103	\$ 14,884	\$ 15,211	\$15,793	\$ 7,637	\$16,253	\$ 31,464
San Jose	941	\$ 135,975	\$ 138,967	\$144,284	\$ 69,775	\$148,490	\$ 287,457
Santa Clara	206	\$ 29,767	\$ 30,422	\$31,586	\$ 15,275	\$32,507	\$ 62,929
Saratoga	25	\$ 3,613	\$ 3,692	\$3,833	\$ 1,854	\$3,945	\$ 7,637
Sunnyvale	164	\$ 23,698	\$ 24,220	\$25,146	\$ 12,161	\$25,879	\$ 50,099
Unincorporated SCC	50	\$ 7,225	\$ 7,384	\$7,667	\$ 3,708	\$7,890	\$ 15,274
Total County- wide	2077	\$ 300,127	\$ 306,731	\$318,466	\$ 154,010	\$ 327,751	\$ 625,030

EXHIBIT A PROGRAM OVERVIEW

This document describes the Santa Clara County Food Recovery Program, serving as the food recovery program (“Program”) on behalf of all jurisdictions (“Jurisdictions”) within the County, coordinating with the Jurisdictions performing their own enforcement. The details of the Program conform to the California Code of Regulations (14 CCR Section 18995.2 (f)(8), 14 CCR Section 18991.2 14 CCR Section 18991.1).

I. PURPOSE

The Countywide Program benefits the Jurisdictions by alleviating the need for duplicative staff, cost analysis, capacity assessment, expenditures for infrastructure, labor, administration, and record keeping for the edible food recovery activities in their Jurisdiction. Additionally, this approach creates one uniform, standardized, and coordinated effort throughout the incorporated and unincorporated areas of Santa Clara County.

II. RESPONSIBILITIES

Jurisdictions

- A. Shall develop a method to accept and keep records of written complaints, including anonymous complaints, regarding an entity that may be potentially non-compliant. Full details of the complaint will be communicated to the Program Manager within 10 days of receipt.

- B. Shall refer all questions received about the Program portions of SB 1383 implementation to the Program Manager within 10 business days. Jurisdictions should include the Program Manager in all communications to generators or food recovery organizations or services.

- C. Shall maintain access to the shared database program to stay in compliance with the intent and structure of the Implementation Record which shall follow the format and elements as promulgated by CalRecycle, or other relevant statutory or administrative requirements.

- D. On an annual basis, Jurisdictions shall review and provide feedback to the Program Manager on inspection protocol, triggers, and enforcement processes. Cities and unincorporated County are encouraged to follow the procedures and stay within the suggested timeline for enforcement action set forth in the Monitoring Procedures document.

- E. When informed by the Program Manager, Jurisdictions will work with the Program Manager in carrying out enforcement action with edible food generators or food recovery organizations or

services not in compliance. The Program Manager will recommend edible food generators or food recovery organizations or services for enforcement action, and the enforcement action taken will be at the discretion of the Jurisdiction. All enforcement action will be tracked in the Program's shared database, so it is readily available to the Program Manager, Jurisdictions, and can become part of the Implementation Record.

- F. Jurisdictions will determine what large events are happening in their jurisdiction. Within 10 days of an applicant being issued a permit for a new large event, as defined below, the Jurisdiction will notify the Program about the event, and share contact information for the event organizer. This is only for large events that meet the CalRecycle threshold for the definition: "Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. By September 1 of each year, Jurisdictions will review the large events included in the shared database of regulated entities, to update the database to ensure no recurring events have been missed.
- G. Shall work with the Program Manager on any related issues requiring Program assistance or lead in resolving the issue(s) related to complaints and/or noncompliance for any edible food generator or Food Recovery Organization or Service.

Program Manager

The Program Manager shall responsibly execute the management of the Santa Clara County Food Recovery Program (the Program). The Program Manager:

- A. Shall develop and coordinate a standardized and uniform method to comply with California Code of Regulations, Title 14, Division 7, Chapter 12, "Short-Lived Climate Pollutants." The Program Manager will operate within the Jurisdiction's boundaries and replace the need for the Jurisdiction to create such a program on its own.
- B. In the event of a CalRecycle Implementation Schedule for a food recovery capacity shortfall identified during a Santa Clara County Edible Food Recovery Capacity Assessment, The Program will work to develop the Implementation Schedule with CalRecycle and manage the effort to fund necessary capacity improvements as outlined in the Schedule. Additional Base Program costs beyond the allowable 10% yearly increase may be needed. The RWRC will review and approve or deny any needed budget changes. Funds will be collected based on the number of edible food generators and their auxiliary sites in each Jurisdiction.

- C. Shall conduct a review, each fiscal year, of potential new edible food generators, to ensure that as businesses open in Santa Clara County the appropriate regulated entities are added to the lists. Closing businesses will be identified during the reporting process and be eliminated from the lists.
- D. Shall provide the Jurisdictions with the information and data necessary for the Jurisdictions to make their required reports to the California Department of Resources, Recycling and Recovery ("CalRecycle").
- E. Shall retain records of inspections in the Jurisdictions for a minimum of five (5) years.
- F. Shall notify the Jurisdictions promptly about any related issues that require the Jurisdictions ' assistance or to request the Jurisdictions lead in resolving the issue(s) that arise related to non-compliance.
- G. Shall fulfill and endeavor to exceed the annual education requirement for the Jurisdictions and provide the data needed for Jurisdictions to complete required CalRecycle reports.
- H. Solicit required Food Recovery Reports from generators and Food Recovery Organization/Services, compile and provide the results to Jurisdictions for inclusion in the Implementation Records, and to Santa Clara County for use in future Capacity Planning efforts.
- I. Shall conduct inspections and monitoring in compliance with CalRecycle expectations for Edible Food Generators and Food Recovery Organizations and Services.
- J. The Program shall supply appropriate content for a web site, including a list of Food Recovery Organizations and Services (to be updated at least annually) and be accessible to Edible Food Generators.
- K. The Program shall represent the interests of the Program with other entities, counties, and CalRecycle.
- L. The Program will develop procedures and timelines for cities and unincorporated County to encourage uniformity in enforcement, which the Cities and County would be encouraged to follow.
- M. The Program shall create reports about Program activities each year in September, ahead of the budgeting process for the next fiscal year. These reports shall include a narrative about the Food Recovery Program activities, statistics, total number of pounds of food recovered as reported by

Edible Food Generators and Food Recovery Organizations (“FROs”), and any additional information needed by the Jurisdictions. Statistics about food waste prevention and food recovery in Santa Clara County will be shared publicly.

Edible Food Recovery Enhancements Program

The Edible Food Recovery Enhancements Program are any activities, annually identified by the Program Manager, that the Program Manager will undertake to ensure efficient food recovery and food waste prevention should the Jurisdictions choose to fund the chosen projects. Projects may include, but are not limited to, strategic capacity enhancements, projects that promote the efficient recovery of surplus food or the prevention of surplus food, as well as direct support of ongoing recovery activities, subject to approval of the RWRC.

Technical Advisory Committee Contracting Agent

- A. The Contracting Agent will execute a contract with the Program Manager, chosen by the TAC, for the services outlined in the responsibilities above. The Contract will go into greater detail to ensure that all SB 1383 regulatory imperatives are handled by the Program.
- B. The Contracting Agent will set up an invoicing system to pay the Program for the responsibilities outlined above.

III. ENFORCEMENT RESPONSIBILITIES FOR JURISDICTIONS

Each Jurisdiction is responsible for working with the Program on enforcement actions. Although the Jurisdiction is ultimately responsible for enforcement, the Program will support the process by drafting enforcement notices and necessary documents and by providing relevant information about previous inspections and attempts to support compliance. The Program will identify those businesses that need to be evaluated for enforcement action and will work with a Jurisdiction to ensure that CalRecycle compliant documentation is maintained.

IV. RECORDKEEPING AND REPORTING

The Program will complete all the record keeping tasks necessary for the Food Recovery Program portions of SB 1383, including records necessary for the Implementation Record. All necessary records will be stored digitally within 5 days of creation, and Jurisdictions will have real-time access to all these records.

The Program shall create a very brief report about Program activities at the end of each fiscal year. Most programmatic information will be shared in September in the annual report.

EXHIBIT B

AGREEMENT CREATING THE SANTA CLARA COUNTY RECYCLING AND WASTE REDUCTION TECHNICAL ADVISORY COMMITTEE

THIS AGREEMENT, is made and entered into this 4th day of June 2013 by and between the COUNTY OF SANTA CLARA, a political subdivision of the State of California; CITY OF CAMPBELL, a municipal corporation of the State of California; CITY OF CUPERTINO, a municipal corporation of the State of California; CITY OF GILROY, a municipal corporation of the State of California; CITY OF LOS ALTOS, a municipal corporation of the State of California; TOWN OF LOS ALTOS HILLS, a municipal corporation of the State of California; TOWN OF LOS GATOS, a municipal corporation of the State of California; CITY OF MILPITAS, a municipal corporation of the State of California; CITY OF MONTE SERENO, a municipal corporation of the State of California; CITY OF MORGAN HILL, a municipal corporation of the State of California; CITY OF MOUNTAIN VIEW, a municipal corporation of the State of California; CITY OF PALO ALTO, a municipal corporation of the State of California; CITY OF SAN JOSE, a municipal corporation of the State of California; CITY OF SANTA CLARA, a chartered municipal corporation of the State of California; CITY OF SARATOGA, a municipal corporation of the State of California; and CITY OF SUNNYVALE, a municipal corporation of the State of California.

All of the above-mentioned entities are hereinafter collectively referred to as "PARTIES" or individually as "PARTY."

RECITALS:

- A. In 1989, the California Legislature passed and enacted the California Integrated Waste Management Act, known as "AB 939", (Public Resources Code Section 40000 et. seq) requiring jurisdictions to divert 25% of waste from disposal by 1995 and 50% of waste from disposal by 2000. AB 939 required each County to develop and periodically update a County Integrated Waste Management Plan and to appoint an AB 939 Local Task Force.
- B. Prior to 1992, the Solid Waste Committee of the Santa Clara County Intergovernmental Council advised the cities and the County on solid waste and recycling issues. The Technical Advisory Committee, also originally convened by the Intergovernmental Council, provided technical advice to the Solid Waste Committee on solid waste and recycling issues.
- C. On or about February 1992, the Santa Clara County Board of Supervisors and the cities in Santa Clara County designated the Solid Waste Committee of the Intergovernmental Council as the AB 939 Task Force for Santa Clara County.
- D. On February 4, 1992, the Santa Clara County Board of Supervisors replaced the Solid Waste Committee of the Intergovernmental Council with the Solid Waste Commission of Santa Clara County ("Commission") in order to streamline the

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decision-making process on solid waste and recycling issues. (Ordinance No. NS-300.495) The powers and duties of the Commission are defined in Chapter XVII, Division A6 of the County of Santa Clara Ordinance Code.

- E. On December 4, 2001, the Santa Clara County Board of Supervisors approved Ordinance No. NS-300.658 changing the name of the Commission to the Recycling and Waste Reduction Commission of Santa Clara County.
- F. The Commission advises city councils and the Board of Supervisors in Santa Clara County on countywide solid waste and recycling planning issues and on the County Solid Waste Management Plan/County Integrated Waste Management Plan.
- G. The By-Laws of the Commission (also approved by the County Board of Supervisors on February 4, 1992) continued the existence of the Recycling and Waste Reduction Technical Advisory Committee (the "TAC"). The purpose of the TAC was to provide technical advice to the Commission on solid waste management and policy; to bring together a wide spectrum of viewpoints and expertise on countywide solid waste and recycling issues affecting individual jurisdictions; and to assist in development of policies, programs and revisions and amendments to countywide plans.
- H. On an annual basis, the TAC prepares and submits an Annual Workplan and Budget for review and approval by the Commission. The Commission-approved Annual Workplan is then implemented by the TAC using funds in the Commission-approved Annual Budget.
- I. In accordance with the AB 939 provisions for financing solid waste diversion and planning activities, the County of Santa Clara levies and collects the Countywide Solid Waste Planning Fee ("SWPF") on each ton of solid waste disposed at landfills located within the County, on tons taken to non-disposal facilities located within the county and subsequently transported for disposal to landfills outside Santa Clara County, and on tons transported directly to disposal facilities located outside Santa Clara County. The current SWPF of \$0.78 per ton was established by the County Board of Supervisors on May 19, 2009. Funds from the SWPF are used to fund the activities and programs of the Commission and the TAC. In addition, funds from grants, voluntary contributions from other agencies and other revenue sources are used to fund these activities and programs. Such funds, including monies from the SWPF, are referred to herein as "Countywide Funds".
- J. In 2011, Assembly Bill 341 ("AB 341") was signed into law establishing a statewide goal of diverting 75% of solid waste from disposal by 2020 and requiring The California Department of Resources, Recycling and Recovery to prepare and submit a plan to the Legislature on or before January 1, 2014 on how to achieve this goal.
- K. Since the TAC was originally established, the field of solid waste management and recycling has become much more complex and the PARTIES must comply with an increasing number of laws and regulations. In order to achieve the statewide goal of 75% diversion, many materials currently disposed in landfills must be segregated and

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processed at new facilities, and channeled into useful purposes. New infrastructure, diversion systems and enhanced producer responsibility measures must be implemented in order to accomplish this goal.

- L. Commensurate with changes in the breadth and complexity of the solid waste and recycling field, the work and functions of the TAC have evolved over time to encompass not only providing advice to the Commission, but also recommending, implementing and monitoring countywide public education and diversion programs included in the Commission-approved Annual Workplan and Budget where it is cost effective for the PARTIES to jointly provide such programs.
- M. The TAC requires expanded powers and authority to monitor ongoing staffing support for programs in the Commission-approved Annual Workplan as well as the power and authority to recommend, monitor and audit the funding for these programs, at the levels contained in the Commission-approved Annual Budget.
- N. In order to address these issues, the Commission appointed the Ad Hoc Committee for TAC Organizational Study, and the TAC appointed the TAC Ad Hoc Organizational Study Subcommittee. Pursuant to recommendations from these Committees, the County retained Arroyo Associates in 2010 to conduct an independent Organizational Study. The study evaluated the countywide integrated waste management programs and services and provided operational and organizational recommendations to enhance the efficiency and effectiveness of the countywide solid waste management system. The Commission's Ad Hoc Committee held a meeting on May 29, 2012 with representatives of the TAC and the public to discuss the recommendations of the Organizational Study and options for restructuring the operating parameters of the TAC.
- O. The purpose of this Agreement is to implement the recommendations of the Commission's Ad Hoc Committee and the TAC Ad Hoc Subcommittee to revise the functions, powers, membership, structure and duties of the TAC to make these consistent with the manner in which the TAC currently functions; and to simplify the reporting relationship between the Commission and the TAC. Such changes are desired by the PARTIES in order to facilitate countywide and regional approaches for meeting the statewide goal of 75% diversion articulated in AB 341; remaining in compliance with the existing requirements of AB 939, SB 1016 and all other state and federal laws and regulations, and planning for the goal of zero waste in the future.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**I. PURPOSES AND FUNDING**

The Santa Clara County Recycling and Waste Reduction Technical Advisory Committee ("TAC") is hereby established to replace the Recycling and Waste Reduction Technical Advisory Committee referred to in Article V of the Commission Bylaws dated October 2001.

A. *Purposes.* The purposes of the TAC are:

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1. To implement the Commission-approved Annual Workplan and Budget;
2. To advise the Commission and the decision-making bodies of all PARTIES on technical and policy issues related to solid waste management and recycling including plans to achieve the statewide AB 341 goal of 75% diversion by 2020 and plans for working toward the goal of zero waste;
3. To bring together a wide spectrum of viewpoints and expertise to focus on countywide solid waste management, issues affecting individual communities, and solid waste and recycling issues affecting public environmental health;
4. To assist in development of policies, programs and revisions and amendments to countywide plans that can meet countywide needs and, thus, receive countywide approval;
5. To provide a forum for exchange of solid waste, recycling, composting and other diversion information;
6. To inform the PARTIES' respective agencies and jurisdictions about issues and recommendations of the Commission, and perform follow-up actions, as necessary;
7. To recommend Commission approval of countywide programs to maximize the effectiveness of local funds spent for public education and recycling programs, and to implement and monitor such programs.
8. To assist with future master planning for facilities and infrastructure, as requested by the Commission.
9. To perform technical and policy review and make technical and policy recommendations to the Commission and technical recommendations to the PARTIES concerning best practices in solid and hazardous waste management; recycling, composting, diversion programs, source reduction; litter reduction on land; reduction of litter that originates from the storage, collection, transportation, and processing of solid waste, recyclable materials and organic materials that affects water quality in local creeks, San Francisco Bay, and oceans; and 'cradle-to-cradle' extended producer responsibility for products and packaging from creation through use and ultimate recycling or other disposition, with regard to:
 - a. The feasibility of technical proposals;
 - b. Analysis of issues and problems in solid waste management;
 - c. Proposed and/or needed national and state legislation and policies;
 - d. New infrastructure required to achieve countywide goals, and;
 - e. Financing and management options for creation of such infrastructure.
10. To perform other duties as directed by the Commission.

B. Funding. The TAC is funded by the Solid Waste Planning Fee ("SWPF") that is charged to customers by the operators of all disposal and non-disposal facilities located within the County of Santa Clara, and remitted, by those facility operators, to the County of Santa Clara. The SWPF is also charged on tons of solid waste that are hauled directly to out-of-county disposal facilities. The amount of the SWPF is established by the Board of Supervisors based upon input and recommendations from the Commission and the TAC Implementation Committee. Additional revenues come from grants, voluntary contributions of other agencies and other sources. These, together with the SWPF funds constitute the Countywide Funds used to fund the Commission-approved Annual Workplan and Budget.

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II. COMPOSITION

A. Voting members, not to exceed 27 in number, shall include:

1. One (1) staff person from each City or Town that is a PARTY
2. Three (3) staff persons from the County as follows:
 - a. One (1) to represent the Unincorporated Area
 - b. One (1) to represent County interests related to environmental health
 - c. One (1) to represent County interests related to integrated waste management
3. One (1) staff person from the Santa Clara Valley Water District
4. Up to eight (8) persons from non-governmental organizations appointed by the Commission as follows:
 - a. No more than three (3) representing for-profit industry groups and/or business organizations (however, no member shall represent a single for-profit company)
 - b. No more than four (4) representatives of non-profit groups that advocate for source reduction, recycling programs, sustainability, and/or producer responsibility
 - c. No more than two (2) representatives of institutions of higher learning located within Santa Clara County

B. *Appointment of Members.* All members representing a public agency shall be re-designated annually via a letter on agency letterhead addressed to the TAC Administrator ("Administrator"). The Commission will accept requests and nominations for non-governmental organizations to serve on the TAC. The Administrator will publish a notice in a daily local newspaper of general circulation to a minimum of two-hundred fifty thousand (250,000) people in September of every other year announcing that nominations and requests to serve are being accepted. The Administrator will take other reasonable and cost-effective measures to distribute the announcement via other media, including, but not limited to, websites, local publications and social media, to reach persons who might not see the notice in a daily newspaper. The Commission will select the non-governmental organizations to be represented on the TAC. Those organizations will, in turn, submit a letter to the Administrator designating a member and an alternate. Members representing non-governmental organizations shall serve for a period of two (2) years beginning in January. At the end of that time, the Commission shall select the non-governmental organizations to be represented on the TAC for the new two (2) year term. The initial group of non-governmental organization representatives will be selected by the Commission on or before December 31, 2013 and will begin serving their terms on January 1, 2014. The Administrator will publish a notice in the newspaper, and distribute the notice via other suitable media, in September 2013 announcing that the Commission will consider nominations and applications for non-governmental organizations to be represented on the TAC.

C. *Alternates.* Each PARTY may designate one or more alternate representative(s) to serve in the absence of the regular member. The alternate(s) will be designated in writing as described in Section II B. Alternates may serve on TAC committees,

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subcommittees, and ad hoc subcommittees.

D. *Vacancies.* Each PARTY is responsible for designating a replacement for its member if the member can no longer serve. In the event of a vacancy, the Chair shall, by letter, request that the PARTY designate a new member. If a vacancy occurs with regard to a representative of a non-governmental organization, the Administrator shall notify the non-governmental organization to designate a new member. In the event the non-governmental organization declines, the TAC shall notify the Commission and request that a new non-governmental organization be selected to fill the remainder of the term created by the vacancy.

E. *Attendance.* Attendance at meetings is vital to the proper and effective functioning of the TAC. Three (3) consecutive absences or a member missing over fifty percent (50%) of the TAC meetings in a calendar year are sufficient grounds for the Administrator to notify the member and request their attendance. Should a PARTY be unable to send its representative to meetings for an extended period of time, the PARTY shall notify the Chair in writing on letterhead and a replacement representative will not be requested from that PARTY.

III. QUORUM AND VOTING

A. *Quorum.* A quorum consists of thirteen (13) voting members physically present at a meeting.

B. *Voting.* Actions of the TAC shall be taken by a majority vote of the members present at the meeting. Each member has one vote. (See Section VI B for voting and quorum requirements for the Implementation Committee that differ from those for the full TAC.)

C. *Attendance From A Remote Location.* In the event of an unavoidable schedule conflict, a member may participate in a meeting from a remote location via telephone or video-conference provided that all requirements of the Brown Act (Government Code Section 54950, et seq.) are met and further provided that the scheduled meeting room has the technical capability to accommodate the request. In such event, the member will notify the Administrator at least ten (10) days in advance of the meeting and ask to attend from a remote location. The Administrator will advise the member if this is possible. If so, the Administrator will comply with all Brown Act requirements including stating the alternate location in the meeting notice. The member shall also comply with all Brown Act requirements in Government Code Section 54953 (b), including, but not limited to, posting a meeting notice and agenda on the door of the remote location for the duration of the meeting, and allowing members of the public to participate in the meeting from the remote location along with the member. The member's vote will be counted; however, the member will not be included in the count to determine a quorum. Attendance from a remote location is to be used only in rare cases of unavoidable schedule conflicts. In-person attendance and participation at meetings is strongly preferred and encouraged.

D. *Bylaws.* The TAC may, as necessary, recommend adoption of Bylaws for its

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governance to the Commission for approval, and operate according to Bylaws approved by the Commission. In the event revisions to Commission-approved Bylaws are desired, the TAC may recommend such revisions to the Commission.

IV. OFFICERS AND THEIR RESPONSIBILITIES

A. *Officer Positions.* The officers of the TAC shall be the Chair, Vice Chair, and the Subcommittee Chairs. The Chair and Vice Chair of the TAC must be voting members or alternates representing a PARTY.

B. *Election and Term.* Each officer shall be elected by majority vote of a quorum of the voting membership at the last meeting of each calendar year or as soon thereafter as possible. All officers' terms begin with the first meeting of each calendar year.

C. *Duties.* The Chair of the TAC shall be responsible for chairing all meetings of the TAC and the Implementation Committee (IC), and representing the TAC and the IC at Commission meetings. The Chair shall approve the draft agendas for TAC and IC meetings, except that any agenda item proposed by two (2) or more voting members must be placed on the next available agenda. The Vice Chair shall serve as the Chair in the Chair's absence. The Chairs of the Subcommittees shall be responsible for calling meetings of their respective Subcommittees and chairing those meetings. The Subcommittee Chairs shall approve the draft agendas for their respective Subcommittees except that any items proposed by two (2) or more voting members of a Subcommittee shall be placed on the next available Subcommittee agenda.

V. MEETINGS

A. *Meetings.* The TAC shall meet monthly at the time and place published on the agendas. Additional meetings may be called as needed. The Chair shall provide every member of the TAC with seventy-two (72) hours written notice of regular and additional TAC meetings. The agenda for each meeting shall be developed by the Administrator in consultation with the TAC Chair, and shall be approved by the Chair.

B. *Conduct of Meetings.* All meetings of the TAC, including all Committees, Subcommittees, Ad Hoc Committees and Subcommittees and any closed sessions with legal counsel, shall be properly noticed and conducted in accordance with the "Brown Act" (Government Code Section 54950 et seq.) Except for official meetings of the TAC and its Committees, Subcommittees and Ad Hoc Committees and Subcommittees, nothing herein shall be interpreted to require meetings between staff members of the individual PARTIES (including designated representatives of the PARTIES) to be subject to the Brown Act, where the Brown Act would not otherwise apply. Each PARTY is individually responsible for ensuring it complies with the Brown Act. Wherever this Agreement is silent with regard to procedure, Robert's Rules of Order shall apply.

VI. IMPLEMENTATION COMMITTEE

A. *Composition and Duties.* The TAC Implementation Committee (IC) is comprised of one voting member from each PARTY to this Agreement plus one voting member from the Santa Clara Valley Water District (SCVWD). The PARTY'S

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IC representative is usually also the PARTY'S TAC representative. Each PARTY and the SCVWD may also designate an alternate. The purpose of the IC is to make decisions and recommendations on all fiscal, management and administrative issues of the TAC. The IC selects, monitors and provides oversight of the Administrator, the Fiscal Agent, the Contracting Agent, and legal counsel to the TAC. The IC recommends the level and setting of the SWPF to the Commission.

B. Quorum, Voting and Meetings. A quorum of the IC is nine (9) voting members. (Note: the City of San Jose representative counts as two (2) voting members toward the IC quorum.) The affirmative vote of at least eight (8) voting members of the IC, including PARTIES collectively representing at least forty percent (40%) of the population of the incorporated and unincorporated areas of the County of Santa Clara, is necessary to approve any measure brought before the IC. (For purposes of calculating whether or not the forty percent (40%) figure has been reached, the population of each PARTY shall be counted; however, no population shall be attributed to the SCVWD due to the fact that it encompasses such a large percentage of the population of the entire incorporated and unincorporated County.) Each member of the IC shall have one vote, with the exception of the City of San Jose which shall have two (2) votes. The IC shall meet at least annually to consider and recommend approval of the Annual Workplan and Budget to the Commission for the upcoming fiscal year. The Chair may call other meetings of the IC as needed. All IC meetings are open to the public and to all TAC members. Participation and discussion by all TAC members and by members of the public is encouraged. The Chair of the IC forwards all recommendations made by the IC directly to the Commission, and also makes an informational report to the TAC on the recommendations forwarded to the Commission. The Chair shall strive to achieve consensus among IC members. Consensus is defined as general agreement in sentiment or belief. If clear consensus cannot be reached, the Chair will call for a vote of the voting members present. In such event, the Chair will report the recommendation of the IC along with the dissenting opinion(s) and viewpoints, to the Commission and to the TAC. In the event of a tie, the Chair will report that outcome and the viewpoint(s) expressed that led to that outcome. In the alternative, the Chair may, in the Chair's sole discretion, re-agendize the item for another IC meeting.

C. Use of Outside Contractors. The IC is responsible for selecting any consultant(s) or contractor(s) ("Outside Contractors") to perform tasks included in the Commission-approved Annual Workplan and Budget and who are to be paid from Countywide Funds, using a process created in consultation with the Contracting Agent. The IC is responsible for reviewing and approving the parameters of any contracts with Outside Contractors, including the scope(s) of work, schedules of performance, use of subcontractors, and compensation for such Outside Contractors. The IC then directs the Contracting Agent to conduct the procurement process for Outside Contractors and to execute contracts with the selected Outside Contractor(s).

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VII. TAC SUBCOMMITTEES

A. *Issue and Policy Subcommittees.* Issue and policy subcommittees shall be established as needed by the TAC. The TAC will evaluate and establish standing Subcommittees in December of each year. Additional Subcommittees may be established at other times throughout the year as needed.

B. *Membership and Meetings.* Membership on all issue and policy Subcommittees is open to all TAC voting members and designated alternates. There is no maximum size for each Subcommittee. The TAC shall appoint a Chair for each Subcommittee. A quorum is two (2) or more Subcommittee members. Subcommittees may elect a Vice-Chair to serve in the Chair's absence. Subcommittee chairs shall be responsible for calling and chairing meetings. The Subcommittee chairs shall approve the draft agenda and report the activities and recommendations of the Subcommittee to the TAC. Subcommittee chairs shall strive to achieve consensus among members. Consensus is defined as general agreement in sentiment or belief. If clear consensus cannot be reached, the Chair will call for a vote of the voting members present. In such event, the Chair will report the recommendation of the Subcommittee along with the dissenting opinion(s) and viewpoints, to the TAC. In the event of a tie, the Subcommittee Chair will report that outcome and the viewpoint(s) expressed that led to that outcome. In the alternative, the Subcommittee Chair, in consultation with the TAC Chair, may decide to re-agendize the item for discussion at another meeting.

C. *Ad Hoc Subcommittees.* The TAC may establish Ad Hoc Subcommittees as needed to address specific issues or problems. The TAC shall appoint a Chair for each Ad Hoc Subcommittee. All Ad Hoc Subcommittees shall follow the same operating procedures as the standing issue and policy subcommittees. The TAC Chair shall monitor the work of all Ad Hoc Subcommittees, and all such Subcommittees shall be promptly disbanded by the TAC once their tasks have been accomplished.

VIII. TAC ADMINISTRATOR

A. *Duties.* The TAC Administrator provides administration and management services to the TAC and carries out the Annual Workplan. Duties of the Administrator include, but are not limited to: scheduling meetings of the TAC and all committees, subcommittees, and ad hoc subcommittees; preparing agendas and meeting minutes; maintaining all TAC records and files; notifying the TAC of correspondence received and preparing outgoing correspondence; completing all tasks in the Annual Workplan; providing monthly reports at TAC meetings on the status of the Workplan; and other duties as directed by the IC. The Administrator reports to the Chair of the TAC. The Administrator shall work cooperatively and collaboratively with the IC, the Fiscal Agent and the Contracting Agent. The Administrator is paid from funds in the adopted TAC budget.

B. *Selection.* The IC shall select a PARTY or an Outside Contractor to serve as the Administrator for the TAC. The IC will receive and evaluate proposal(s) and make a recommendation to the Commission on selection of an Administrator, as further described in Attachment 2.

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C. *Initial Administrator.* The initial Administrator for the TAC shall be the County of Santa Clara, Integrated Waste Management Division ("County IWMD"). The initial staff provided is described on Attachment 1. In the event of a change in the initial staff, the procedures described in Attachment 2 shall be followed. In the event the IC determines there is a need for a change in the Administrator in the future (due to costs, availability of designated employees or for other reasons), or in the event the County IWMD is unable or unwilling to serve, the procedures for selection of a new Administrator in Attachment 2 shall be followed.

D. *If Administrator Is Also A PARTY.* In the event the Administrator is a PARTY, that PARTY shall appoint a TAC/IC representative whose function is to represent the PARTY's point of view on issues, policy and fiscal matters. The PARTY'S TAC/IC representative shall be a person who is not be involved in the work of the Administrator. This designation shall be made in writing on the PARTY'S letterhead to the Chair of the TAC. The person(s) fulfilling the duties of the Administrator shall act as staff to the TAC, TAC committees and subcommittees, and to the IC.

E. *Contract With Administrator.* All duties and responsibilities of the Administrator, and a list and description of all staff assigned to provide Administrator services, shall be included in a contract between the Contracting Agent and the Administrator. The contract term may be for a single year or for multiple years, at the discretion of the IC. In the event that the Administrator is a PARTY, a letter agreement will be prepared between the Contracting Agent and the Administrator, containing all of the duties, responsibilities, staffing commitments and costs for the Administrator to serve for the upcoming fiscal year. The letter agreement will include the Annual Workplan and costs for the Administrator's services. The letter agreement shall state that the Administrator agrees to provide the described services at the approved costs for the upcoming fiscal year and that all employee and overhead costs will be maintained at the levels specified in the agreement for that fiscal year. With regard to the initial Administrator, the first letter agreement shall be prepared and executed prior to July 1, 2014 to reflect the costs and the scope of work to be performed for FY 2014/15. If the Administrator and the Contracting Agent are the same PARTY, the letter agreement will be prepared and signed by a staff person designated to represent the Administrator and also signed by a separate staff person designated to represent the Contracting Agent.

F. *Annual Workplan and Budget.* As the work of the TAC progresses each year, the Administrator will maintain a list of potential work items to be placed in the Annual Workplan for the upcoming fiscal year. Beginning with preparation of the Annual Workplan and Budget for fiscal year 2014/15, the following schedule will apply. In November of each year, the IC will review the list of potential work items compiled by the Administrator, add additional items as needed, and direct the Administrator to prepare a proposed Workplan and Budget for the upcoming fiscal year. The proposed Annual Workplan will contain the elements described in Attachment 3.

The Administrator shall submit the final draft of the proposed Annual Workplan and

TAC MEMORANDUM OF AGREEMENT

Budget to the IC no later than December 15 of each year. If required, the IC will provide revisions and comments to the Administrator, who will then revise and finalize the Annual Workplan and Budget. The IC will approve the Annual Workplan and Budget on or before January 31 of each year and forward it to the Commission for approval. Commission approval is anticipated to be during the month of February. Upon approval by the Commission, the Contracting Agent will prepare agreements with the Administrator, the Fiscal Agent and the Contracting Agent that include the approved Annual Workplan and Budget (for the Administrator) and the approved costs and duties (for the Fiscal Agent and the Contracting Agent) as described in Sections VIII E, IX D and X C. The agreements will be signed by designated representatives of the Administrator, the Fiscal Agent and the Contracting Agent. In the event the Administrator, the Fiscal Agent and/or the Contracting Agent are the same PARTY, that PARTY shall designate separate representatives to execute the agreements on behalf of the Administrator, the Fiscal Agent and the Contracting Agent. Said agreements shall be fully executed and in place prior to July 1 of each year.

G. Annual Reporting and Evaluation. The Administrator shall prepare a self-evaluation/audit report to the IC including significant accomplishments, work items planned but not accomplished, work items not planned but completed, and the status of all work items in the Annual Workplan. The report will include recommendations and suggestions for improving the work of the Administrator and will be submitted on or before September 15 each year. The IC will consider the report at a regular meeting and discuss and provide recommendations and feedback to the Administrator. The IC will rate the overall implementation and effectiveness of the Workplan and, in turn, rate the performance of the Administrator based upon the ability of the Administrator to meet the timelines and budget in the Workplan and to effectively support the Commission and the TAC. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Administrator. This feedback will be used by the Administrator to make any required changes in operations, procedures and/or work tasks for the next fiscal year. In addition to the annual review of the Administrator, the IC may, at any time, discuss questions, concerns or issues of performance with the Administrator.

IX. FISCAL AGENT

A. Duties. The Fiscal Agent serves as the treasurer of the Countywide Funds and is responsible for collecting the SWPF from all solid waste disposal facilities and non-disposal facilities located within Santa Clara County. The Fiscal Agent also collects and receives grant funds and revenues from other sources. The Fiscal Agent shall diligently pursue collection of all SWPF funds and shall keep the IC apprised of the amount and entity owing delinquent payments, as well as of the status of collection activity initiated by the Fiscal Agent regarding the delinquent payments. The Fiscal Agent shall manage all funds in accordance with generally accepted government accounting procedures. The Fiscal Agent shall keep Countywide Funds segregated from all other funds administered by the Fiscal Agent in separately numbered and coded accounts that are readily identifiable as those containing Countywide Funds; shall credit appropriate interest income earned on such funds in each fiscal year; and shall not expend, use or transfer

TAC MEMORANDUM OF AGREEMENT

any funds except in accordance with the Annual Workplan and Budget approved by the IC and the Commission, or as otherwise directed by the IC. In the event the Fiscal Agent is not also the Contracting Agent, the Fiscal Agent shall transfer Countywide Funds to the Contracting Agent as directed by the IC, in accordance with the procedures in Attachment 5. The Fiscal Agent shall work cooperatively and collaboratively with the IC, the Administrator, and the Contracting Agent.

B. Initial Fiscal Agent. The initial Fiscal Agent shall be the County of Santa Clara. The specific contact person shall be designated in writing to the Administrator and to the TAC Chair. In the event the IC determines there is a need for a change in the Fiscal Agent in the future (due to costs, lack of availability of designated employees or for other reasons), or in the event the County is unable or unwilling to serve, the following procedures for selection of a new Fiscal Agent shall be followed.

C. Selection. Any PARTY willing to serve as the Fiscal Agent may be nominated by another PARTY. The nominated PARTY(IES) will submit a letter proposal to the IC containing the costs for performing the services of the Fiscal Agent, including all employee and overhead costs and all proposed expenses. If the same PARTY is also already serving, or is proposing to serve, as the Administrator, the Contracting Agent, or both, the proposed costs to perform each function shall be separately specified. The IC will hold discussions with representatives of the nominated PARTY(IES) as needed. The recommendation of the IC will be forwarded to the Commission for approval. Upon receipt of Commission approval, the Contracting Agent will execute an agreement with the new Fiscal Agent that includes the approved costs for the PARTY to provide Fiscal Agent services for the upcoming fiscal year.

D. Payment For Services. The Fiscal Agent shall provide the Administrator with proposed costs to perform the duties of TAC Fiscal Agent for the upcoming fiscal year upon request. The proposed costs shall be at the level of detail described in Attachment 2. If the Fiscal Agent is also serving as the Administrator, the Contracting Agent, or both, the proposed costs to perform each function shall be separately specified. The proposed costs will be reviewed by the IC as part of review of the Annual Workplan and Budget. If there is a question or concern about the proposed costs, the Chair of the IC and the Administrator will meet with the Fiscal Agent concerning the issues. Upon approval of the Annual Workplan and Budget by the IC and the Commission, the Contracting Agent will prepare an agreement to be signed by the Fiscal Agent and the Contracting Agent to perform services for the new fiscal year. In the event that the Contracting Agent and the Fiscal Agent are the same PARTY, the agreement shall be signed by the designated employee of the PARTY serving as the Fiscal Agent and the (separate) designated employee of the PARTY serving as the Contracting Agent.

E. Quarterly and Annual Budget Status. The Fiscal Agent shall prepare and submit quarterly budget updates to the IC every three (3) months, and shall provide a Year-End Budget Report. These reports shall be formatted in a clear and concise manner such that all expenditures, revenues, movement of monies, reallocation of funds and adjustments to the budget are detailed by project and line item (i.e. numerical reference and narrative

TAC MEMORANDUM OF AGREEMENT

description). The Year-End Budget Report shall be submitted to the IC on or before October 31 each year. The IC may, at any time, request additional budget information, detail, documentation and updates. The Fiscal Agent shall respond promptly to all such requests.

F. *Biennial Audit.* The Fiscal Agent shall arrange for an audit by an independent third party Certified Public Accounting Firm (CPA) to be conducted every other year beginning with an audit of the 2013/14 fiscal year. The Fiscal Agent may utilize the CPA firm retained by the jurisdiction of which the Fiscal Agent is a part, to perform that PARTY's annual audit. In such event, the results of the audit of the Countywide Funds and accounts shall be clearly and separately called out in the CPA's audit report. The results of the audit shall be reported to the IC on or before January 15 every other year.

G. *Evaluation of the Fiscal Agent.* Each year, the Fiscal Agent shall prepare a self-evaluation, along with the Year-End Budget Report, for submittal to the IC. The self-evaluation will include a description of key work tasks performed, any duties or tasks not completed, and any non-planned work tasks completed. The report will include recommendations and suggestions for improving the services of the Fiscal Agent. The self-evaluation shall be submitted at the same time as the Year-End Budget Report. The IC will review the report at a regular meeting and discuss any suggested or needed changes or improvements. The IC will rate the overall performance of the Fiscal Agent based upon the ability of the Fiscal Agent to perform its duties in a timely manner and in accordance with all requirements of this Agreement. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Fiscal Agent. This feedback will be used by the Fiscal Agent to make any required changes in operations and procedures and/or work tasks for the next fiscal year. In addition to the annual review of the Fiscal Agent, the IC may, at any time, discuss questions, concerns or issues of performance with the designated representative of the Fiscal Agent.

X. CONTRACTING AGENT

A. *Duties.* The Contracting Agent executes contracts with Outside Contractors, including the Administrator and the Fiscal Agent (where applicable) that have been requested and approved by the IC. The Contracting Agent consults with the IC to establish a procurement process for Outside Contractors, and then conducts that process once the IC has approved a scope of work, schedule, budget and other parameters of the contract that will be awarded by the Contracting Agent. The Contracting Agent shall conduct the procurement process and execute all contracts within a reasonable period of time after being directed to do so by the IC. The Contracting Agent shall provide a copy of any contract executed on behalf of the TAC to any PARTY, any TAC member, and to any PARTY or person designated by any PARTY or the IC upon request. The governing body of the Contracting Agent, at its discretion, may delegate authority to execute agreements and contracts approved by the IC to a designated employee. Notice of any such delegation of authority shall be provided in writing to the Chair of the IC and to the Administrator.

TAC MEMORANDUM OF AGREEMENT

In the event the Contracting Agent is not also the Fiscal Agent, the Contracting Agent shall receive Countywide Funds transferred to the Contracting Agent by the Fiscal Agent on a periodic basis as described in Attachment 5. The Contracting Agent shall manage all Countywide Funds in accordance with generally accepted government accounting procedures. The Contracting Agent shall keep Countywide Funds segregated from all other funds administered by the Contracting Agent in separately numbered and coded accounts that are readily identifiable as Countywide Funds, and shall not expend, use or transfer any funds except as specifically directed by the IC. At the close of the fiscal year, the Contracting Agent shall, pursuant to the procedures in Attachment 5, comply with all directions from the IC with regard to retention of funds for contracts with Outside Contractors that are still in effect, and with regard to return of unexpended or unencumbered funds to the Fiscal Agent. The Fiscal Agent shall work cooperatively and collaboratively with the IC, the Administrator, and the Contracting Agent.

B. Initial Contracting Agent. The initial Contracting Agent shall be the County of Santa Clara. The specific contact person shall be designated in writing to the Administrator and to the TAC Chair. In the event the IC determines there is a need for a change in the Contracting Agent in the future (due to costs, lack of availability of designated employees or for other reasons), or in the event the County is unable or unwilling to serve, the procedures for selection of a new Contracting Agent shall be the same as those for selection of a Fiscal Agent as described in Section IX C.

C. Payment For Services. The Contracting Agent shall provide the Administrator with proposed costs to perform the duties of TAC Contracting Agent for the upcoming fiscal year upon request. The proposed costs shall be at the level of detail described in Attachment 2. If the Contracting Agent is also serving as the Administrator, the Fiscal Agent, or both, the proposed costs to perform each function shall be separately specified. The proposed costs will be reviewed by the IC as part of review of the Annual Workplan and Budget. If there is a question or concern about the proposed costs, the Chair of the IC and the Administrator will meet with the Contracting Agent concerning the issues. Upon approval of the Annual Workplan and Budget by the IC and the Commission, the Administrator will prepare an agreement to be signed by the Contracting Agent and the Administrator to perform services for the new fiscal year. In the event that the Administrator and the Contracting Agent are the same PARTY, the agreement shall be signed by the designated employee of the PARTY serving as the Contracting Agent and the (separate) designated employee of the PARTY serving as the Administrator.

D. Annual Contract Status Report. The Contracting Agent shall prepare and submit an annual report to the IC on the status of all contracts (listing all contracts in progress, expired, terminated, and the amount of work and budget remaining in each) on or before October 31 each year. The report shall also note the amount of Countywide Funds held by the Contracting Agent, and specify the amount(s) of funds encumbered for contracts, and the amount(s) of funds that are unspent and unencumbered. The IC may, at any time, request additional information, detail, documentation and updates on any or all contracts. The Contracting Agent shall respond promptly to all such requests.

TAC MEMORANDUM OF AGREEMENT

E. *Audits.* The Contracting Agent shall cooperate with and provide all information and documentation required in order to complete the bi-annual audit described in Section IX F. In the event the IC decides that any actions or activities of the Contracting Agent are not in compliance with this Agreement, or if the IC determines there are other reasons for an audit to be performed, the IC may perform an audit of the Countywide Funds received and expended by the Contracting Agent. In such event, the Contracting Agent shall cooperate fully, and in a timely manner, with persons performing the audit.

F. *Evaluation of the Contracting Agent.* Each year, the Contracting Agent shall prepare a self-evaluation, along with the Annual Contract Status Report, for submittal to the IC. The self-evaluation will include a description of key work tasks performed, any duties or tasks not completed, and any non-planned work tasks completed. The report will include recommendations and suggestions for improving the services of the Contracting Agent. The self-evaluation shall be submitted at the same time as the Annual Contract Status Report. The IC will review the report at a regular meeting and discuss any suggested or needed changes or improvements. The IC will rate the overall performance of the Contracting Agent based upon the ability of the Contracting Agent to perform its duties in a timely manner and in accordance with all requirements of this Agreement. The final recommendations and feedback of the IC will be recorded in the minutes and also in a letter from the IC Chair to the Contracting Agent. This feedback will be used by the Contracting Agent to make any required changes in operations and procedures for the next fiscal year. In addition to the annual review of the Contracting Agent, the IC may, at any time, discuss questions, concerns or issues of performance with the designated representative of the Contracting Agent.

XI. LEGAL COUNSEL

A. *Selection.* The IC may select an attorney or firm that is experienced in solid waste, recycling and municipal law to research legal issues, proposed legislation, and to provide legal advice to the TAC ("Legal Counsel") as provided for in the Commission-approved Annual Workplan and Budget. Legal Counsel may be a City Attorney or County Counsel (i.e. an employee of one of the PARTIES) or may be an outside attorney or law firm. The IC will interview and select Legal Counsel as needed, and direct the Contracting Agent to prepare a contract with Legal Counsel for the provision of legal services. The IC shall direct the work of Legal Counsel. The Administrator may assist in coordination of activities with Legal Counsel, but shall not give direction without prior authorization from the IC. Legal Counsel shall not be responsible for providing legal advice to individual PARTIES related to their individual compliance with Public Resources Code Section 40000 et. seq., but may provide such services under separate contract with any PARTY or PARTIES.

XII. OTHER AGREEMENTS OF THE PARTIES

A. *Term of Agreement.* The term of this Agreement shall commence on the date the last duly authorized representative of the PARTIES executes it. This Agreement shall remain in effect until terminated by the PARTIES or until eight (8) or more PARTIES containing more than fifty percent (50%) of the population of the incorporated and unincorporated areas of County of Santa Clara withdraw from the Agreement, whichever

TAC MEMORANDUM OF AGREEMENT

occurs first. A PARTY may withdraw from the Agreement by providing written notice to the Administrator, stating the effective date of the PARTY'S withdrawal. The withdrawal of a PARTY shall not entitle that PARTY to receive or retain any portion of the SWPF.

B. Ethical Code of Conduct. All TAC members and Alternates shall adhere to the Ethical Code of Conduct in Attachment 4. All TAC members and Alternates shall attend a TAC-sponsored ethics training every other year beginning in FY 2013/14. The Administrator shall arrange for this training and include the cost in the Annual Workplan and Budget for each year the training is required to be conducted.

C. Counterparts. This Agreement may be executed and delivered in any number of copies ("counterparts") by the PARTIES, including by means of facsimile and e-mail of PDF copies. When each PARTY has signed and delivered at least one counterpart to the Administrator, each counterpart shall be deemed an original, and taken together, shall constitute one and the same Agreement, which shall be binding and effective as to the PARTIES hereto.

D. Non-Compliance With State and Federal Laws. No PARTY shall, by entering into this Agreement, participating in the TAC or the IC, or agreeing to serve as Administrator, Fiscal Agent, Contracting Agent, and/or Legal Counsel, assume or be deemed to assume responsibility for any other PARTY in complying with the requirements of state and federal solid waste and recycling laws, including but not limited to, the California Integrated Waste Management Act of 1989 as amended (Public Resources Code Section 40000 et seq). This Agreement is intended solely for the convenience and benefit of the PARTIES hereto and shall not be deemed for the benefit of any third party and may not be enforced by any third party, including, but not limited to, the United States Environmental Protection Agency and the California Department of Resources, Recycling and Recovery, or any person acting on their behalf or in their stead.

E. Indemnification. In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the PARTIES pursuant to Government Code Section 895.6, the PARTIES agree that all losses or liabilities incurred by a PARTY, or by the Santa Clara Valley Water District in carrying out its duties under Section VI. Implementation Committee shall not be shared pro rata, but instead the PARTIES agree that pursuant to Government Code Section 895.4, each of the PARTIES hereto shall fully defend, indemnify and hold harmless each of the other PARTIES, and the Santa Clara Valley Water District in the carrying out of its duties under Section VI. Implementation Committee, from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying PARTY, its officers agents or employees, or in connection with or arising from any work, authority or jurisdiction delegated to such PARTY under this Agreement. No PARTY, nor any officer, board member, employee or agent thereof, shall be responsible for any damage or liability incurred by reason of the negligent acts or omissions or willful misconduct of the other PARTIES hereto, their officers, board members, employees or agents under or in connection with or arising from any work, authority or jurisdiction delegated to such

TAC MEMORANDUM OF AGREEMENT

PARTY under this Agreement.

F. *Entire Agreement.* This Agreement supersedes any prior arrangement or agreement among the PARTIES regarding the composition, structure, duties and powers of the TAC including, but not limited to, the TAC Rules of Procedure dated May 22, 2006, but does not supersede any other agreements between any of the PARTIES.

G. *Amendments.* This Agreement may be amended by unanimous written agreement of the PARTIES. All PARTIES agree to bring any proposed amendments to this Agreement to their Council or Board, as applicable, within three (3) months following acceptance by the IC. The IC shall, on a biennial basis, evaluate this Agreement and determine if any amendments are needed. The first biennial evaluation shall be in 2015. The IC may recommend amendments on a more frequent basis if desired.

H. *Venue.* In the event that suit shall be brought by any PARTY to this Agreement, the PARTIES agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

I. *Attachments.* Attachments 1 through 5 are attached hereto and incorporated herein by this reference.

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: JUN 04 2013

APPROVED AS TO FORM:

By: *Ken Yeager*
PRESIDENT Board of Supervisors

By: *Muriel* 6/3/2013
Deputy County Counsel

KEN YEAGER

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

Attest:

Lynn Regadanz
Lynn Regadanz, Clerk
Board of Supervisors

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:


Date: _____


By: _____

CITY OF CAMPBELL

Date: July 17, 2013

APPROVED AS TO FORM:

By: 
Name: Mark Linder
Title: City Manager

By: 
Name: William R. Seligmann
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

CITY OF CAMPBELL

Date: _____

By: _____

Name: Mark Linder

Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____

Title: City Attorney

CITY OF CUPERTINO

Date: 8/28/13

By: Carol Atwood for
Name: David Brandt

Title: City Manager

APPROVED AS TO FORM:

By: Melissa Tronault

Name: Melissa Tronault

Title: City Attorney

CITY OF GILROY

Date: _____

By: _____

Name: Thomas Haglund

Title: City Administrator

APPROVED AS TO FORM:

By: _____

Name: _____

Title: City Attorney

CITY OF LOS ALTOS

Date: _____

By: _____

Name: Marcia Somers

Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____

Title: _____

TOWN OF LOS ALTOS HILLS

Date: _____

By: _____

Name: Carl Cahill

Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____

Title: Town Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF CAMPBELL

Date: _____

By: _____
Name: Mark Linder
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

CITY OF CUPERTINO

Date: _____

By: _____
Name: David Brandt
Title: City Manager

APPROVED AS TO FORM:

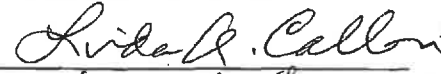
By: _____
Name: _____
Title: City Attorney

CITY OF GILROY

Date: 10/7/2013

By: 
Name: Thomas Haglund
Title: City Administrator

APPROVED AS TO FORM:

By: 
Name: LINDA A. CALLON
Title: City Attorney

ATTEST:

CITY OF LOS ALTOS

Date: _____

By: _____
Name: Marcia Somers
Title: City Manager

City Clerk

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

TOWN OF LOS ALTOS HILLS

Date: _____

By: _____
Name: Carl Cahill
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: Town Attorney

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

Date: _____

By: _____

CITY OF LOS ALTO

Date: 7-9-13

APPROVED AS TO FORM:

By: Marcia Somers
Name: MARCIA SOMERS
Title: CITY MANAGER

By: Jolie Houston
Name: Jolie Houston
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

Date: _____

By: _____

CITY OF LOS ALTOS HILLS

Date: 10/14/2013

APPROVED AS TO FORM:

By: Carl Cahill
Name: Carl Cahill
Title: City Manager

By: [Signature]
Name: Steve Mattas
Title: City Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name : _____
Title: _____

By: _____
Name : _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement as of the dates shown below.

COUNTY OF SANTA CLARA, a public entity of the State of California

Date: _____ APPROVED AS TO FORM:

By: _____
Chair, Board of Supervisors

By: _____
Deputy County Counsel

ATTEST:

Date: _____

By: _____

~~CITY OF~~ TOWN LOS GATOS

Date: 7/1/17

APPROVED AS TO FORM:

By: [Signature]
Name: Greg Larson
Title: Town Manager

By: [Signature]
Name: Judith J. Propp
Title: Town Attorney

CITY OF _____

Date: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TAC MEMORANDUM OF AGREEMENT

Title: City Manager

Title: Town Attorney

TOWN OF LOS GATOS

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Greg Larson

Name: _____

Title: Town Manager

Title: Town Attorney

CITY OF MILPITAS

Date: 9/11/13

APPROVED AS TO FORM:

By: 

By: 

Name: Tom Williams

Name: Michael J. Ogaz

Title: City Manager

Title: City Attorney

CITY OF MONTE SERENO

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Brian Loventhal

Name: _____

Title: City Manager

Title: _____

CITY OF MORGAN HILL

Date: _____

APPROVED AS TO FORM:

By: _____

By: _____

Name: Steve Rymer

Name: _____

Title: City Manager

Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

TOWN OF LOS GATOS

Date: _____

By: _____

Name: Greg Larson
Title: Town Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: Town Attorney

CITY OF MILPITAS

Date: _____

By: _____

Name: Tom Williams
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Michael J. Ogaz
Title: City Attorney

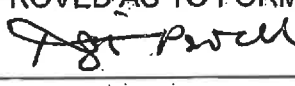
CITY OF MONTE SERENO

Date: 7/19/13

By: 

Name: Brian Loventhal
Title: City Manager

APPROVED AS TO FORM:

By: 

Name: Kirsten Powell
Title: City Attorney

CITY OF MORGAN HILL

Date: _____

By: _____

Name: Steve Rymer
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

TOWN OF LOS GATOS

Date: _____

By: _____

Name: Greg Larson
Title: Town Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: Town Attorney

CITY OF MILPITAS

Date: _____

By: _____

Name: Tom Williams
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Michael J. Ogaz
Title: City Attorney

CITY OF MONTE SERENO

Date: _____

By: _____

Name: Brian Loventhal
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: _____

CITY OF MORGAN HILL

Date: 10/1/13

By: 

Name: Steve Rymer
Title: City Manager

APPROVED AS TO FORM:

By: 

for Name: Rene Guzman
Title: City Attorney

Resolution NO: 6638

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: 7-24-13

By: *Daniel H. Rich*
Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: *Jannie L. Quinn*
Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____
Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____
Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____
Name: Rosa Tsongtaatari
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____
Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____
Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

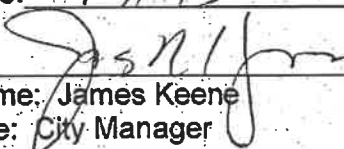
APPROVED AS TO FORM:

By: _____

Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: 7.31.13

By: 

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: 

Name: Cara Silver
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____

Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____

Name: Rosa Tsongtaatarii
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____

Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard Taylor
Title: City Attorney

TAG MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: 8/1/13

By: 

Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: 

Name: Rosa Tsongtaatarji
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____

Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard Taylor
Title: City Attorney

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____
Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____
Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____
Name: Norberto Dueñas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____
Name: Rosa Tsongtaatari
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: 9-11-13

By: [Signature]
Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: [Signature]
Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: _____

By: _____
Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: _____
Name: Richard Taylor
Title: City Attorney

Attest:
[Signature]
City Clerk

TAC MEMORANDUM OF AGREEMENT

CITY OF MOUNTAIN VIEW

Date: _____

By: _____

Name: Daniel H. Rich
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Jannie L. Quinn
Title: City Attorney

CITY OF PALO ALTO

Date: _____

By: _____

Name: James Keene
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: _____
Title: City Attorney

CITY OF SAN JOSE

Date: _____

By: _____

Name: Norberto Duenas
Title: Deputy City Manager

APPROVED AS TO FORM:

By: _____

Name: Rosa Tsongtaataril
Title: Senior Deputy City Attorney

CITY OF SANTA CLARA

Date: _____

By: _____

Name: Julio J. Fuentes
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Richard E. Nosky, Jr.
Title: City Attorney

CITY OF SARATOGA

Date: 7-25-2013

By: 

Name: Dave Anderson
Title: City Manager

APPROVED AS TO FORM:

By: 

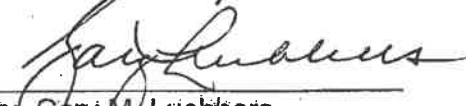
Name: Richard Taylor
Title: City Attorney

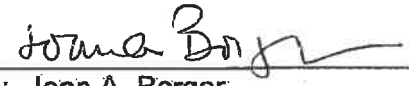
TAC MEMORANDUM OF AGREEMENT

CITY OF SUNNYVALE

Date: 7/22/13

APPROVED AS TO FORM:

By: 
Name: Gary M. Luebbers
Title: City Manager

By: 
Name: Joan A. Borger
Title:

TAC MEMORANDUM OF AGREEMENT

ATTACHMENT 1

INITIAL STAFFING OF ADMINISTRATOR

The following is the initial staff complement for the Administrator:

Staff Person	% FTE Committed To Administrator Duties	% FTE Committed To County Unincorporated Duties
Elizabeth Constantino, Program Manager II Provides oversight of all Annual Workplan tasks and all functions of the Administrator.	0.82 FTE	0.18 FTE
Lisa Rose, Senior Management Analyst Coordinates the Green Business Program, serves as staff to the Commission, and performs various other duties.	0.87 FTE	0.13 FTE
Clifton Chew, Management Analyst Serves as staff to the TAC, prepares state reporting and DRS, and performs various other duties.	0.80 FTE	0.20 FTE
Zachary DeVine, Management Analyst Contracts monitoring, budget tracking, Outreach Specialist, and various other duties.	0.67 FTE	0.33 FTE
Sue Sherrin, Associate Management Analyst B, Green Business Specialist	0.98 FTE	0.02 FTE
Sarah Smith, Management Analyst Home Composting Education Program Coordinator	1.0 FTE	0.00 FTE
Joanne Chapa, Office Specialist III	0.94 FTE	0.06 FTE

TAC MEMORANDUM OF AGREEMENT

ATTACHMENT 2

SELECTION PROCESS FOR THE ADMINISTRATOR

1. **Selection.** The IC shall select a PARTY or an Outside Contractor to serve as the Administrator for the TAC. As part of the selection process, the potential candidate(s) shall submit a proposal to the IC for providing Administrator services. The proposal shall include: a detailed scope of work for the upcoming fiscal year, detailed costs and work hours for the completion of each task, and a list of the employees proposed to perform each part of the Annual Workplan, as well as the administrative and management duties of the Administrator. The proposal shall also include a resume and description of the education, experience and expertise of each proposed staff member highlighting experience in solid waste management, recycling, diversion programs, producer responsibility, public education and outreach, legislative analysis, budgeting, public sector management, administration and policy development. It is of great importance that each member of the Administrator staff possess a high level of experience and expertise in the listed areas. The proposal shall designate the duties and activities to be carried out by each employee. The IC will review the proposal(s) and conduct interview(s) with the potential Administrator(s). The IC will select an Administrator and recommend approval to the Commission.
2. **Change in Administrator Staff.** In the event any member of the Administrator's staff is unable or unavailable to serve in the capacity indicated in the original proposal, the IC shall work with the Administrator to determine if an acceptable alternate staff member is available. This shall include, if desired by the IC, having representatives from the IC participate in the selection process for the alternate staff person; review the resumes, references and writing samples of proposed candidates; attend and participate in interviews; and provide input to the decision-making process for selection of the proposed alternate staff member. If the proposed alternate staff person is not acceptable to the IC, and the IC determines that the employee who is unavailable is a key employee, the IC may give written notice to the Administrator that the TAC will seek another Administrator, and the IC may recommend to the Commission that the selection process for a new Administrator be commenced. Upon receipt of Commission approval, the IC will begin that process. The Administrator shall serve until such time as either a replacement Administrator is selected and approved by the Commission, or (if the Administrator is not a PARTY) until the current contract for the services of the Administrator expires, whichever occurs first. In the IC's sole discretion, the services of the Administrator may be terminated prior to the selection of a new Administrator. In the event the Administrator is not a PARTY, an early termination clause shall be placed in the contract with the Administrator for use by the IC in the event a key staff person becomes unavailable.
3. **Key Employee.** A "key employee" includes, but is not limited to, any one of the following:
 - a. An employee who is performing twenty percent (20%) or more of the work hours in the Annual Workplan.

TAC MEMORANDUM OF AGREEMENT

- b. An employee whose work tasks require a high level of technical expertise and experience in recycling, solid and/or hazardous waste management programs and practices.
- c. An employee whose work tasks require a high level of professional judgment that is the product of numerous years of experience in recycling, solid and hazardous waste management, and/or in work for public agencies.
- d. An employee whose work tasks involve a high level of interaction with the public (e.g. in trainings, liaison with businesses or non-profit organizations, etc.).
- e. An employee whose work tasks involve presentations or testimony to public agencies (e.g. City Councils, the Board of Supervisors) and/or community organizations (e.g. service organizations, community groups, homeowner's associations, etc.).

TAC MEMORANDUM OF AGREEMENT

ATTACHMENT 3

ELEMENTS TO BE CONTAINED IN THE ANNUAL WORKPLAN AND BUDGET

- 1.Scope of Work.** The proposed Annual Workplan and Budget will contain a detailed scope of work for each proposed task, the employee work hours estimated to complete each task, the name(s) of the specific employees that will perform the work for each task, the cost of the work hours for each task, all proposed overhead costs for the Administrator and all other projected costs. If the Administrator is a public agency, the costs may be shown as a percentage of each Full Time Equivalent (FTE) and the cost therefore, as long as the position (such as 'Analyst I') and the name of the employee filling that position are indicated, along with the fully burdened cost of the specified percentage of each FTE. The proposed Annual Workplan shall contain a list of key milestones for each task.
- 2.Administrative Tasks.** The Workplan shall include a task for providing administrative support for the TAC including work hours to prepare meeting agendas, to schedule meetings, attend meetings, prepare minutes and correspondence, and carry out the direction of the TAC and all Committees and Subcommittees. The Workplan shall also include a separate task for providing administrative support to the Commission including work hours to prepare agendas, attend Commission meetings, prepare minutes, and carry out the direction of the Commission, its Committees and Subcommittees.
- 3.Other Staff Commitments.** The proposed Workplan will contain a listing of the other duties and responsibilities of each assigned employee (other than the work to be performed as Administrator for the TAC and the Commission) including the work hours and a general description of the key tasks and projects to be performed. This will serve as a cross-check (regardless of whether the Administrator is a public agency or a private firm) to ensure that the time of each employee is not overcommitted, and that sufficient time exists for each employee to complete all their assigned tasks.
- 4.Fiscal Agent and Contracting Agent Costs.** The Administrator shall consult with the Fiscal Agent and with the Contracting Agent (in the event they are separate PARTIES) and shall incorporate the proposed costs for the services of each into the proposed Workplan and Budget. Such costs shall be clearly and separately identified for each function (and identified separately from those of the Administrator) and shall include the costs for employee time, expenses (such as bank fees), overhead charges and all other proposed costs.
- 5.Cost Detail For Comparison.** The budget shall be formatted in a clear and concise manner such that all projected expenditures and revenues are detailed by project and line item. The proposed Workplan and Budget shall contain sufficient detail about proposed work hours and costs such that a comparison can be made between the proposed costs for the current Administrator, the current Fiscal Agent and the current

TAC MEMORANDUM OF AGREEMENT

Contracting Agent, and other potential providers of these services.

- 6. Projected Amount of Fund Transfer From Fiscal Agent to Contracting Agent.** In the event the Fiscal Agent and the Contracting Agent are different PARTIES, the budget shall include the projected amount of funds to be transferred from the Fiscal Agent to the Contracting Agent in order to pay for contracts with Outside Contractors that will be awarded by the Contracting Agent in the upcoming year. Such projections shall take into account all funds currently held by the Contracting Agent (if any) and the amount of such funds already encumbered for contracts in progress. The projection shall be accompanied by a recommendation as to the frequency of fund transfers from the Fiscal Agent to the Contracting Agent that will be required to fund contracts awarded by the Contracting Agent for the upcoming year (e.g. annual one-time transfer of funds, quarterly transfer of funds, or other recommended timing.)
- 7. Discussion Concerning Potential Conflicts.** Once the initial draft of the proposed Annual Workplan is prepared, the IC Chair, the Administrator, the Fiscal Agent and the Contracting Agent shall meet to review and discuss the Workplan and shall work cooperatively to identify and address any potential conflicts that could arise with regard to policies of the Administrator, the Fiscal Agent or the Contracting Agent. Examples include proposed sale of recycling containers or other goods at less than the purchase price (i.e. subsidized cost of compost bins for the home composting program); provision of recycling grants, prizes, incentives; and other such items. At the direction of the IC Chair, the Administrator shall further investigate any potential conflicts that have been identified, and shall, in consultation with the Fiscal Agent and the Contracting Agent, research and propose solutions for each. If solutions cannot be found, the issue may be presented to the IC for further consideration and/or the IC Chair may direct the Administrator to revise the Workplan and Budget to remove the items creating the potential conflict. In this event the IC Chair will inform the IC of such action when the Annual Workplan and Budget are considered for approval.

TAC MEMORANDUM OF AGREEMENT

ATTACHMENT 4

CODE OF ETHICAL CONDUCT

1. Members shall strive to conduct all meetings, discussions and deliberations in a spirit of collaboration and partnership. Members shall treat all persons with respect and courtesy. In the course of discussions, members shall make their arguments on the merits of the issue rather than engaging in personal remarks or attacks on persons holding positions other than their own.
2. All members shall remain aware that the activities of the TAC are funded by fees raised from the public; and that the TAC is recommending expenditures of public funds. Members shall act prudently and in the best interest of the public when making fiscal and policy decisions.
3. Members shall voluntarily recuse themselves from all discussions and votes, and shall refrain from expressing any opinion to other members on issues where any one of the following apply:
 - a. The member holds a financial interest such that the member could financially benefit from the action or issue being considered.
 - b. The member is an owner or investor of a business the TAC is considering doing business with.
 - c. The member owns land that is being considered for purchase or lease by the TAC or by any program funded by the TAC.
 - d. A charity, community group or non-governmental organization to which the member belongs or contributes funds would receive funds from the TAC for projects or services.
 - e. A person in the member's family could benefit financially from the action or issue being considered. Family includes the members' spouse, children, step-children, grandchildren and step-grandchildren, as well as siblings and parents of the member and the member's spouse.
4. A member recusing themselves shall mean (a) announcing the member has a conflict of interest when the item is opened for discussion, (b) leaving the meeting room before discussion on the matter commences, and (c) not returning to the room until after discussion and any vote on the matter is concluded.
5. Members shall periodically conduct a self-assessment and inventory of any potential conflicts of interest they may have and, if the member is unsure whether or not a conflict exists, the member shall discuss the issue with the TAC Chair, the Administrator, TAC Legal Counsel or legal counsel for the member's own agency.
6. In the event a member fails to recuse him or her self during discussion of an issue where the member appears to have a conflict of interest, the Chair of the meeting shall ask the member to recuse him or her self and shall halt discussion about the issue until the member has left the room.
7. Members shall not engage in financial transactions using non-public information nor allow the improper use of such information to further any personal or private interest.

TAC MEMORANDUM OF AGREEMENT

8. Members shall not solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the TAC, or whose interests may be substantially affected by actions of the TAC. Gifts do not include coffee, tea, donuts, discounts available to the general public, greeting cards or plaques of minor intrinsic value. It is appropriate and prudent for members to decline even items of minor intrinsic value from sources described in this section.
9. Members shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the TAC to take any type of action or to approve any contract, program or other commitment.
10. Members shall not use their membership on the TAC for private gain.
11. Members shall always act impartially and objectively and not give preferential treatment to any organization or individual.
12. Members shall not seek or accept any contract to provide services to the TAC for a period of at least six (6) months after termination of their membership on the TAC.
13. Members shall adhere to, and be vigilant that the TAC adheres to, all applicable state, federal and local laws and regulations.
14. All members shall participate in a TAC-sponsored Ethics Training biennially.
15. Members shall endeavor to avoid any actions or statements that violate, or that create the appearance that they are violating, the law or any ethical standards set forth in this Attachment.

TAC MEMORANDUM OF AGREEMENT

**ATTACHMENT 5
PROCEDURES FOR TRANSFER OF COUNTYWIDE FUNDS FROM FISCAL AGENT
TO CONTRACTING AGENT**

The following procedures shall be used in the event the Fiscal Agent and the Contracting Agent are different PARTIES.

1. As part of its review and approval of the Annual Workplan and Budget, the IC shall establish the amount of funds and the schedule for transfer of funds from the Fiscal Agent to the Contracting Agent for the upcoming fiscal year.
2. Upon approval of the Annual Workplan and Budget by the Commission, the IC may take appropriate actions consistent with the Annual Workplan and Budget, including but not limited to, the following:
 - A. Direct the Fiscal Agent to transfer specific amount(s) of Countywide Funds to the Contracting Agent on a specified schedule. The schedule may call for annual, quarterly, or more frequent transfers, as needed for the fiscal year.
 - B. Adjust the timing and/or the amount(s) of funds to be transferred by the Fiscal Agent to the Contracting agent if circumstances change during the year, or if there are other reasons to do so.
 - C. In the event the IC directs a change in the scope of work for an existing Outside Contractor that will increase the cost of the work, the IC may direct the Fiscal Agent to transfer additional funds to the Contracting Agent to pay for the amended scope of work.
3. In the event the Fiscal Agent is also serving as the Administrator, the IC shall direct the Fiscal Agent to transfer funds to the Contracting Agent for payment of the Administrator. The Contracting Agent shall pay the Administrator pursuant to the contract executed between the Contracting Agent and the Administrator.
4. If a single PARTY is serving as the Fiscal Agent and the Contracting Agent, the IC may direct that PARTY to retain a specified amount of Countywide Funds to pay the PARTY for performing the services of Fiscal Agent and Contracting Agent.
5. In the event a single PARTY is serving as the Fiscal Agent, the Administrator and the Contracting Agent, the IC will direct the PARTY to implement the Annual Workplan and Budget as approved by the IC and the Commission. This includes paying the costs specified in the approved Budget for the PARTY performing the duties of the Administrator, the Fiscal Agent and the Contracting Agent, as well as carrying out the duties of each.
6. If the Contracting Agent is, at any time, running out of funds or projects a shortfall in funds due to changed conditions or circumstances, the Contracting Agent shall immediately inform the IC and the Fiscal Agent and proceed according to the directions of the IC.
7. When making transfers of funds to the Contracting Agent, the Fiscal Agent shall make the required arrangements for an electronic transfer of funds or for preparation of a check made payable to the Contracting Agent.
8. If the Contracting Agent does not receive funds from the Fiscal Agent pursuant to the schedule directed by the IC, the Contracting Agent shall promptly inform the Fiscal Agent and the Fiscal Agent shall promptly arrange for the funds to be transferred.

TAC MEMORANDUM OF AGREEMENT

9. At the end of the fiscal year, the IC will review the Year End Contract Status Report from the Contracting Agent, the Year-End Budget Report from the Fiscal Agent, and the Year-End Report from the Administrator. The IC may direct the Contracting Agent to transfer unspent, unencumbered funds to the Fiscal Agent or to retain such funds for use in the following fiscal year. The Contracting Agent will promptly comply with the directions of the IC.

10. If the IC directs the Contracting Agent to transfer unspent funds to the Fiscal Agent, the Fiscal Agent shall acknowledge receipt of such funds to the Contracting Agent and shall note the transfer in the accounting records of the Fiscal Agent pursuant to generally accepted government accounting procedures.


County of Santa Clara

Department of Agriculture and Environmental Management
Recycling and Waste Reduction Division



1555 Berger Drive Suite 300
San Jose, CA 95112
(408) 282-3180
Fax (408) 282-3188

<http://www.ReduceWaste.org>

DATE: September 2, 2014
TO: Clerk of the Board
FROM: Lisa Rose 
RE: Memorandum of Agreement

Attached are the original, signed copies of the Agreement Creating the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee, signed by each Party to the Agreement. Please forward an executed copy to me (electronically) and I will distribute to each of the cities. Please contact me at 408-282-3166 or lisa.rose@aem.sccgov.org if you have any questions.

EXHIBIT C

MEMORANDUM OF UNDERSTANDING AMONG LOCAL PUBLIC AGENCIES IN SANTA CLARA COUNTY FOR FOOD RECOVERY PROGRAM COSTS

SECTION 1. OVERVIEW

This Memorandum of Understanding (“MOU”) is between the cities of Cupertino, Gilroy, Los Altos, Milpitas, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, and Sunnyvale; the town of Los Altos Hills; the County of Santa Clara; and the West Valley Solid Waste Management Authority on behalf of its member agencies, the cities of Campbell, Monte Sereno and Saratoga; and town of Los Gatos; collectively “Parties” or individually as a “Party.”

SECTION 2. RECITALS

WHEREAS, the signatory Parties are also “PARTIES” to the Memorandum of Agreement for the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee, which is a Committee of the County of Santa Clara Recycling and Waste Reduction Commission that advances the interests of Party jurisdictions by performing technical and policy review to inform parties and advise the Commission on solid waste management issues, and bring together varied expertise and viewpoints for planning and implementing the Commission approved annual workplan and budget;

WHEREAS, the Parties have previously agreed to jointly fund the cost of a countywide edible food recovery program to satisfy their respective obligations under SB 1383 (2016) and the corresponding regulations;

WHEREAS, the County of Santa Clara is the Fiscal Agent for the Technical Advisory Committee (TAC) to the Santa Clara County Recycling and Waste Reduction Commission and the City of Morgan Hill is the Administrator and Contracting Agent for the TAC;

WHEREAS, the City of Morgan Hill, as Program Administrator and Contracting Agent, has contracted with Joint Venture Silicon Valley to implement and manage the countywide Food Recovery Program (“Program”) for Fiscal Year 2023/24;

WHEREAS, the Parties desire to execute this MOU to provide for their respective share of costs for the Program;

NOW, THEREFORE, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 3. PURPOSE OF THE MOU

The purpose of this MOU is to establish a means of requiring:

Payment by the Parties for their share of the costs for implementation of the Program.

SECTION 4. EFFECTIVE DATE

This MOU shall be effective upon execution of this MOU by all Parties (“Effective Date”).

SECTION 5. PAYMENTS UNDER THIS MOU

For purposes of the Program, the County of Santa Clara is the Fiscal Agent and the City of Morgan Hill is the TAC Administrator and Contracting Agent, as specified in the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee MOA.

The Parties agree to share costs for the services as described in Exhibit A of this MOU.

The County of Santa Clara will, within thirty (30) days of the Effective Date of this MOU, submit to the other Parties an invoice for the amounts due under the MOU. Each party will make their payment to the County of Santa Clara based on the invoice amount.

SECTION 6. RECORDS AND ACCOUNTS

The County of Santa Clara will keep complete and accurate financial records related to accomplishing the purposes of this MOU. Upon reasonable notice to the County of Santa Clara, any Party to this MOU may inspect the financial records related to this MOU.

SECTION 7. FURTHER ASSURANCES

Each Party will adopt, execute, and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the Parties’ performance of their obligations under this MOU.

SECTION 8. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to all other Parties as follows:

Authority: Each Party has the full legal right, power and authority under the laws of the State of California to enter into this MOU and to carry out all of its obligations herein.

Due Execution: Each Party’s representatives who sign this MOU are duly authorized to sign and bind their respective agency.

SECTION 9. REMEDIES NOT EXCLUSIVE

No remedy herein conferred upon or reserved in this MOU is exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise, and all such remedies may be exercised without exhausting and without regard to any other remedy.

SECTION 10. INDEMNIFICATION

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the Parties agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or jurisdiction delegated to such Party under this MOU. No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party hereto, its officers, board members, employees, or agents, under or in connection with or arising out of any work authority or jurisdiction delegated to such other Party under this MOU. The obligations set forth in this paragraph will survive termination and expiration of this MOU.

SECTION 11. SEVERABILITY

The provisions of this MOU shall be severable, and if any clause, sentence, paragraph, provision or other part shall be adjudged by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOU will be valid and binding on the Parties.

SECTION 12. AMENDMENTS

This MOU may only be amended by a written instrument signed by the Parties.

SECTION 13. COUNTERPARTS

This MOU may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SECTION 14. USE OF ELECTRONIC SIGNATURES

Unless otherwise prohibited by law, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by

facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the City of Morgan Hill. For the purposes of this agreement, the approved methods of signing shall be via DocuSign or original ink signature signed in counterpart and scanned over to the CITY via electronic mail.

SECTION 15. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.

This MOU, including all Exhibits attached hereto, represents the entire understanding of the Parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this MOU, the terms specified in the body of this MOU shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This MOU may be modified only by a written amendment duly executed by the Parties to this MOU.

SECTION 16. NO LEGAL RELATIONSHIP

By entering into this MOU, the Parties are neither forming, nor do they intend to form a partnership, agency, or any other legal entity relationship. No Party is authorized to bind or to act as the agent or legal representative of the other Party for any purpose, and neither Party is granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of any other Party.

SECTION 17. GOVERNING LAW, VENUE

This MOU has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California. Proper venue for legal action regarding this MOU shall be in the County of Santa Clara.

IN WITNESS OF, the Parties have executed the MOU as of the last date set forth below:

DocuSigned by:
Pamela Wu
AA92FF9291C7498
City of Cupertino - City Manager
Date: 5/2/2023

DocuSigned by:
Christopher D. Jensen
4E46827CD2874E4
Approval as to form, Cupertino
Date: 5/1/2023

DocuSigned by:
Jimmy Fortais
FAB7DCFFD8254E3
City of Gilroy - City Manager
Date: 5/2/2023

DocuSigned by:
Andy Faber
1876C6E85B8470
Approval as to form, Gilroy
Date: 5/4/2023

DocuSigned by:
John
0831E7C588F1464...
5/1/2023

DocuSigned by:
Gabriel England
City of Los Altos - City Manager
Date: 5/1/2023

DocuSigned by:
John
Approval as to form, Los Altos
Date: 5/1/2023

DocuSigned by:
Peter Pirneyad
Town of Los Altos Hills - Town Manager
Date: 5/1/2023

DocuSigned by:
Steve Mattas
Approval as to form, Los Altos Hills
Date: 5/19/2023

DocuSigned by:
Ashwini Kantak
City of Milpitas - City Manager /ACTING
Date: 5/10/2023

DocuSigned by:
[Signature]
Approval as to form, Milpitas
Date: 5/1/2023

DocuSigned by:
Christina Turner
City of Morgan Hill - City Manager
Date: 5/5/2023

DocuSigned by:
Donald Larkin
Approval as to form, Morgan Hill
Date: 5/1/2023

DocuSigned by:
Kimbra McCarthy
City of Mountain View - City Manager
Date: 5/5/2023

DocuSigned by:
Diana Farley
Approval as to form, Mountain View
Date: 5/3/2023

DocuSigned by:
Dawn S Cameron
City of Mountain View - Public Works Director
Date: 5/1/2023

DocuSigned by:
[Signature]
City of Mountain View - Finance/
Administrative Services Director
Date: 5/2/2023

Sarah Zarate
City of San Jose - City Manager
Date: 5/26/2023

[Signature]
Approval as to form, San Jose
Date: 6/1/2023

DocuSigned by:
[Signature]
City of Santa Clara - City Manager
Date: 5/7/2023

DocuSigned by:
Luis M. Haro
Approval as to form, Santa Clara (City)
Date: 5/22/2023

DocuSigned by:
Kent Steffens
City of Sunnyvale - City Manager
Date: 5/2/2023

DocuSigned by:
Rebecca Moon
Approval as to form, Sunnyvale
Date: 5/1/2023

DocuSigned by:
Matthew Hada
County of Santa Clara - Director of Procurement
Date: 5/1/2023

DocuSigned by:
Willie Nguyen
Approval as to form, Santa Clara County
Date: 5/1/2023

DocuSigned by:
Folo Hilton
West Valley Solid Waste Management Authority - President
Date: 5/1/2023

DocuSigned by:
Kirsten Powell
Approval as to form, West Valley Solid Waste Management Authority
Date: 5/8/2023

DocuSigned by:
Ed Shibada
City of Palo Alto - City Manager
Date: 5/5/2023

DocuSigned by:
Caro Callan
Approval as to form, City of Palo Alto
Date: 5/11/2023

EXHIBIT A COSTS AND SCOPE OF SERVICES

Proposed Jurisdiction Contributions for Base Program and Infrastructure - FY 23-24 Program Costs									
Jurisdictions	Initial Local Asst. Grant (LAG) Allocation	Initial program "pledge" 19% of LAG	Tier 1 Generators	Tier 2 Generators	Total Generators	Base Program Contract Cost (\$133 per generator)	Base Program Contribution (\$133 per generator)	Potential Infrastructure Enhancements	Enhancement Contribution
Campbell	\$ 55,495	\$ 10,544	11	49	60	\$ 7,980	\$ 7,980	\$ 2,564	\$ 2,564
Cupertino	\$ 77,953	\$ 14,811	10	80	90	\$ 11,970	\$ 11,970	\$ 2,841	\$ 2,841
Gilroy	\$ 75,255	\$ 14,298	11	48	59	\$ 7,847	\$ 7,847	\$ 6,451	\$ 6,451
Los Altos	\$ 41,038	\$ 7,797	7	34	41	\$ 5,453	\$ 5,453	\$ 2,344	\$ 2,344
Los Altos Hills	\$ 20,000	\$ 3,800	0	2	2	\$ 266	\$ 266	\$ 3,534	\$ 3,534
Los Gatos	\$ 41,465	\$ 7,878	10	45	55	\$ 7,315	\$ 7,315	\$ 563	\$ 563
Milpitas	\$ 100,259	\$ 19,049	21	92	113	\$ 15,029	\$ 15,029	\$ 4,020	\$ 4,020
Monte Sereno	\$ 20,000	\$ 3,800	0	1	1	\$ 133	\$ 133	\$ 3,667	\$ 3,667
Morgan Hill	\$ 63,156	\$ 12,000	15	43	58	\$ 7,714	\$ 7,714	\$ 4,286	\$ 4,286
Mountain View	\$ 109,638	\$ 20,831	17	114	131	\$ 17,423	\$ 17,423	\$ 3,408	\$ 3,408
Palo Alto	\$ 89,759	\$ 17,054	7	106	113	\$ 15,029	\$ 15,029	\$ 2,025	\$ 2,025
San Jose	\$ 1,351,654	\$ 256,814	212	787	999	\$ 132,702	\$ 132,702	\$ 124,112	\$ 124,112
Santa Clara	\$ 172,504	\$ 32,776	40	162	202	\$ 26,866	\$ 26,866	\$ 5,910	\$ 5,910
Saratoga	\$ 41,085	\$ 7,806	2	26	28	\$ 3,724	\$ 3,724	\$ 4,082	\$ 4,082
Sunnyvale	\$ 202,777	\$ 39,368	26	144	170	\$ 22,610	\$ 22,610	\$ 16,758	\$ 16,758
Unincorporated SCC	\$ 113,337	\$ 23,000	13	35	48	\$ 6,384	\$ 6,384	\$ 16,616	\$ 16,616
Totals	\$ 2,575,374	\$ 491,627	402	1768	2170	\$ 288,445	\$ 288,445	\$ 203,182	\$ 203,182
West Valley Cities: FY 23-24 contributions funded by West Valley Solid Waste Management Authority							\$ 19,152	\$ 10,876	\$ 10,876

Note: Initial program pledge was based on program cost estimate before program establishment and experience with program scope of work. Enhancement Contributions may be reduced, but not the Base Program Contribution. Contributions to Infrastructure Enhancements by each agency are subject to change pending final approvals by each Agency.

**EXHIBIT A:
SCOPE OF SERVICES**

Base Program – Countywide Food Recovery Program Management

From July 1, 2023 to June 30, 2024, Joint Venture Silicon Valley will run the Santa Clara County Food Recovery Program, serving as the food recovery program (Program) on behalf of all jurisdictions (Jurisdictions) of the Parties, and coordinating with any Party performing their own enforcement.

The Base Program

1. Will develop and coordinate a standardized and uniform method to comply with California Code of Regulations, Title 14, Division 7, Chapter 12, “Short-Lived Climate Pollutants.” The Program will operate within the Party’s boundaries and replace the need for the Party to create such a program on its own.
2. Each year by March, the Program will conduct a review of new Tier 1 and Tier 2 Entities, to ensure that as businesses open in Santa Clara County, the appropriate regulated entities are added to the Tier 1 and Tier 2 lists. Closing businesses will be identified during the reporting process, and be eliminated from the lists.
3. Provide Parties with requirements for inclusion in the ‘large event’ list requested from each Party, as well as provide electronic materials for distribution for large event planners.
4. Shall provide Parties with the information and data necessary for the Parties to make their required reports to CalRecycle.
5. Shall retain records of inspections for each Party for a minimum of five (5) years.
6. Shall notify the Party promptly about any related issues that require the Party’s assistance or to request the Party lead in resolving the issue(s) that arise related to non-compliance.
7. Shall fulfill the annual education requirement for the Parties and provide the data needed for the Parties to complete required CalRecycle reports.
8. Shall conduct generator and Food Recovery Organization/Services requests for reports, compile the results, and communicate those results to the jurisdictions for inclusion in the Implementation Record Data Summary, and to Santa Clara County for use in future Capacity Planning efforts.
9. Shall conduct inspections and monitoring in compliance with CalRecycle expectations for Tier One businesses, Tier Two entities and Organizations, and Food Recovery Organizations and Services.
10. The Program shall supply appropriate content for the web site, SCCFoodRecovery.org, as well as a list of Food Recovery Organizations and Services. The list will be annually updated and made accessible to Tier 1 and 2 Entities.

11. The Program leadership shall represent the interests of the Program with other entities, Counties, and CalRecycle.
12. The Program leadership shall create reports about Program activities at the end of each fiscal year. These reports shall include monitoring statistics, details on overall compliance, compliance in certain sectors, total number of pounds of food recovered, and a summary of all enforcement actions taken.
13. Statistics about food recovery in Santa Clara County will be shared on the Office of Sustainability website as part of the Sustainability Master Plan Data Dashboard and the Annual Sustainability Report.

All Parties to this MOU will receive the Base Program services.

Infrastructure Enhancements Program

As shown in Exhibit A of this MOU, jurisdictions have chosen to contribute to the edible food recovery Infrastructure Enhancements Program which will direct additional food recovery resources to participating jurisdictions between July 1, 2023 and June 30, 2024. The Infrastructure Enhancements Program will include two subprograms, described as follows:

- 1) **Small Capacity Grants**. Grants will be issued to increase the food recovery capacity of food recovery organizations that serve contributing jurisdictions. Applications will be solicited, awards will be issued, and funds will be distributed. Joint Venture Silicon Valley will provide information for Annual Reporting that shows how contributions to this subprogram were spent on behalf of each participating Agency.
- 2) **Food Waste Prevention Classes**. A webinar/in-person series will be advertised for different sectors regulated under SB 1383 (e.g., restaurants, hospitals, schools, large events). The series will promote food waste prevention measures specific to each regulated sector, provide food recovery tips and best practices, and teach businesses and organizations how to comply with SB 1383 and local ordinances. The series will start with Tier 2, and then move into Tier 1 groups that answered 'zero pounds' in their reports, if funding allows. Joint Venture Silicon Valley will provide information for Annual Reporting that shows how contributions to this subprogram were spent on behalf of each participating Party.

Certificate Of Completion

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Status: Completed

Subject: Complete with DocuSign: FRP_SharedCostAgrmt_MOU_removed West Valley Cities final_4sigsMV_5.1.23.pdf

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Pool: City of Morgan Hill

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Signer Events

Andy Faber

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City Attorney

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Signature

DocuSigned by: Andy Faber

Timestamp

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Ashwini Kantak

akantak@mlpitas.gov

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Caio Arellano

caio.arellano@cityofpalcalto.org

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Christina Turner

christina.turner@morganhill.ca.gov

City Manager

City of Morgan Hill

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DocuSigned by: Christina Turner

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Signer Events

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Christopher D. Jenson
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Security Level: Email, Account Authentication
(None)

Signature

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Christopher D. Jenson
16A9827CD2B74E1...

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Dawn S Cameron
dawn.cameron@mountainview.gov
Security Level: Email, Account Authentication
(None)

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Dawn S Cameron
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Derek Rampone
derek.rampone@mountainview.gov
Security Level: Email, Account Authentication
(None)

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DR
72AC8BDF704B40F...

Signature Adoption: Drawn on Device
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Diana Fazely
diana.fazely@mountainview.gov
Security Level: Email, Account Authentication
(None)

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Diana Fazely
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Donald Larkin
donald.larkin@morganhill.ca.gov
City Attorney/Risk Manager
Security Level: Email, Account Authentication
(None)

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Donald Larkin
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Signer Events

Ed Shikada
ed.shikada@cityofpaloalto.org
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Ed Shikada
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Gabriel Engeland
gengelnd@losaltosca.gov
Security Level: Email, Account Authentication (None)

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Gabriel Engeland
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Jimmy Forbis
jimmy.forbis@ci.gilroy.ca.us
City Administrator
Security Level: Email, Account Authentication (None)

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Jimmy Forbis
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Jolie Houston
jolie.houston@berliner.com
Security Level: Email, Account Authentication (None)

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Jolie Houston
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Jovan D. Grogan
jgrogan@santaclaraca.gov
Security Level: Email, Account Authentication (None)

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Jovan D. Grogan
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Kent Steffens
ksteffens@sunnyvale.ca.gov
Security Level: Email, Account Authentication (None)

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Kent Steffens
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Signer Events

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Kimbra McCarthy
kimbra.mccarthy@mour.tainview.gov
Security Level: Email, Account Authentication (None)

Signature

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Kimbra McCarthy
253F8B199DF4A8...

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Kirsten Powell
kpowell@loganpowell.com
Security Level: Email, Account Authentication (None)

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Kirsten Powell
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Luis M. Haro
ggoojins@santaclaraca.gov
Security Level: Email, Account Authentication (None)

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Matthew Hada
matthew.hada@prc.sccgov.org
Security Level: Email, Account Authentication (None)

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Matthew Hada
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Michael Mutalipassi
mmutalipassi@milpitas.gov
Security Level: Email, Account Authentication (None)

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Michael Mutalipassi
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Signer Events

Pamela Wu
pamelaw@cupertino.org
Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:
Pamela Wu
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Peter Pirnejad
ppirnejad@losaltoshills.ca.gov
Security Level: Email, Account Authentication
(None)

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Peter Pirnejad
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Rebecca Moon
rmoon@sunnyvale.ca.gov
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Rebecca Moon
4004864691144B7...

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Rob Hilton
rchilton@hfh-consultants.com
President
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Rob Hilton
4A0B27840FF14D1...

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Steve Mattas
stevem@meyersnave.com
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Steve Mattas
6347982C48394C0...

Signature Adoption: Pre-selected Style
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Willie Nguyen
willie.nguyen@ccc.sccgov.org
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Willie Nguyen
A1759187CF04416...

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Electronic Record and Signature Disclosure:

Signer Events

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Status

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Carbon Copy Events

Status

Timestamp

Brad Eggleston
 brad.eggleston@cityofpaloalto.org
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

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Sent: 5/1/2023 12:41:43 PM

Casey Leedom
 cleedom@losaltosca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

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Sent: 5/1/2023 11:08:46 AM

Chuck Muir
 chuck.muir@cityofpaloalto.org
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

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Sent: 5/1/2023 11:08:47 AM
 Resent: 5/1/2023 12:41:42 PM

Clif Chew
 clifton.chew@cep.sccgov.org
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

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Sent: 5/1/2023 11:09:02 AM
 Viewed: 5/1/2023 11:09:52 AM

Cynthia Iwanaga
 cynthia.iwanaga@morganhill.ca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Accepted: 5/1/2023 9:24:00 AM
 ID: 66b4f104-4cd0-4412-aff0-d3ab5542ac7

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Sent: 5/2/2023 7:49:20 AM
 Viewed: 5/2/2023 8:25:53 AM

Dave Staub
 dstaub@santaclaraca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Sent: 5/1/2023 11:09:01 AM
 Viewed: 5/22/2023 1:00:43 PM

Hailey Gordon
 hgordon@hfh-consultants.com
 Security Level: Email, Account Authentication (None)

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Sent: 5/1/2023 11:08:59 AM

Carbon Copy Events

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Timestamp

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Hemali Mikhael
hemali.mikhael@mountainview.gov

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Sent: 5/1/2023 11:08:46 AM

Security Level: Email, Account Authentication
(None)

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Ivan Carmona-Torres
ivan.carmonatorres@morganhill.ca.gov

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Sent: 5/1/2023 11:08:58 AM
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Security Level: Email, Account Authentication
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Jennifer Cutler
jennifer.cutler@mountainview.gov

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Sent: 5/1/2023 11:08:52 AM
Viewed: 5/1/2023 11:28:24 AM

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
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Kim Mancera
kim.mancera@morganhill.ca.gov

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Sent: 5/1/2023 11:08:56 AM

Municipal Services Assistant
City of Morgan Hill
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
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Laura Lo
laura.lo@mountainview.gov

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Sent: 5/1/2023 11:08:47 AM

Security Level: Email, Account Authentication
(None)

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Michele Young
michele.young@cep.sccgov.org

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Sent: 5/1/2023 11:08:57 AM
Viewed: 5/1/2023 3:57:39 PM

Security Level: Email, Account Authentication
(None); Login with SSO

Electronic Record and Signature Disclosure:
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Myvan Khuu-Seeman
mkhuuseeman@milpitas.gov

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Sent: 5/1/2023 11:08:54 AM
Viewed: 5/22/2023 12:41:10 PM

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
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Paula Borges
paula.borges@cityofpalto.org

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Sent: 5/1/2023 11:08:55 AM

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
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Carbon Copy Events

Sarina Revillar
 srevillar@losaltoshills.ca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Timestamp

Sent: 5/1/2023 11:08:48 AM

Shikha Gupta
 sgupta@sunnyvale.ca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Sent: 5/1/2023 11:09:02 AM
 Viewed: 5/1/2023 11:10:34 AM

Tania Katbi
 tkatbi@losaltosca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Sent: 5/1/2023 11:08:44 AM
 Viewed: 5/22/2023 12:41:18 PM

Tanya Carothers
 tanya.carothers@moerganhill.ca.gov
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Sent: 5/1/2023 11:08:45 AM

Ursula Syrova
 ursulas@cupertino.org
 Security Level: Email, Account Authentication (None)
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Sent: 5/1/2023 11:08:41 AM
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WVSWMA
 wvswma@hfh-consultants.com
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
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Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted
Envelope Updated	Security Checked
Envelope Updated	Security Checked
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Envelope Updated	Security Checked
Certified Delivered	Security Checked
Signing Complete	Security Checked
Completed	Security Checked

5/1/2023 11:09:05 AM
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 5/22/2023 12:39:39 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

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To advise City of Morgan Hill of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at michelle.bigelow@morganhill.ca.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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Certificate Of Completion

Envelope Id: 3A93AB9892E14CA3A81B8E947DE2F8E0
Subject: Complete with DocuSign: Food Recovery Program FINAL FRP MOU 6-11-2024.pdf
Source Envelope:
Document Pages: 79
Certificate Pages: 12
AutoNav: Enabled
Envelopeld Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed

Envelope Originator:
City Clerk's Office
17575 Peak Ave
Morgan Hill, CA 95037
cityclerk@morganhill.ca.gov
IP Address: 35.131.77.142

Record Tracking

Status: Original
6/12/2024 10:55:16 AM
Security Appliance Status: Connected
Storage Appliance Status: Connected

Holder: City Clerk's Office
cityclerk@morganhill.ca.gov
Pool: StateLocal
Pool: City of Morgan Hill

Location: DocuSign

Location: DocuSign

Signer Events

Andy Faber
andy.faber@berliner.com
City Attorney
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Andy Faber
1979C9EB5968470...

Signature Adoption: Pre-selected Style
Using IP Address: 73.63.185.241

Timestamp

Sent: 6/12/2024 11:35:00 AM
Viewed: 6/17/2024 11:54:16 AM
Signed: 6/18/2024 8:00:12 AM

Electronic Record and Signature Disclosure:

Accepted: 6/17/2024 11:54:16 AM
ID: 643bbd8b-a793-43ed-a365-42b9a1c52cdb

Caio Arellano
caio.arellano@cityofpaloalto.org
Security Level: Email, Account Authentication (None)

DocuSigned by:
Caio Arellano
81C299FA3994DE...

Signature Adoption: Uploaded Signature Image
Using IP Address: 199.33.32.254

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Viewed: 6/19/2024 12:14:18 PM
Signed: 6/19/2024 12:14:31 PM

Electronic Record and Signature Disclosure:

Accepted: 6/19/2024 12:14:18 PM
ID: 1d22a672-7a41-4755-be58-33967b52283c

Christina Turner
christina.turner@morganhill.ca.gov
City Manager
City of Morgan Hill
Security Level: Email, Account Authentication (None)

DocuSigned by:
Christina Turner
6D0196AF54994D...

Signature Adoption: Pre-selected Style
Using IP Address: 174.85.125.241

Sent: 6/12/2024 11:35:03 AM
Resent: 6/18/2024 10:40:03 AM
Viewed: 6/21/2024 3:01:11 PM
Signed: 6/21/2024 3:07:11 PM

Electronic Record and Signature Disclosure:

Accepted: 6/21/2024 3:01:11 PM
ID: ebb50307-40c6-4e4f-95e8-cb87e6e01978

Christopher Jensen
christopherj@cupertino.org
Security Level: Email, Account Authentication (None)

DocuSigned by:
Christopher Jensen
4EA6927CD2974E4...

Signature Adoption: Pre-selected Style
Using IP Address: 64.165.34.3

Sent: 6/12/2024 11:35:00 AM
Viewed: 6/12/2024 11:50:25 AM
Signed: 6/12/2024 11:50:35 AM

Electronic Record and Signature Disclosure:

Signer Events

Accepted: 6/12/2024 11:50:25 AM
ID: 87fde15f-e225-497c-ba93-cac7b43d9e09

Cynthia Hasson
cynthia.hasson@morganhill.ca.gov
Assistant City Attorney
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 6/13/2024 10:56:11 AM
ID: 9f025614-526f-4766-82ca-71a7c0de37df

Derek Rampone
derek.rampone@mountainview.gov
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 6/14/2024 1:17:22 PM
ID: 6b6a0511-a0ae-4f09-b442-e7526e4d7e45

Ed Shikada
ed.shikada@cityofpaloalto.org
City Manager
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 6/19/2024 4:10:05 PM
ID: 1613d0db-fcf8-41d2-83bf-48f2cfefd190

Edward Arango
ed.arango@mountainview.gov
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 6/12/2024 12:01:13 PM
ID: f3894cea-e5fa-4794-8642-98715557c765

Gabriel Engeland
gengeland@losaltosca.gov
Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 6/12/2024 12:48:28 PM
ID: 6e9a1cfb-811e-4e9c-8a17-aaf5bf1dda4d

Signature

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Cynthia Hasson
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Signature Adoption: Pre-selected Style
Using IP Address: 35.131.77.142

DocuSigned by:
Derek Rampone
72AC8A8DEF64B4BF...

Signature Adoption: Uploaded Signature Image
Using IP Address: 72.134.188.247

DocuSigned by:
Ed Shikada
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Edward Arango
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Signature Adoption: Pre-selected Style
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DocuSigned by:
Gabriel Engeland
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Signature Adoption: Drawn on Device
Using IP Address: 24.5.148.170

Timestamp

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Viewed: 6/14/2024 1:17:22 PM
Signed: 6/14/2024 1:20:47 PM

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Viewed: 6/12/2024 12:01:13 PM
Signed: 6/12/2024 12:02:34 PM

Sent: 6/12/2024 11:35:04 AM
Viewed: 6/12/2024 12:48:28 PM
Signed: 6/12/2024 12:48:36 PM

Signer Events

Greta Hansen
greta.hansen@ceo.sccgov.org
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Accepted: 6/13/2024 2:03:05 PM
ID: 748e40d0-bfe3-4069-b43f-9f81cedfc689

Jimmy Forbis
jimmy.forbis@ci.gilroy.ca.us
City Administrator
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Accepted: 6/18/2024 8:54:12 AM
ID: 216338b4-7976-4712-84a4-018136c2a42e

Jolie Houston
jolie.houston@berliner.com
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Accepted: 6/18/2024 10:48:05 AM
ID: fb8779e4-063f-4865-9b1c-cbc7b6cf0306

Jovan D. Grogan
jgrogan@santacruz.ca.gov
City Manager
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Accepted: 5/5/2023 7:45:07 AM
ID: 5e9934b0-786a-4665-8462-3e1f503a84ca

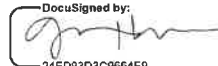
Kent Steffens
ksteffens@sunnyvale.ca.gov
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
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ID: 899fe0d3-21dc-4814-adae-dffd8146960d

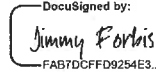
Kimbra McCarthy
kimbra.mccarthy@mountainview.gov
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Signature

DocuSigned by:

24ED83D3C9664E9...

Signature Adoption: Drawn on Device
Using IP Address: 73.223.26.112
Signed using mobile

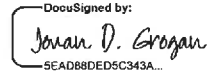
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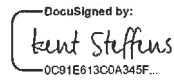
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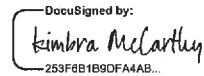
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Using IP Address: 68.121.158.241

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Signature Adoption: Pre-selected Style
Using IP Address: 38.99.114.1

DocuSigned by:

0C91E613C0A345F...

Signature Adoption: Pre-selected Style
Using IP Address: 198.94.221.66

DocuSigned by:

259FB1B9DFA4AB...

Signature Adoption: Pre-selected Style
Using IP Address: 38.99.34.33

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Viewed: 6/18/2024 8:54:12 AM
Signed: 6/18/2024 8:54:24 AM

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Viewed: 6/18/2024 10:48:05 AM
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Viewed: 6/19/2024 3:30:36 PM
Signed: 6/19/2024 3:35:21 PM

Sent: 6/12/2024 11:35:07 AM
Viewed: 6/12/2024 1:48:44 PM
Signed: 6/12/2024 1:49:00 PM

Signer Events

Accepted: 6/12/2024 1:48:44 PM
ID: 882bcb81-488e-4854-b7f9-c4fce774c2e0

Kirsten Powell
kpowell@loganpowell.com
Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:
Kirsten Powell
00F15E0E71244B4...

Signature Adoption: Pre-selected Style
Using IP Address: 24.130.24.100

Timestamp

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Resent: 6/18/2024 10:40:07 AM
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Signed: 6/24/2024 2:07:58 PM

Electronic Record and Signature Disclosure:

Accepted: 6/24/2024 2:07:36 PM
ID: 8bd29dad-3c4a-4b10-b2a3-ea6eff9ae44c

Luis M. Haro.
lharo@santaclaraca.gov
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Luis M. Haro.
2CF041664BD049C...

Signature Adoption: Pre-selected Style
Using IP Address: 38.99.114.1

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Signed: 6/13/2024 9:45:18 AM

Electronic Record and Signature Disclosure:

Accepted: 6/13/2024 9:44:17 AM
ID: 60671fd5-06fa-469b-9d4b-428d50257596

Merry Monlux
merry.monlux@mountainview.gov
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Merry Monlux
6BF085EE68D04C5...

Signature Adoption: Pre-selected Style
Using IP Address: 38.99.34.33

Sent: 6/12/2024 11:35:05 AM
Viewed: 6/14/2024 1:36:55 PM
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Electronic Record and Signature Disclosure:

Accepted: 6/14/2024 1:36:55 PM
ID: 0a99aa48-7aa0-41b1-b3d1-910bd8800dad

Michael Mutalipassi
mmutalipassi@milpitas.gov
Security Level: Email, Account Authentication
(None)

DocuSigned by:
[Signature]
71850D37D7764FB...

Signature Adoption: Uploaded Signature Image
Using IP Address: 98.207.128.111

Sent: 6/19/2024 9:05:06 AM
Viewed: 6/20/2024 8:40:02 AM
Signed: 6/20/2024 8:40:16 AM

Electronic Record and Signature Disclosure:

Accepted: 6/20/2024 8:40:02 AM
ID: 53986d39-2eb7-4bcb-b658-71c26cc7e61d

Mitesh Bhakta
mitesh.bhakta@mountainview.gov
Sr. Atty
Security Level: Email, Account Authentication
(None)

DocuSigned by:
Mitesh Bhakta
4991CB89EFA1439...

Signature Adoption: Pre-selected Style
Using IP Address: 65.78.11.213

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Signed: 6/12/2024 11:37:35 AM

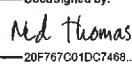
Electronic Record and Signature Disclosure:

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ID: e440acde-2c49-46b2-a3af-435ee5b2e315

Signer Events

Ned Thomas
nthomas@milpitas.gov
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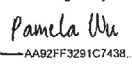
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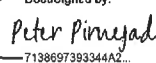
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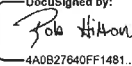
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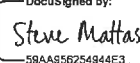
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CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Mario Ramirez, Police Captain

APPROVED BY: City Manager

APPROVE THE 2024 ANNUAL MILITARY EQUIPMENT USE REPORT

RECOMMENDATION(S)

1. Approve the 2024 Annual Military Equipment Use Report and the continued use of the controlled equipment contained in the report; and
2. Authorize the purchase of controlled equipment for approximately \$32,581.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

2024-2025 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Public Safety Master Plan

REPORT NARRATIVE:

The Police Department has completed its 2024 Annual Report on Military Equipment Use and presented it at a well-publicized Town Hall Meeting on May 14, 2025 in the City Council Chambers. The Annual Report is included as an attachment for review and approval. One community member came to the Town Hall Meeting who was in support of the continued use and replacement purchases (listed in the fiscal impact section below) of the military equipment. Prior to the meeting, the Police Department received one email from a separate community member, which is attached to this staff report with the response from the Police Department.

COMMUNITY ENGAGEMENT:

On May 14, 2025, Morgan Hill Police Department held a Town Hall Meeting to discuss the 2024 Controlled Equipment Annual Report. The meeting was advertised in the 411, on the City's website, and other channels.

ALTERNATIVE ACTIONS:

None

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On April 24, 2024, the City Council approved the 2023 Military Equipment Use Report as outlined in Government Code section 7070.

FISCAL AND RESOURCE IMPACT:

The use of controlled equipment for 2024 was \$7,388. The projected cost of the controlled equipment for 2025 is \$32,581 and is included in the Police Department's Fiscal Year (FY 25/26) budget.

Equipment Type	Annual Maintenance (2024)	Projections (2025)
Unmanned Aircraft System	\$0	\$0
Armored Rescue Vehicles	N/A	To be paid in 2026
The ROOK	N/A	N/A
Mobile Incident Command	\$5,459.00	\$12,000.00
Long Range Acoustical Device (LRAD)	\$0	\$0
40 mm Less-Lethal Launchers	\$250.00	\$250.00
Less-Lethal Shotguns	\$0	\$12,423.88
Diversionsary Devices	\$1,579.00	\$1,500.00
Rifles	\$0	\$4,806.96
Chemical Agents and Smoke Canisters	\$0	\$1,500.00
PepperBall Launchers	\$100.00	\$100.00
TOTAL	\$7,388.00	\$ 32,580.84

The previously approved Armored Rescue Vehicle for approximately \$410,000 was ordered in 2025 and is due for delivery in January 2026, which is just in time for the World Cup and Super Bowl Events.

CEQA (California Environmental Quality Act):

Not a Project--Administrative activity that has no potential to impact the environment directly or indirectly.

2024

Annual Report on Controlled Equipment Use



Morgan Hill Police Department

January 1, 2024 to December 31, 2024

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Executive Summary

On September 30, 2021, the Governor of the State of California approved AB-481, requiring law enforcement agencies to obtain approval of the applicable governing body (Mayor and City Council) by adopting a military equipment use policy. The Department is required to seek City Council approval of their military equipment or controlled equipment use procedure by ordinance at a regular open meeting prior to taking certain actions relating to the funding, acquisition, or use of military equipment, as defined.

The bill allows the governing body to approve the funding, acquisition, or use of military equipment or controlled equipment within its jurisdiction only if it determines that the controlled equipment meets specified standards. The ordinance is subject to an annual City Council review to determine whether, based on an annual controlled equipment report, the standards set forth in the approving ordinance have been met. The City Council may renew the authorizing ordinance, disapprove authorization for special controlled equipment where standards have not been met, or require modifications to the controlled equipment use procedure to address any non-compliance with standards.

Finally, the bill requires the publication of the controlled equipment use procedure and the annual controlled equipment report on the Department's website. The controlled equipment use procedure must be posted on the website at least thirty (30) days before the City Council meeting.

California Government Code section 7072 requires an annual report within a year of the policy approval and annually after that for as long as the controlled equipment is in use. The annual report must contain the following information:

- (1) A summary of how the equipment was used and the purpose of its use.
- (2) A summary of any complaints or concerns from members of the public about the equipment.
- (3) The results of an internal audit, including any information about violations of the equipment use policy and any actions taken in response.
- (4) The total annual cost for each type of equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing expenses; and from what source funds will be provided for the controlled equipment in the calendar year following submission of the annual report.
- (5) The quantity possessed for each type of controlled equipment.
- (6) If the law enforcement agency intends to acquire additional controlled equipment next year, and the quantity sought for each type of qualifying equipment.

The Police Department shall hold at least one (1) well-publicized and conveniently located community engagement meeting. The public may discuss and ask questions regarding the annual report, the law enforcement agency's funding, acquisition, and/or the use of the controlled equipment.

The Morgan Hill Police Department recognizes the public's ongoing interest in how controlled equipment is used to protect our community. We are committed to maintaining our community's trust in providing professional and responsive police services. Therefore, the Morgan Hill Police Department has authored the following comprehensive Annual Report on Controlled Equipment Use to remain transparent with our community and in accordance with annual reporting requirements set forth by applicable California Law.

Introduction

The Morgan Hill Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services. To accomplish our mission effectively and safely, the Morgan Hill Police Department possesses and utilizes certain specialized equipment (military equipment or controlled equipment) to safeguard the citizens of Morgan Hill and protect our first responders. While our inventory of controlled equipment varies, the mere possession of this equipment does not warrant its use. The merits and the totality of the circumstances of each unique incident are considered before controlled equipment is utilized in compliance with department policy and law.

The term "military equipment or controlled equipment," as used in Assembly Bill 481, does not necessarily indicate the equipment is or has been used by the military. Many items defined as "military equipment or controlled equipment" by the bill are often used by law enforcement to preserve life and enhance public and officer safety while remaining prepared to handle the various lethal and non-lethal challenges facing our communities. The Morgan Hill Police Department's use of controlled equipment is consistent with overall best practices employed by police departments nationwide.

Items used by the Morgan Hill Police Department that are considered military equipment or controlled equipment under Assembly Bill 481 include, but are not limited to, emergency response equipment such as command vehicles and armored rescue vehicles, less-lethal shotguns, less-lethal 40mm projectile launchers, precision weapons such as rifles, unmanned aircraft systems, and other select items. The continued access to and use of this equipment is vital in ensuring our officers have the appropriate tools to de-escalate situations, preserve life, ensure safety for all people, and protect civil liberties.

This Annual Report on Controlled Equipment Use outlines a summary of the equipment usage guidelines, inventory, fiscal impact, complaints, and reported community concerns for the calendar year 2024 (January 1, 2024, through December 31, 2024).

Summary of Controlled Equipment Usage

The Morgan Hill Police Department provides law enforcement services twenty-four hours a day, seven days a week, serving a city population of over 46,384. The Department is committed to de-escalating situations, and using force is reserved for instances where less intrusive options are not feasible. In 2024, the Morgan Hill Police Department responded to approximately 33,579 calls for service. Of those calls for service, officers used force on seven (7) occasions, representing .0002% of the total calls for service. (It should be noted that the Department saw a decrease in the number of use-of-force incidents in 2024 compared to 2023.) Officers utilized controlled equipment in two (2) cases involving the use of force.

Police events and critical incidents are often dynamic and unpredictable. The availability and use of specific equipment are necessary for incident commanders, officers, and specialized units to resolve incidents safely and effectively. It is incumbent upon incident commanders, supervisors, individual officers, and specialized teams to recognize the circumstances wherein specialized equipment should be deployed and to utilize the equipment within the confines of department policy and law. Each use of military equipment is later reviewed to ensure it was used appropriately based on the totality of the circumstances known to the officers at the time and with a special focus on maintaining community and officer safety, civil rights, California law, and information available at the time of use.

The Morgan Hill Police Department recognizes that critical incidents are unpredictable and can be very dynamic in nature. A variety of military equipment options can greatly assist incident commanders, officers, and specific units in bringing those incidents to a swift resolution in a safe manner. While the Morgan Hill Police Department's inventory of military equipment is varied, the mere possession of the equipment does not warrant its use for every incident. The use of military equipment is restricted to use only in certain instances and, in some cases, only by certain units.

This section outlines the controlled equipment usage for 2024. Certain items of controlled equipment, particularly consumables (ammunition, diversionary devices, pepper balls, chemical agents, etc.), are used throughout the year regularly for training to maintain proficiency. Training usage is *not* captured in this section. This section only provides data for the *operational use* of controlled equipment listed within this Annual Equipment Report.

The following is the data for military equipment usage by category for 2024:

Unmanned Aircraft System (UAS)

The UAS was utilized zero (0) times operationally in 2024.

Armored Rescue Vehicles

The armored rescue vehicle was utilized seventeen (17) times operationally in 2024. These deployments occurred during SWAT operations in the City of Gilroy and the City of Morgan Hill and during special events held in the City of Morgan Hill, such as the Mushroom Festival, the Freedom Fest, and Boot and Brews Music Festival. The armored rescue vehicle was obtained through mutual aid with the Santa Clara County Sheriff's Office and the Santa Clara Police Department.

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK)

The NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK) was utilized zero (0) times operationally in 2024. Currently, the Department does not possess an NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK); however, the Police Department continues to look for grant funding.

Mobile Command Vehicle (MCV)

The Mobile Command Vehicle (MCV) was utilized seventeen (17) times operationally in 2024. Deployments occurred during SWAT operations in the City of Gilroy and Morgan Hill and for special events, such as the Morgan Hill Mushroom Festival, the Morgan Hill Freedom Fest, and Boot and Brews Country Music Festival.

Long Range Acoustic Device (LRAD)

The Long-Range Acoustic Device (LRAD) was utilized operationally zero (0) times in 2024.

40 MM Launchers and Rounds

The 40 MM Launchers and Rounds were utilized operationally for one (1) time in 2024. The usage is as follows:

- 04-16-2024: Officers responded to a call for service regarding a suspicious person who was walking in and out of the middle of the roadway, causing a traffic hazard. When officers attempted to contact the subject, the subject pulled out a pocketknife and brandished the knife at officers. The subject began walking towards community members at a bus stop, still with the knife in their hand. The officers on scene gave multiple commands to the subject to drop the knife; however, the subject refused to obey any of the commands given. Due to this significant threat to the officers and the community, the 40 MM Launcher was used along with a less lethal shotgun were deployed. The subject dropped the knife, and the officers were able to take the subject into custody without further incident.

Less Lethal Shotgun

A Less Lethal Shotgun was utilized one (1) time operationally in 2024. The usage is as follows:

- 04-16-2024: Officers responded to a call for service regarding a suspicious person who was walking in and out of the middle of the roadway, causing a traffic hazard. When officers attempted to contact the subject, the subject pulled out a pocketknife and brandished the knife at officers. The subject began walking towards community members at a bus stop, still with the knife in their hand. The officers on scene gave multiple commands to the subject to drop the knife; however, the subject refused to obey any of the commands given. Due to this significant threat to the officers and the community, the Less Lethal Shotgun along with the 40 MM Launcher were deployed. The subject dropped the knife, and the officers were able to take the subject into custody without further incident.

Distraction Devices

Distraction Devices were utilized three (3) times in 2024. In these instances, the Distraction Devices were utilized as attention-getting devices related to SWAT callouts or high-risk warrant services.

Chemical Agent and Smoke Canisters

Chemical Agents and Smoke Canisters were utilized zero (0) times in 2024.

PepperBall Launcher and Related Munitions

PepperBall Launcher and Related munitions were utilized zero (0) times in 2024.

Rifles

The Colt Carbine AR-15 Rifle, Colt Carbine M4 rifle, and Remington 700 Rifle were utilized operationally zero (0) times in 2024, as the Morgan Hill Police Department had zero officer-involved shootings in 2024.

Current Inventory of Controlled Equipment

The Morgan Hill Police Department is committed to remaining transparent about the Department's controlled equipment inventory and sharing the equipment's capabilities, uses, and other related information with our community and elected officials. The data provided in this report is accurate as of February 2024; however, inventory may have fluctuated by the time of this report's publication.

The inventory of controlled equipment, particularly consumable material (ammunition, diversionary devices, munitions, etc.), may fluctuate due to various factors, including but not limited to operational usage, operational deterioration, training, maintenance, expiration, and replenishment guidelines.

The following is a list of the various types, descriptions, and guidelines for the usage of controlled equipment currently employed by the Department:

NOTE: The descriptions and source photos in this report are for controlled equipment descriptive purposes only and are not endorsed by the City of Morgan Hill or the Morgan Hill Police Department of a product or vendor.

Controlled Equipment Categories

Assembly Bill 481 created Government Code 7070, which designated 15 categories of items deemed "military" or more accurately defined as controlled equipment:

*	Category 1:	Unmanned, remotely piloted, powered aerial or ground vehicles
*	Category 2:	Mine-resistant ambush-protected vehicles or armored personnel carriers
*	Category 3:	High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have breaching or entry apparatus attached
	Category 4:	Tracked armored vehicles that provide ballistic protection to their occupants
*	Category 5:	Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units
	Category 6:	Weaponized aircraft, vessels, or vehicles of any kind
*	Category 7:	Battering rams, slugs, and breaching apparatuses that are explosive in nature
	Category 8:	Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition
*	Category 9:	Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code §30515, except for standard-issued handguns
*	Category 10:	Any firearm or firearm accessory that is designed to launch explosive projectiles
*	Category 11:	Noise-flash diversionary devices and explosive breaching tools
*	Category 12:	Munitions containing tear gas or pepper spray, excluding standard, service-issued handheld pepper spray
	Category 13:	TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices
*	Category 14:	Kinetic energy weapons and munitions
	Category 15:	Any other equipment as determined by a governing body or a state agency to require additional oversight

* Indicates a category of controlled equipment previously approved by the governing body and utilized by the Morgan Hill Police Department.

Unmanned Aerial Systems (UAS) (Category 1)

An unmanned aerial system can sustain direct flight, whether remotely controlled or via pre-programming. All the attached systems are designed for gathering information via photography, recording, or any other means.

Capability: The Morgan Hill Police Department owns one (1) Unmanned Aerial System (UAS) to enhance public safety. The UAS can be deployed when an overhead view would assist officers or incident commanders with planning and responding to a situation. Types of situations include, but are not limited to, infrastructure damage assessments, major traffic collision investigations, search for missing persons, natural disaster management, crime scene photography, SWAT, tactical or other public safety and life-preservation missions, and/or in response to specific requests from local, State, or Federal fire authorities for fire response and/or prevention. All UAS used by the Department complies with all federal, state, and local laws.

Usage: Use is established under Morgan Hill Policy Manual Section 613 and FAA Regulation 14 CFR Part 107. It is the policy of the Morgan Hill Police Department to utilize UAS only for official law enforcement purposes and in a manner that respects the privacy of our community, pursuant to State and Federal law. UAS usages include the collection of evidence in the form of aerial photography/video in support of an investigation (i.e., shooting scenes, homicide scenes); support of SWAT and Patrol during high-risk, tactical, or other public safety life preservation missions (i.e., interior visual assessments of structures or outdoor areas to gain intelligence prior to officers entering a dwelling or contacting a potentially armed or a resistive subject that may be hiding); to conduct aerial searches for missing persons; and provide aerial observation to assist in managing natural disasters (i.e., fires, floods, storms) or in any other manner to preserve life and enhance public safety.

Training Requirements: All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation. Although not required by P.O.S.T. or the FAA, officers attend a 20-hour internal training course. Course topics include terminology, proper and safe flying techniques, privacy concerns, laws, and the Department's UAS policy review.

The Department currently utilizes the following UAS:

Skydio Two

Cost	\$1,000 each
Quantity	1
Lifespan	3-5 Years
Funding Source	Department Funds



Manufacturer: Skydio

Manufacturer Description: The Skydio 2+ weighs approximately 800 grams and can record video within approximately 27 minutes of flight time. This is a remotely operated battery-powered or autonomist aircraft designed to be operated within sight of the operator or a spotter. Each aircraft is equipped with a camera capable of relaying a real-time image back to the operator.

Armored Vehicle (Categories 2 & 3)

Commercially produced 4-wheel drive vehicle designed for law enforcement that provides protection against bullets, shell fragments, and other projectiles.

Capability: The Medevac is primarily used by the Special Weapons and Tactics Team (SWAT) to safely transport personnel to and from critical incidents, extract citizens from volatile situations, conduct high-risk rescue operations, training, provide emergency medical staff and/or Tactical Emergency Medicine (TEM) personnel a safe working environment, and to delivering equipment in high-risk environments. The Medevac can also be used to conduct rescue missions during disasters. Additionally, the vehicle is utilized for community engagement efforts and other applications deemed appropriate.

Usage: Use is established under Morgan Hill Policy Manual Section 708. It is the policy of the Department to utilize the armored vehicle only for official law enforcement purposes and pursuant to State and Federal law.

Training Requirements: All drivers/operators shall attend formalized instruction and be trained in vehicle operations and practical driving techniques. P.O.S.T. certified driving instructors provide training consisting of safe driving practices and proper operation of the vehicle's equipment.

PURCHASING NOTE: The Department has ordered a Lenco Bearcat and is currently waiting on delivery, which is projected to be in January 2026.

The Department currently utilizes the following Armored Vehicle:

2010 Lenco Bearcat MEDEVAC, G2

Cost	\$408,087
Quantity	On-Order
Lifespan	25 Years
Funding Source	City Funding



Manufacturer: Lenco

Manufacturer Description: The Lenco BearCat Medevac, also known as the Armored Rescue Vehicle (ARV), was designed to meet the combined requirements of SWAT & Tactical Emergency Medical Service Teams. The Medevac can be used as an armored Response & Rescue SWAT truck for dangerous callouts and is equipped to provide Tactical EMS with a safe & effective environment to deal with trauma cases. It seats 10-12 personnel with an open floor plan that allows for the rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor. The current Lenco BearCat utilized by the Department is owned by the Santa Clara County Sheriff's Office and is obtained through a mutual aid request.

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK) (Category 4)

A commercially produced Caterpillar tractor designed for law enforcement that provides protection against bullets, shell fragments, and other projectiles.

Capability: The ROOK is primarily used by the Special Weapons and Tactics Team (SWAT) to safely transport personnel to and from critical incidents, extract citizens from volatile situations, conduct high-risk rescue operations and training, provide emergency medical staff and/or Tactical Emergency Medicine (TEM) personnel a safe working environment, and to deliver equipment in high-risk environments. The ROOK can also be used to conduct rescue missions during disasters. Additionally, the vehicle is utilized for community engagement efforts and other applications deemed appropriate.

Usage: Use is established under Morgan Hill Policy Manual Section 709. It is the policy of the Department to utilize the armored vehicle only for official law enforcement purposes and pursuant to State and Federal law.

Training Requirements: All drivers/operators shall attend formalized instruction and be trained in vehicle operations and practical driving techniques. P.O.S.T. certified driving instructors provide training consisting of safe driving practices and proper operation of the vehicle's equipment.

The Department will be seeking grant funding for the following Armored Vehicle:

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK)

Cost	N/A
Quantity	N/A
Lifespan	25 Years
Funding Source	Grant Funding



Manufacturer: NIJ

Manufacturer Description: ROOK is a custom "armored critical incident vehicle" built on the chassis of a CAT Bulldozer manufactured by Ring Power. The ROOK is built to increase job safety, versatility, and mission-specific response. The ROOK is equipped with powerful mission-specific attachments. The ROOK is capable of being used in tight areas both inside and outside, where traditional armored vehicles may not be able to enter.

Mobile Incident Command Vehicle (Category 5)

A completely self-contained command post was designed to provide shelter access to department computers for extended events. This vehicle can also manage/facilitate pre-planned or significant events requiring on-site planning and incident command personnel.

Capability: As a mobile base of operation, this vehicle contains specialized command, control, and communications equipment that can be used during critical incidents, large events, natural disasters, and community events. The command vehicle is equipped to function as a fully operational mobile Public Safety Answering Point (PSAP). It will serve as a backup to the existing Dispatch Center in the Police Department.

Usage: The command vehicle shall be used by trained personnel in a manner consistent with Department policy and training. Furthermore, only personnel who have completed the Departmental training and are properly licensed will be allowed to drive the command vehicle.

Training Requirements: All drivers/operators shall attend formalized instruction and be trained in vehicle operations and practical driving techniques. P.O.S.T. certified driving instructors provide training consisting of safe driving practices and proper operation of the vehicle's equipment.

The Department currently operates the following MICs:

Mobile Incident Command Vehicle

Cost	\$ 690,132
Quantity	1
Lifespan	25 Years (Chassis) 6 Years (IT Systems)
Funding Source	Grant Funding/ Department Funds



Manufacturer: LDV, Inc.

Manufacturer Description: The Mobile Command Vehicle (MCV) is a fully functioning Mobile Public Safety Answering Point (PSAP) and is a backup to our existing Dispatch Center. The MCV is a shared asset used by the Morgan Hill Police Department and the Gilroy Police Department during critical incidents, pre-planned large events, searching for missing persons, natural disasters, and community events.

Long Range Acoustic Device (LRAD) (Category 13)

Long Range Acoustical Device (LRAD) is a high-intensity directional array for long-range, crystal-clear hailing, notification, and an unmistakable warning tone. The LRAD is primarily used as a communication device.

Capability: Featuring an extended voice broadcast range of 600 meters, the LRAD 100X ensures voice messages are heard and understood. LRAD's optimized driver, waveguide, and power efficiency technologies enable the LRAD 100X to provide several hours of clear, continuous communication from a single battery charge.

Usage: To be used to issue dispersal orders during crowd and riot control situations or to address the public in the event of civil emergencies, natural disasters, evacuations, and police incidents (e.g., missing persons, perimeters for wanted suspects/ K9 deployments, etc.). The LRAD may also be used to issue a warning tone. **Authorized Use:** The LRAD shall only be used by officers trained in its deployment and used consistently with Department policy and training.

Training Requirements: All operators receive training prior to operating any of the LRAD's in the field to ensure proper deployment. It is the policy of the Morgan Hill Police Department to utilize the LRAD only for official law enforcement purposes and pursuant to State and Federal law.

The Department currently operates the following LRADs:

Long Range Acoustical Device (LRAD)

Cost	\$ 17,558
Quantity	1
Lifespan	25 Years
Funding Source	Grant Funding



Manufacturer: LRAD

Manufacturer Description: Featuring an extended voice broadcast range of 600 meters, the LRAD 100X ensures voice messages are heard and understood. LRAD's optimized driver, waveguide, and power efficiency technologies enable the LRAD 100X to provide several hours of clear, continuous communication from a single battery charge.

40 MM Less-Lethal Launchers and Munitions (Categories 10, 12, & 14)

A single-shot impact launcher can fire an array of less-lethal 40mm rounds.

Capability: De-escalate situations using less-lethal force and gain compliance from a safe distance. 40MM Less-Lethal Launchers have an effective range of up to 20 yards.

Usage: The 40mm less-lethal launcher may be deployed to gain compliance or de-escalate conflicts to help prevent a situation from becoming a lethal force situation. The system's effectiveness provides time and distance between officers and a suspect, reducing the threat's immediacy and allowing further de-escalation. This system can be used to address self-destructive/suicidal, dangerous, and/or combative individuals; to gain a tactical advantage from a distance (i.e., breaking a window to get an unobstructed view of an individual or disabling a security camera); against potentially vicious animals; and for riot/crowd control and/or civil unrest incidents where the use of the 40mm is objectively reasonable.

Training Requirements: Officers utilizing 40MM less-lethal chemical agents or impact rounds are trained in their use by P.O.S.T. certified less-lethal chemical agent instructors. Training includes a review of the Department's Use of Force Policy, nomenclature, familiarization of the system, and a qualification course.

The Department utilizes the following 40 MM Less-Lethal Launcher and Munitions:

Defense Technologies 40 MM Single Shot Launcher #1425

Cost	\$810 each
Quantity	5
Lifespan	25 Years
Funding Source	Department Funds



Manufacturer: Defense Technology

Manufacturer Description: The 40MM Single Launcher is a tactical single-shot launcher that features an adjustable Integrated Front Grip (IFG) with a rail-mounted holographic sight. It will fire standard 40mm less lethal ammunition, up to 4.8 inches in cartridge length. It will launch a 40MM less lethal round up to 131 feet and is only authorized to be used by trained personnel.

The Department currently possesses the following 40MM Munitions:

Defense Technology 40mm Exact Impact Sponge Round #6325

Cost	\$32 each
Quantity	53
Lifespan	5 Years
Funding Source	Department Funds



Manufacturer: Defense Technology

Manufacturer Description: A less-lethal 40mm lightweight plastic and foam projectile fired from a single or multi-round purpose-built 40mm launcher with a rifled barrel at 325 FPS. The 40mm Exact Impact Sponge Round provides accurate and effective performance when fired from the approved distance of not less than five (5) feet and as far as 131 feet from the target. The 30-gram foam projectile delivers 120 ft/lbs. of energy on impact.

Defense Technology 40MM Direct Impact Reloadable Training Kit #6530

Cost	\$1342 each
Quantity	1 kit
Lifespan	No Expiration
Funding Source	Department Funds



Manufacturer: Defense Technology

Manufacturer Description: The 250-piece Direct Impact Reloadable Training Kit allows realistic training to be conducted at a fraction of the cost of using operational rounds. These reusable projectiles can be reloaded by hand in the field in less than ten (10) seconds without the need for presses or other reloading equipment. These rounds are not for use on humans.

Less-Lethal Shotgun and Munitions (Categories 9 & 14)

The less-lethal shotgun is a standard Remington Model 870, 12-gauge shotgun that has been converted to fire bean bag rounds as an alternative to lethal force when appropriate. The less-lethal shotgun has a distinctive, orange-colored stock and foregrip to distinguish it from lethal weapons.

Capability: The less-lethal shotgun can fire a 12-gauge Super-Sock Bean Bag Round with a maximum effective range of seventy-five (75) feet. The weapon system's range helps maintain space between officers and a suspect, reducing the threat's immediacy, which is a principle of De-Escalation.

Usage: The less-lethal shotguns can be deployed to de-escalate conflict and reduce the need for lethal force. The system's effectiveness allows time and distance between officers and a suspect, reducing the threat's immediacy and allowing further de-escalation. This system can be used to address self-destructive/suicidal, dangerous, and/or combative individuals, to gain a tactical advantage from a distance (i.e., breaking a window to get an unobstructed view of an individual or disabling a security camera), against potentially vicious animals, riot/crowd control and/or civil unrest incidents where the use of the 40mm is objectively reasonable.

Training Requirements: Officers must complete a minimum of two hours of department training before deploying the less lethal shotgun. Training includes a review of the Department's Use of Force Policy, nomenclature, familiarization of the system, and a qualification course.

The Department possesses the following Less Lethal Shotguns and Munitions:

Mossberg 500 Less Lethal 12 Gauge Shotgun

Cost	\$553.00 each
Quantity	13
Lifespan	25 Years
Funding Source	General Funds



Manufacturer: Mossberg

Manufacturer Description: The Mossberg 500 Less Lethal Shotgun is used to deploy the less lethal 12-gauge Super-Sock Beanbag Round up to 75 feet. The weapon system's range helps maintain space between officers and a suspect, reducing the immediacy of the threat, a principle of De-Escalation.

Combined Systems Inc. Super-Sock Bean Bag Round #2581

Cost	\$32/box
Quantity	81 Rounds
Lifespan	No Expiration
Funding Source	General Funds



Manufacturer: Combined Systems Inc.

Manufacturer Description: A less lethal 2.4-inch 12-gauge shotgun round firing a ballistic fiber bag filled with 40 grams of lead shot at a velocity of 270-290 feet per second (FPS). CTS Super-Sock rounds are discharged from a dedicated 12-gauge shotgun that is distinguishable by an orange butt stock and foregrip. This round provides accurate and effective performance when fired from the approved distance of not fewer than five (5) feet. The maximum effective range of this munition is up to 75 feet from the target.

Diversionsary Devices (Category 11)

A handheld device that can be deployed to emit a flash, sound, and/or smoke.

Capability: To produce atmospheric overpressure and brilliant white light that can cause short-term (6 to 8 seconds) physiological/psychological, sensory deprivation to give officers a tactical advantage. A diversionary device is ideal for distracting dangerous suspects during apprehensions, hostage rescues, room entry, or other high-risk arrest situations.

Usage: Diversionsary devices shall only be used by officers who have been trained in the proper use. These devices can be deployed in hostage and barricaded subject situations; in high-risk (search/arrest) warrant services where there may be hazards to officers; during other high-risk situations where the use would be advantageous in preserving life and/or increasing officer safety; and during training exercises.

Training Requirements: Officers must attend diversionary device training before using this equipment. P.O.S.T. certified instructors provide training in the safe handling, deployment, and documentation of the use of this equipment.

NOTE: Some orders of Diversionsary Devices can only be ordered in minimum quantities. As a result, some inventories may occasionally exceed the needed amounts.

The Department currently possesses the following Diversionary Devices:

Combined Systems Inc. (CTS) Flash Bang, Steel Body-7290

Cost	47.60 per
Quantity	11 in stock/ purchased cases of 24
Lifespan	5 Years
Funding Source	Department Funds



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: The CTS 7290 is the standard for diversionary flash-bang devices. The patented design of the 7290 incorporates a porting system that eliminates movement of the body at detonation, even if the top or bottom of the device should be in contact with a hard surface. In addition, internal adjustments have greatly reduced smoke output. The 7290 produces 165-180db and 6-8 million candelas of light output.

Special tactical units use flash bangs during hostage rescues and high-risk warrants. It is an ATF-controlled Class-C explosive device that emits a bright light and thunderous noise to distract potentially dangerous individuals.

Combined Systems Inc. (CTS) Flash Bang, Steel Body-7290M

Cost	\$61.80 per
Quantity	20 in stock/ purchased in cases of 12
Lifespan	5 Years (MFG 2024)
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: The CTS 7290M Mini Flash-Bang is the newest generation in the evolution of the Flash-Bang. Our Model 7290M Flash-Bang exhibits all the same attributes as its larger counterpart but in a smaller and lighter package. Weighing in at just 15 ounces, the new 7290M is approximately 30% lighter than the 7290 but still has the same 180db output as the 7290 and produces 6- 8 million candela of light. The patented design of the 7290M incorporates a porting system that eliminates movement of the body at detonation, even if the top or bottom of the device should be in contact with a hard surface. In addition, internal adjustments have greatly reduced smoke output.

Flash Bangs are used by special tactical units during hostage rescue and high-risk warrants. It is an ATF-controlled Class-C explosive device that emits a bright light and thunderous noise to distract potentially dangerous individuals.

Rifles and Munitions (Category 9)

The rifle is a long-barreled firearm designed for greater accuracy over a long distance.

Capability: The rifle allows officers to engage hostile suspects from distances far greater than their handguns. The standard-issued rifles can have an effective range of 600 yards and offer increased accuracy over a handgun. However, rifles are not appropriate for every situation.

Usage: Officers may deploy the rifle in any circumstance where the officer can reasonably expect the rifle to be needed. Examples of some general guidelines for deploying the rifle may include, but are not limited to, the following:

- Situations where the officer reasonably anticipates an armed encounter.
- When an officer is faced with a situation that may require the delivery of accurate and effective shot placement at long range.
- Situations where an officer reasonably expects the need to meet or exceed a suspect's weaponry.
- When an officer reasonably believes there may be a need to deliver accurate shot placement on a barricaded suspect or a suspect with a hostage.
- When an officer reasonably believes a suspect may be wearing body armor.

Training Requirements: Officers must complete a 16-hour P.O.S.T. approved training course before deploying a rifle. Officers are required to pass a qualification course annually. P.O.S.T. certified instructors teach the course.

The Department currently possesses the following rifles and munition:

Colt Tactical Carbine Model AR-15A3

Cost	\$1,099 each
Quantity	44
Lifespan	Ten years
Funding Source	Department Funds



Manufacturer: Colt

Manufacturer Description: A rifle that fires an intermediate-power cartridge (.223) is more powerful than a standard pistol but less powerful than a standard rifle. Rifle has a 16" barrel. The magazine holds 30 rounds, and the rifle has a collapsible stock. The carbine allows officers to engage hostile suspects at distances generally greater than the effective distance of their handguns. Additionally, AR-15 rifles offer advantages over handguns, such as increased accuracy potential and the ability to defeat soft body armor but are not appropriate for every situation.

Colt Tactical Carbine Model M4

Cost	\$2,027 each
Quantity	8
Lifespan	Ten years
Funding Source	Department Funds



Manufacturer: Colt

Manufacturer Description: A rifle that fires an intermediate-power cartridge (.223) is more powerful than a standard pistol but less powerful than a standard rifle. Rifle has a 16" barrel. The magazine holds 30 rounds, and the rifle has a collapsible stock. The carbine allows officers to engage hostile suspects at distances generally greater than the effective distance of their handguns. Additionally, M4 rifles offer advantages over handguns, such as increased accuracy potential and the ability to defeat soft body armor but are not appropriate for every situation.

Remington Model 700 P Bolt Action Rifle

Cost	\$1099 each
Quantity	1
Lifespan	Ten years
Funding Source	Department Funds



Manufacturer: Remington

Manufacturer Description: A semi-automatic shoulder-fired rifle with precision optics that fires a .308 Winchester cartridge. The .308 rifle allows SWAT Snipers to engage violent suspects at great distances. The .308 rifles are used exclusively by officers assigned to the SWAT Sniper Team. These rifles are typically deployed with the SWAT Sniper Team during high-risk SWAT operations and special events or instances wherein Sniper Over Watch Teams are needed.

The Department currently possesses the following rifle munitions:

Federal American Eagle 9MM Luger 147 GR Full Metal Jacket

Cost	\$295/ Case
Quantity	23,000 Round
Lifespan	No Expiration
Funding Source	Department Funds

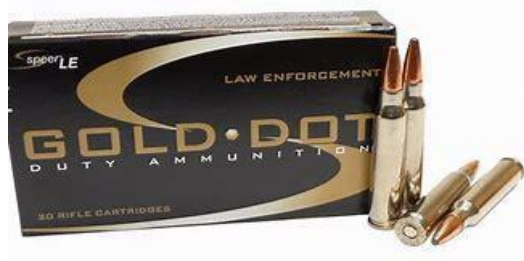


Manufacturer: Federal

Manufacturer Description: This Federal American Eagle 9mm Luger ammunition is loaded with a 147-grain Full Metal Jacket bullet. The Full Metal Jacket bullet is for range practice and reducing fouling in the barrel. The jacket extends from the nose to the base, preventing bullet expansion and barrel leading. This ammunition is a new production, non-corrosive ammo, featuring brass cases, boxer primed, and reloadable.

Speer Gold DOT .223 62 Grain (GR) Rifle Round

Cost	\$260 Case
Quantity	11,000 Rounds
Lifespan	No Expiration
Funding Source	Department Funds

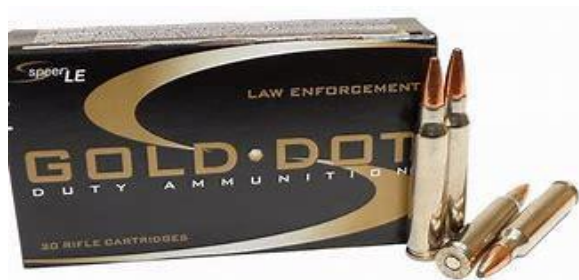


Manufacturer: Speer Gold

Manufacturer Description: Remington ammo made by Speer is reloadable, features nickel-plated brass cases and Boxer primers, and is a non-corrosive round. In addition to its remarkable strength, Gold Dot rifle ammunition asserts remarkable accuracy with exact tolerances and unparalleled bullet uniformity of jacket thickness. The Gold Dot LE ammunition joins the jacket and core one molecule at a time; thanks to this, Speer eradicates the potential for the leading cause of bullet failure (jacket/core separation). This process will guarantee extraordinary weight retention through barriers as strong as auto-glass.

Speer Gold DOT .223 55 Grain (GR) Rifle Round

Cost	\$260/ Case
Quantity	26,000 Rounds
Lifespan	No Expiration
Funding Source	General Fund



Manufacturer: Speer Gold

Manufacturer Description: Remington ammo made by Speer is reloadable, features nickel-plated brass cases and Boxer primers, and is a non-corrosive round. In addition to its remarkable strength, Gold Dot rifle ammunition asserts remarkable accuracy with exact tolerances and unparalleled bullet uniformity of jacket thickness. The Gold Dot LE ammunition joins the jacket and core one molecule at a time; thanks to this, Speer eradicates the potential for the leading cause of bullet failure (jacket/core separation). This process will guarantee extraordinary weight retention through barriers as strong as auto-glass.

Hornady .308 Winchester A-Max Tap Rifle Round

Cost	\$433 Case
Quantity	1200 Rounds
Lifespan	No Expiration
Funding Source	General Fund



Manufacturer: Hornady

Manufacturer Description: This law enforcement cartridge offers match accuracy with a high ballistic coefficient, providing superior long-range performance. This load demonstrates expansion and fragmentation like the 168-gr. Load, but with a noticeable increase in penetration and retained bullet weight. This bullet penetrates glass with minimal deflection and exhibits excellent expansion and fragmentation characteristics.

Chemical Agents and Smoke Canisters (Category 12)

These canisters contain non-lethal chemical agents and/or smoke that are released when deployed.

Capability: Chemical agents and smoke canisters have a variety of individual capabilities and applications. Chemical agents and smoke canisters carry the agent into the environment in a variety of methods, including but not limited to powder, liquid mist, smoke, pyrotechnic devices, and vapor aerosols. Exposure to chemical agents normally causes no lasting effects. This equipment has indoor and outdoor capabilities and uses.

Usage: The use of chemical agents causes mucous membranes and exposed skin to become inflamed, resulting in a burning sensation. It provides a temporary respiratory effect and induces discomfort on the skin. Chemical agents and smoke canisters may be utilized during confrontations with violent or potentially violent suspects as a less lethal option to assist with dispersing violent crowds and/or for the arrest of suspects. Smoke canisters are used to create a diversion or conceal the movement of a tactical team.

Training Requirements: Officers utilizing chemical agent canisters are certified by P.O.S.T. less-lethal chemical agent instructors. Sworn members are trained in the proper use of chemical agent canisters and smoke canisters, as well as the terminology and documentation for the use of this equipment.

The Department currently possesses chemical agents:

Combined Systems Inc. (CTS) 6210-R Red Smoke

Cost	\$45.85 per
Quantity	23 in stock
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: White and colored smoke grenades obscure tactical movement, signaling or marking a landing zone.

Outdoor Tactical Grenade CS- 8230

Cost	26.40 per
Quantity	26 in stock
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: 8230 – The smallest diameter burning grenade that discharges a high volume of smoke and chemical agent through multiple emission ports. It can be hand-thrown or launched. Specifically for outdoor use, it should not be deployed on rooftops, crawl spaces, or indoors due to fire-producing capability.

40 MM Frangible Impact-CS Powder-4530

Cost	30.00 per
Quantity	58 in stock
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: 40MM multi-effect munition delivering greater energy on the target with extreme accuracy and simultaneously dispersing a cloud of irritant or marking powder.

Launching Cup attachment

Cost	100.00 per
Quantity	2 in stock
Lifespan	
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: The LC6 Launching Cups are designed for the 6200 series grenades. These can be fired from most 12ga smooth-bore shotguns. The cups can be attached to virtually any 12ga shotgun, and the munition is launched with our model 2600 launching cartridge.

Combined Systems Inc. (CTS) CS Baffled Canister Grenade, Pyro, Low Flame Potential- 5230(B)

Cost	\$60.56 each
Quantity	49
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: Pyrotechnic grenade designed for indoor use, delivering a maximum amount of irritant smoke throughout multiple rooms with minimal risk of fire.

Combined Systems Inc. (CTS) Launching Cartridge- 2600

Cost	\$8.50 each
Quantity	64
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: The LC5 & LC6 launching cups are designed for the 52 & 62 series grenades, respectively. The cups can be attached to virtually any 12ga shotgun, and the munitions are launched with our Model 2600 and 3600 launching cartridges.

Combined Systems Inc. (CTS) OC Vapor Grenade-6340

Cost	57.22 per
Quantity	21
Lifespan	5 Years
Funding Source	General Fund



Manufacturer: Combined Systems Inc. (CTS)

Manufacturer Description: This unique grenade delivers an invisible Oleoresin capsicum (OC) vapor and renders an intense respiratory effect to a non-compliant subject.

Pepper-Ball Launcher and Projectiles

A device that discharges projectiles containing non-lethal chemical agents, which are released upon impact.

Capability: The Defense Innovation is a compressed-air powered launcher designed to fire non-lethal PepperBall projectiles.

Usage: To limit the escalation of conflict where employment of lethal force is prohibited or undesirable. Situations for the use of the less-lethal weapon systems may include but are not limited to:

1. Self-destructive, dangerous, and/or combative individuals.
2. Riot/crowd control and civil unrest incidents.
3. Circumstances where a tactical advantage can be obtained.
4. Potentially vicious animals.
5. Training exercises or approved demonstrations.

Training Requirements: Officers utilizing PepperBall launchers are trained in their use by P.O.S.T. certified less-lethal and chemical agent instructors.

The Department currently possesses the following PepperBall Launcher:

Defense Innovations PepperBall Launcher

Cost	\$350.00
Quantity	2
Lifespan	20 years
Funding Source	General Fund



Manufacturer: Defense Innovations

Manufacturer Description: This is a compressed-air powered launcher designed to fire non-lethal PepperBall projectiles. The device discharges projectiles containing non-lethal chemical agents, which are released upon impact. The PepperBall Defense Innovation is a single-feed system that uses a hopper.

PepperBall Projectiles

Cost	\$75.00
Quantity	2
Lifespan	Three years
Funding Source	General Fund



Manufacturer: Defense Innovations

Manufacturer Description: The basic PepperBall projectile contains 2% PAVA pepper powder and is designed for direct impact and area saturation, especially in confined interior spaces. The projectile contains 0.5% PAVA Powder. The projectile is discharged from a PepperBall Launcher and has a 200-500 FPS velocity.

Training Summary

Safely using certain military equipment requires ongoing training to maintain proficiency and required certifications. While the Department conducts most ongoing training internally through the Personnel and Training Division, external training courses and services are often also necessary. Training courses can vary yearly depending on operational needs and State or Federal mandates. Consumable and non-consumable equipment are often used during training to ensure competency during actual operational use. Funding sources for training include the Police Department's operating budget and/or grants.

Equipment Costs

The following table summarizes equipment-related expenditures for the calendar year 2024 and the projection of expenses for the calendar year 2025. Equipment expenditures include the acquisition of new equipment, the replacement of damaged equipment, and the ongoing maintenance of the controlled equipment.

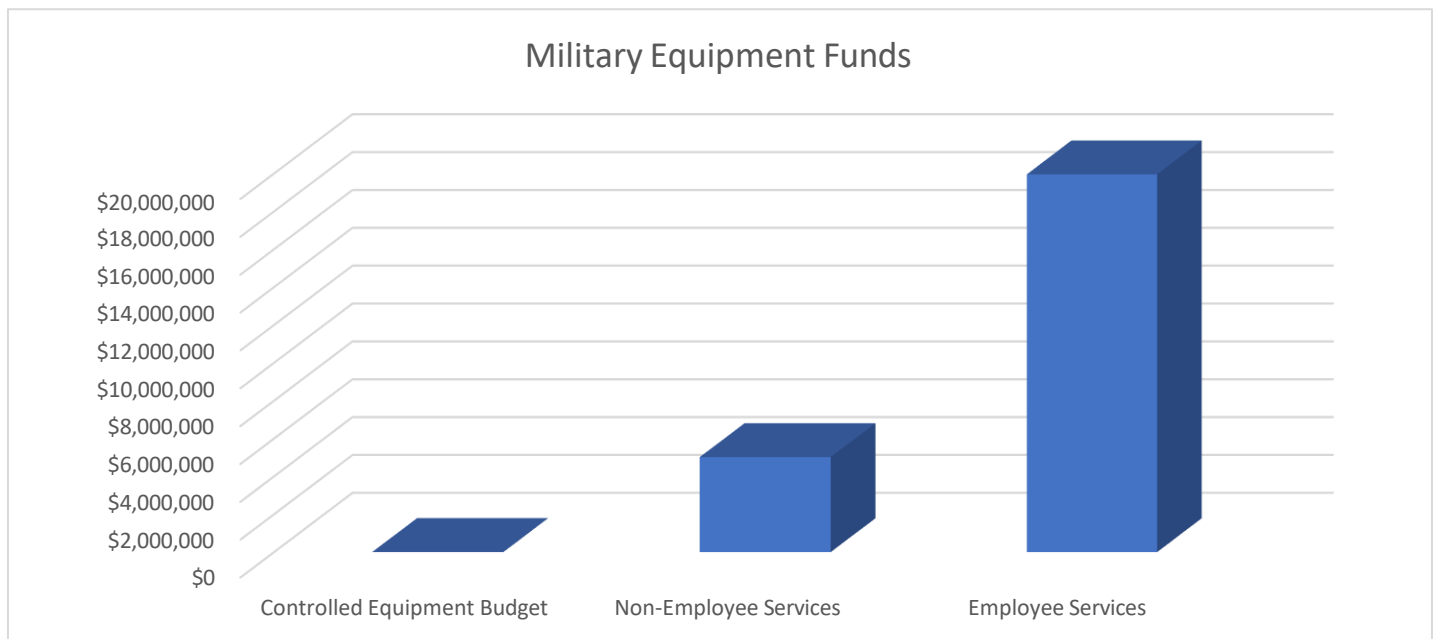
Equipment Type	Annual Maintenance (2024)	Projections (2025)
Unmanned Aircraft System	\$0	\$0
Armored Vehicles	N/A	To be paid in 2026
The ROOK	N/A	N/A
Mobile Incident Command	\$5,459.00	\$12,000.00
Long Range Acoustical Device (LRAD)	\$0	\$0
40 mm Less-Lethal Launchers	\$250.00	\$250
Less-Lethal Shotguns	\$0	\$12,423.88
Diversionsary Devices	\$1,579.00	\$1,500.00
Rifles	\$0	\$4,806.96
Chemical Agents and Smoke Canisters	\$0	\$1,500.00
PepperBall Launchers	\$100.00	\$100.00
TOTAL	\$7,388.00	\$ 32,580.84

Fiscal Impact

The Morgan Hill Police Department is budgeted for 67 full-time employees, including 42 full-time sworn officer positions and 25 full-time professional staff positions. During Fiscal Year 2024/2025, the Police Department had an operating budget of \$25,391,085.00.

Although the City of Morgan Hill adopts its operating budget on a two-year fiscal basis (beginning July 1), the cost of controlled equipment expenditures is reflected in this report for the calendar year 2024 as required by Assembly Bill 481.

In 2024, the Morgan Hill Police Department spent approximately \$7,388.00 for controlled equipment. Some expenditures for military equipment were funded through State and/or Federal grants, reducing the impact of acquiring, utilizing, maintaining, and training with military equipment on the Department's operating budget. Although some of these expenditures were paid for with grant funding, the total expenditures represent only 0.03% of the Police Department's operating budget.



Projected Acquisitions for 2024

Although most acquisitions can be anticipated, the unanticipated replacement of existing military equipment may be necessary due to loss or damage. Replacement of these items will be handled on a case-by-case basis dependent on operational need and in compliance with department policy for acquiring controlled equipment.

Consumable Controlled Equipment

Consumable military equipment acquisitions for 2024 will remain consistent with current replenishment schedules and policies. Acquisitions will only restore quantities previously approved by the governing body.

Categories of consumable military equipment include:

- Ammunition (All Calibers)
- Chemical Agent and Smoke Canisters
- Specialty Munitions (40mm Munitions and Less Lethal Munitions)
- Diversionary Devices

Non-Consumable Controlled Equipment

Lenco G3 Bearcat

The Department has ordered a Lenco Bearcat G3. A second Bearcat in South County will help the Gilroy Police Department and Morgan Hill Police Department enhance their ability to provide protection and rapid response during emerging incidents. Currently, there is no dedicated bearcat vehicle in South County; however, the Gilroy Police Department has purchased a Bearcat with a delivery date later this year. Our Department's Bearcat has a delivery date of January, 2026.

The Department used funding from the Police Department's Unclaimed Account (\$283,000) and the Vehicle Replacement Fund (\$127,000). The funds used from vehicle replacement have been set aside to replace the current SWAT vehicle (purchased in 2003). However, the vehicle is still in good operating condition, has low mileage, and does not need to be replaced at this time. The projected cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Lenco G3 Bearcat	2 & 3	1	\$408,087
TOTAL:			\$408,087

Lifespan: 25 years

Fiscal Impact: The annual maintenance for a Lenco G3 Bearcat will be approximately \$5,000.00 a year.

Training: All drivers/operators shall attend formalized instruction and be trained in vehicle operations and practical driving techniques. P.O.S.T. certified driving instructors provide training consisting of safe driving practices and proper operation of the vehicle's equipment.

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK)

The Department seeks to purchase an NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK). The ROOK will primarily be used by the Special Weapons and Tactics Team (SWAT) to safely transport personnel to and from critical incidents, extract citizens from volatile situations, conduct high-risk rescue operations and training, provide emergency medical staff and/or Tactical Emergency Medicine (TEM) personnel a safe working environment, and for delivering equipment in high-risk environments. The ROOK can also be used to conduct rescue missions during disasters. Additionally, the vehicle would be utilized for community engagement efforts and other applications deemed appropriate.

Funding for acquiring a ROOK will be from grant funding, as the Department is looking for grant funding or other funding options. The projected cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
NIJ Level IV Armored Caterpillar Multi-Terrain Loader (The ROOK)	4	1	\$400,000
TOTAL:			\$400,000

Lifespan: 25 years

Fiscal Impact: The annual maintenance for a ROOK will be approximately \$8,000.00 a year.

Training: All drivers/operators shall attend formalized instruction and be trained in vehicle operations and practical driving techniques. P.O.S.T. certified driving instructors provide training consisting of safe driving practices and proper operation of the vehicle's equipment.

Heckler & Koch MP5

The Department currently possesses four (4) Heckler & Koch (H&K) MP5s that have not been in use since 2005. The Department plans on putting the four (4) H&K MP5s back in use; they will be used by trained members of the Department's SWAT team. Placing these firearms back in circulation will allow members of our SWAT team to have an alternative firearm for specific SWAT operations where a more compact firearm is needed. Prior to being placed in circulation, each firearm will go through a thorough inspection to ensure suitability.

Funding for maintaining the H&K MP5s will be from general fund funding. The project is using equipment currently owned by the Department as listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Heckler and Koch MP5	9	4	\$0
TOTAL:			\$ 0

Lifespan: 15 Years

Fiscal Impact: The annual maintenance for the H&K MP5s will be approximately \$500.00 a year.

Training: All SWAT operators will complete a minimum of two (2) hours of department training before deploying the H&K MP5. Training includes a review of the Department's Use of Force Policy, nomenclature, familiarization of the system, and a qualification course.

Colt AR-15

The Department will purchase an additional five (5) Colt AR-15 rifles. The additional rifles will allow the Department to outfit all the department officers with rifles and have spares that can be used during annual maintenance. These rifles are on backorder with the vendor with a delivery date in 2025.

The Department has set funding aside for the purchase of the Colt AR-15 rifles. The project cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Colt AR-15	9	5	\$8,885.00
TOTAL:			\$8,885.00

Lifespan: 10 Years

Fiscal Impact: The annual maintenance for the rifles will be approximately \$250.00 a year.

Training: Officers must complete a 16-hour P.O.S.T. approved training course before deploying a rifle. Officers are required to pass a qualification course annually. P.O.S.T. certified instructors teach the course.

Remington 870 Less Lethal Shotguns

The Department seeks to purchase (15) fifteen Remington 870 Less Lethal shotguns. This purchase will replace the Department's current less lethal shotguns as they have come to the end of life. These shotguns are on backorder with the vendor with a delivery date in 2025.

The Department has set funding aside for the purchase of the Remington 870 Less Lethal shotgun. The project cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Remington 870 Less Lethal Shotgun	9 & 14	15	\$15,911
TOTAL:			\$15,911

Lifespan: 15 Years

Fiscal Impact: The annual maintenance for the less lethal shotgun will be approximately \$250.00 a year.

Training: All officers must complete a minimum of two (2) hours of department training before deploying the less lethal shotgun. Training includes a review of the Department's Use of Force Policy, nomenclature, familiarization of the system, and a qualification course.

Surefire Suppressors SOCOM556-RC2

The Department intends to acquire eight (8) Surefire Suppressors SOCOM556-RC2 for the Department's SWAT team. The Surefire Suppressor SOCOM556-RC2 optimizes any 5.56 mm/.223-caliber weapon system with a minimum barrel length of 10 inches. It incorporates the latest in manufacturing techniques and materials to produce the most exceptional tool. Precision-built of advanced high-temp Inconel alloys and stainless steel, and CNC laser-welded for uncompromising durability, the RC2 can withstand harsh conditions while helping to maintain the reliability of the weapon due to unique internal baffling that reduces backpressure.

Funding for acquiring the Surefire Suppressors SOCOM556-RC2 will be from general fund funding. The project cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Surefire Suppressor SOCOM556-RC2	9 & 14	8	\$ 9592.00
TOTAL:			\$9592.00

Lifespan: 15 Years

Fiscal Impact: The annual maintenance for the Surefire Suppressor SOCOM556-RC2 will be approximately \$50.00 a year.

Training: All SWAT operators must complete a minimum of two (2) hours of department training before deploying the Surefire Suppressor SOCOM556-RC2. Training includes a review of the Department's Use of Force Policy, nomenclature, familiarization of the system, and a qualification course.

Tomahawk Mini Burn Safe

The Department intends to acquire two (2) Tomahawk Mini Burn Safes for the deployment of CS Tactical Grenade Canisters during SWAT operations. The Tomahawk Mini Burn Safe is a compact and highly efficient incineration unit designed for the safe disposal of sensitive documents, small-scale waste, and combustible materials. Engineered with durability, security, and convenience in mind, this burn safe provides a controlled environment for incineration, ensuring minimal emissions and high combustion efficiency.

Funding for acquiring the Tomahawk Mini Burn Safes will be from general fund funding. The projected cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Tomahawk Mini Burn Safe	12	2	\$ 450.00
TOTAL:			\$450.00

Lifespan: 10 years

Fiscal Impact: The annual maintenance for a Tomahawk Mini Burn Safe is approximately \$100.00.

Training: Officers utilizing chemical agent canisters are certified by P.O.S.T. less-lethal chemical agent instructors. Sworn members are trained in the proper use of chemical agent canisters and smoke canisters, as well as the terminology and documentation for the use of this equipment.

Tomahawk Burn Safe Spear

The Department intends to acquire two (2) Tomahawk Burn Safe Spears for the deployment of CS Tactical Grenade Canisters during SWAT operations. The Tomahawk Burn Safe Spear is a robust and precision-engineered tool designed for safe, efficient, and controlled incineration of various materials. Whether used for secure document disposal, controlled burning in outdoor environments, or tactical applications, this burn safe spear combines durability, high-temperature resistance, and user-friendly operation.

Funding for acquiring the Tomahawk Mini Burn Safes will be from general fund funding. The projected cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
Tomahawk Burn Safe Spear	12	2	\$ 1570.00
TOTAL:			\$1570.00

Lifespan: 10 years

Fiscal Impact: The annual maintenance for a Tomahawk Burn Safe Spear is approximately \$100.00.

Training: Officers utilizing chemical agent canisters are certified by P.O.S.T. less-lethal chemical agent instructors. Sworn members are trained in the proper use of chemical agent canisters and smoke canisters, as well as the terminology and documentation for the use of this equipment.

A-RNVG - Gen III White Phosphor Articulating Dual Tube Night Vision Goggle w/ Wilcox G24

The Department intends to acquire eight (8) RNVG-A AB night vision goggles for the Department's SWAT team members. The RNVG-A, also known as A-RNVG, (Articulating Ruggedized Night Vision Goggle) is an extremely tough, full featured night vision binocular. The housing is billet machined from aircraft grade aluminum and designed to handle challenging real-world environments.

The design includes push button switches for power and an Infrared Illuminator. The IR illuminator button is guarded by a fence with distinctive contours to prevent inadvertently activating the IR illuminator. Indicators in the viewing area alert the user if the IR illuminator is on, or if the unit senses a low battery condition. The unit is powered by either an onboard 123 battery or auxiliary power from a battery pack using a 4-pin LEMO style connector.

RNVG-A optics feature a full range of adjustments. The mil-spec objectives allow the user to focus between 9.8 inches and infinity, while the mil-spec eyepieces offer a diopter adjustment range of -6 to +2. The articulating design allows the user to quickly adjust for an Interpupillary Distance from 47mm to over 80mm.

Each optical pod can be rotated up out of the user's view as desired, freeing one or both eyes for natural sight as conditions demand. When the goggle is helmet mounted and in the stowed position, the optical pods can be folded back flat against the helmet to minimize neck strain and better protect the goggle, and the user, from impacting overhead objects. The optical pods automatically turn off when articulated up. This feature prevents illumination on the helmet when one side is articulated up and ensures that the image intensifiers are 'off' in the stowed position with the optical pods folded back against the helmet. The force required to swing the optical pods is user-adjustable using a coin.

Funding for acquiring the RNVG-A AB night vision goggles will be from grant funding, as the Department is looking for grant funding or other funding options. The projected cost for the equipment is listed below:

Manufacturer Name and Model	Category	Quantity	Cost
AB Night Vision	15	8	\$ 71,960.00
TOTAL:			\$71,960.00

Lifespan: 10 years

Fiscal Impact: The annual maintenance for a RNVG-A AB night vision goggles is approximately \$250.00.

Training: All SWAT operators must complete a minimum of two (2) hours of department training before deploying the RNVG-A AB night vision goggles.

Department Transparency

Occasionally, the application and use of controlled equipment may prompt questions or cause concern among community members.

The Morgan Hill Police Department strives to provide transparency on police activities, department policies, agency practices, and the use of controlled equipment. Remaining accountable to our community builds trust and confidence while enhancing community relationships in alignment with the Pillars of 21st Century Policing.

Controlled Equipment Coordinator Report

Although the Department remains transparent with our community, we may occasionally receive complaints about our policies, practices, and/or the use of controlled equipment. The Morgan Hill Police Department is committed to completing thorough and fair investigations of complaints. Resolving complaints fairly, impartially, and expeditiously helps maintain community trust and ensures the Morgan Hill Police Department will continue to provide superior service to our community.

The Morgan Hill Police Department has a designated Controlled Equipment Coordinator responsible for conducting military equipment inspections and audits to ensure compliance with Assembly Bill 481. The Controlled Equipment Coordinator is also the designated point of contact for receiving citizen complaints and tracking policy violations related to the use of controlled equipment.

Inventory

The Controlled Equipment Coordinator conducted an inventory check and identified controlled equipment not included in the inventory itemization reported in 2024. The inventory itemization in this report has been corrected to reflect the equipment not previously included.

Complaints

The Morgan Hill Police Department did not receive any citizen complaints about using or possessing military equipment for 2024.

Policy Violations

The Morgan Hill Police Department did not identify any policy violations related to the deployment or use of controlled equipment for 2024.

Conclusion

The equipment, resources, and training this report outlines allows the Morgan Hill Police Department to protect our community by enhancing public and officer safety—the use of controlled equipment aids us in resolving critical incidents safely and effectively. Although controlled equipment is utilized infrequently, it must be readily available in rapidly evolving and dynamic situations where such equipment can be used effectively in our response to public safety threats.

When deciding how controlled equipment is funded, acquired, or used, the Morgan Hill Police Department considers the public's welfare, safety, and civil liberties. This annual military equipment report reaffirms the Department's commitment to transparency, providing information to our community, and ensuring compliance with the law.

The Department welcomes meaningful public input regarding the use of controlled equipment to keep our community safe. Inquiries, complaints, or concerns can be submitted to the Morgan Hill Police Department's Controlled Equipment Coordinator via email at Mario.Ramirez@morganhill.ca.gov.

Visit our website for more information, <https://www.morganhill.ca.gov/129/Police-Department>.

Appendix

Definitions

1. Governing Body- The legislative body of the City of Morgan Hill.
2. Controlled Equipment- Includes items defined by California Government Code section 7070, subsections (c)(1) through (c)(16).
3. "Military Equipment Impact Statement" means a publicly released, written document that includes, at a minimum, all of the following:
 - (a) Description: A description of each type of Controlled Equipment, the quantity sought, its capabilities, expected lifespan, intended uses and effects, and how it works, including product descriptions from the manufacturer of the Controlled Equipment.
 - (b) Purpose: The purposes and reasons for which the Morgan Hill Police Department (hereinafter, "Police Department") proposes to use each type of Controlled Equipment.
 - (c) Fiscal Cost: The fiscal cost of each type of Controlled Equipment, including the initial costs of obtaining the equipment, the estimated or anticipated costs of each proposed use, the estimated or anticipated costs of potential adverse impacts, and the estimated or anticipated annual, ongoing costs of the equipment, including operating, training, transportation, storage, maintenance, and upgrade costs.
 - (d) Impact: An assessment specifically identifying any potential impacts that the use of Military Equipment might have on the welfare, safety, civil rights, and civil liberties of the public and what specific affirmative measures will be implemented to safeguard the public from potential adverse impacts.
 - (e) Mitigations: Specific, affirmative technical and procedural measures that will be implemented to safeguard the public from such impacts.
 - (f) Alternatives: Alternative methods or methods by which the Police Department can accomplish the purposes for which the Military Equipment is proposed to be used, the annual costs of alternative method or methods, and the potential impacts of alternative method or methods on the welfare, safety, civil rights, and civil liberties of the public.

From: Mario Ramirez <Mario.Ramirez@morganhill.ca.gov>

Sent: Monday, May 12, 2025 4:03 PM

To:

Subject: RE: [EXTERNAL] public comment 2024 Annual Report on Controlled Equipment Use

Dear [REDACTED],

Thank you for your thoughtful message and for continuing to engage so consistently with the Morgan Hill Police Department's transparency and oversight processes. We appreciate the time and effort you dedicate to reviewing our reports and offering detailed feedback.

Your input plays an important role in encouraging ongoing dialogue and accountability. We're sorry you won't be attending the upcoming community engagement meeting. As in previous years, a summary of the meeting will be included in the staff report presented to the City Council for their approval of the report.

We also appreciate your acknowledgment of the Department's use-of-force statistics and your recognition of the efforts made in 2024 to reduce such incidents. Regarding your concerns about the characterization of controlled equipment and the physical effects on individuals, we understand your perspective. The reporting requirements under Government Code Section 7072 define all reporting boundaries. We understand that some community members wish to have more information; however, these reporting requirements are in place to ensure the integrity of all investigations and the privacy of those involved.

You've raised several specific questions—ranging from policy clarity to deployment practices—and we are reviewing them closely. Where possible, we will work to incorporate clearer, more accessible explanations in our reporting. Some of the questions you've raised—such as those regarding the 40MM less-lethal launcher and the use of distraction devices in confined spaces—highlight important considerations. However, because each incident is unique and context-specific, it would not be appropriate to provide broad or generalized answers. That said, we are reviewing your concerns internally to determine where we may be able to offer further clarification.

Your ongoing participation and insight reflect the very purpose of AB 481—to involve the community in matters of oversight, trust, and public safety. We hope to continue this important conversation and welcome any future correspondence.

Sincerely,

Mario C. Ramirez

Police Captain

[Engage With Us!](#)

City of Morgan Hill

Morgan Hill Police Department
16200 Vineyard Boulevard Morgan Hill, CA 95037

P: 669-253-4987

mario.ramirez@morganhill.ca.gov
morganhill.ca.gov | [Facebook](#) | [Twitter](#)

From: [REDACTED]

Sent: Monday, May 12, 2025 8:18 AM

To: Mario Ramirez <Mario.Ramirez@morganhill.ca.gov>

Cc: CC Public Comment <CCPublicComment@morganhill.ca.gov>

Subject: [EXTERNAL] public comment 2024 Annual Report on Controlled Equipment Use

public comment 2024 Annual Report on Controlled Equipment Use

To: Department Controlled Equipment Coordinator:

Mario.Ramirez@morganhill.ca.gov

CC: ccpubliccomment

Hello Captain Ramirez,

I will not be attending your one well-publicized and conveniently located community engagement meeting. In a previous year, City Clerk staff attended and said they would take notes. I never saw those notes published. Will someone be counting noses and taking notes to be made public at the May 14 meeting?

Before I raise again some of my concerns submitted against previous reports in 2022, 2023, and 2024, I do want to congratulate the Department:

"In 2024, the Morgan Hill Police Department responded to approximately 33,579 calls for service. Of those calls for service, officers used force on seven (7) occasions, representing .0002% of the total calls for service. (It should be noted that the Department saw a decrease in the number of use-of-force incidents in 2024 compared to 2023.) Officers utilized controlled equipment in two (2) cases involving the use of force."

The report device descriptions are from the point of view of the officer employing the device. What I have repeatedly argued for, and that the report fails (in my opinion) to describe fully, is to define the physical "Effects" from the civilian/recipient point of view.

MHPD considers my comments in this area to be

"outside the purview of Government Code Section 7072 requirements".

So the interpretation of the report contents in light of the

Appendix Definitions

(d) Impact: potential impacts ... on the welfare, safety, civil rights, and civil liberties of the public

(e) Mitigations:

(f) Alternatives:

must mean that "public" does not include the target of the police action.

In my 2023 comments, I compared the device descriptions in the report to those in MHPD Policy 709 Military Equipment. I have not re-visited that comparison for this year. Let me give one example of what I have noted in the past to help you understand my position.

40MM Less-Lethal Launchers and Munitions

The Manufacturer Description says the approved distance of not less than five (5) feet and as far as 131 feet. The 30-gram foam projectile delivers 120 ft/lbs of energy on impact. What is the effect on a person at 5 feet and at 130 feet? What parts of the body are approved targets?

The Department states that its use of controlled equipment is consistent with overall best practices employed by police departments nationwide. To "qualify" the claim that these devices are best practices and have been tested in the field, I will remind you of the evolution of arson science. A person was convicted in 1990 and released in 2015 as a result of long-held beliefs about arson science being debunked after decades of misuse, specifically folklore taken as science in court testimony until real scientific experiments revealed different truths. [case of Han Tak Lee, a New York man serving a life sentence in Pennsylvania prison for a 1989 arson murder]

1) Summary of Controlled Equipment Usage

Comment: Unlike the details of deployment for

40 MM Launchers and Rounds utilized operationally one (1) time in 2024. and

Less Lethal Shotgun utilized one (1) time operationally in 2024. no details are provided for

Distraction Devices utilized three (3) times in 2024 as attention-getting devices related to SWAT callouts or high-risk warrant services.

We should at least know if they were used in confined spaces where "atmospheric overpressure" causes "physiological/psychological, sensory deprivation".

2) Current Inventory of Controlled Equipment

Diversionsary Devices (aka FLASH-BANG) called Distraction Devices in Policy 709 and use is established under Policy 308.

Comment: What is the smallest enclosure in which this can be used?

For example, in a car? What is the minimum distance from a person when it explodes?

3) Current Inventory of Controlled Equipment

Mobile Incident Command Vehicle

The MCV is a shared asset used by the Morgan Hill Police Department and the Gilroy Police Department during ... natural disasters.

Comment: How would sharing work if both cities experience the same natural disaster (likely an earthquake)?]

4) Non-Consumable Controlled Equipment

Surefire Suppressors

The Department intends to acquire eight (8) Surefire Suppressors for the Department's SWAT team.

The Surefire Suppressor optimizes any 5.56 mm/.223-caliber weapon system with a minimum barrel length of 10 inches. It incorporates the latest in manufacturing techniques and materials to produce the most exceptional tool. Precision-built of advanced high-temp Inconel alloys and stainless steel, and CNC laser-welded for uncompromising durability, the RC2 can withstand harsh conditions while helping to maintain the reliability of the weapon due to unique internal baffling that reduces backpressure.

Comment: "word salad". Is this what TV crime watchers would call a "Silencer"? What is its purpose?

5) The purpose of AB 481, and a more focused effort by Supervisor

Simitian at County for surveillance devices, is that "internal processes and oversight" are insufficient for transparency.

There is repeated use of "pursuant to State and Federal law".

Comment: This provides no actionable information to an ordinary person.

Nor do you provide any mechanism for informing us of changes in those laws. Remember back when state law required ALPR policy to be posted on web site; MHPD did so but without any attempt to notify the community.

6) Department Transparency

Comment: the whole section is just "word salad".

In closing, while I generally do not argue the opposition point-of-view, I am aware, from an impromptu conversation with Chief Palsgrove and Captain Ramirez following a City/School Liaison meeting, that two very different interpretations can arise from the same factual situation. I had said that when I see 3 or 4 officers surrounding a person, I think that this is unnecessary intimidation. Captain Ramirez then said that just the

presence of additional officers could tip the balance and have a suspect not resist and so was actually a de-escalation technique.

Submitted by Morgan Hill resident [REDACTED].

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

APPROVE CITY COUNCIL ASSIGNMENT UPDATE TO SILICON VALLEY CLEAN ENERGY (SVCE) FOR 2025

RECOMMENDATION(S)

1. Approve the appointment of Mayor Mark Turner as the alternate representative to the Silicon Valley Clean Energy Authority (SVCE), replacing outgoing staff member Tanya Carothers; and
2. Direct the City Clerk to notify SVCE of the updated assignment and update the Form 806 as necessary.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities

Fiscal Sustainability

Healthy Community

REPORT NARRATIVE:

As part of the City's continued participation in regional agencies, staff recommends updating the City Council's appointment to the SVCE Board to reflect staffing changes. With the departure of Environmental Programs Administrator Tanya Carothers, Mayor Mark Turner will serve as the City's alternate representative to SVCE. This update ensures continued representation and active engagement in regional clean energy policy discussions. The Mayor makes appointments with ratification by the City Council.

The SVCE Board plays a critical role in shaping local and regional decisions related to renewable energy procurement, grid reliability, and long-term sustainability efforts. Mayor Turner's appointment will help maintain the City's influence in these key conversations and reinforce Morgan Hill's commitment to clean energy goals and climate action priorities.

COMMUNITY ENGAGEMENT:

Inform

This report serves to inform the community of the update to the City Council assignment to SVCE.

ALTERNATIVE ACTIONS:

The council may recommend another council member for appointment.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council reviews and confirms the assignments to outside agencies annually.

FISCAL AND RESOURCE IMPACT:

The time necessary to prepare and present this staff report is accommodated in the Council Services and Records Management Operating Budget. The level of City Council and staff resources necessary to actively participate in each outside assignment varies with some requiring a significant amount of time.

CEQA (California Environmental Quality Act):

Not a Project

The preparation of the City Council assignments to outside agencies is an administrative task and as such, is not a project.

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Countywide	<p><u>Santa Clara County Library District Joint Powers Authority</u> 1370 Dell Avenue Campbell, CA 95008</p> <p>Virginia Johnson, Executive Assistant vjohnson@sccl.org 408-293-2326 x3090</p> <p>https://scclid.org/jpa/</p>	Provide policy direction and governance for the Santa Clara County Library District. Cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill & Saratoga.	<p>Meets 4 times per year typically on the 4th Thursday of month; 12:00 pm</p> <p>1370 Dell Avenue Campbell, CA 95008</p>	(P) Turner (A) Borgioli	

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
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Countywide	<p><u>Silicon Valley Interoperability Authority</u></p> <p><u>Eric Nickel, Executive Director</u> ENickel@svria.org (408) 615-5571</p> <p>https://svria.org/</p>	<p>The Silicon Valley Regional Interoperability Authority (SVRIA) works to seamlessly integrate voice and data communications between law enforcement, the fire and rescue service, emergency medical services and emergency management for routine operations, critical incidents and disaster response and recovery.</p>	<p>For 2023, meets at 4 pm:</p> <ul style="list-style-type: none"> • 1st Thursday in February • 4th Thursday in March • 2nd Thursday in May • 4th Thursday in July • 4th Thursday in September • 3rd Thursday in November 	<p>(P) Tom Cline – Gilroy (A) Turner</p>	
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CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Environmental	<p><u>Santa Clara Valley Habitat Agency Governing Board</u> 535 Alkire Avenue, Suite 100 Morgan Hill, CA 95037</p> <p>Ed Sullivan, Executive Officer Edmund.sullivan@scv-habitatagency.org (408) 779-7261 https://scv-habitatagency.org/31/Governance-Policies</p>	<p>Serves as governing body for JPA and makes all decisions except those delegated to the Implementation Board Staff.</p>	<p>Quarterly, 3rd Thursday 3:00 pm - 5:00 pm</p> <p>Morgan Hill City Council Chamber 17555 Peak Avenue</p>	<p>(P) Spring (P) Librers (A) Turner (A) Borgioli</p>	
Environmental	<p><u>Santa Clara Valley Habitat Agency Implementation Board</u> 535 Alkire Avenue, Suite 100 Morgan Hill, CA 95037</p> <p>Ed Sullivan, Executive Officer Edmund.sullivan@scv-habitatagency.org (408) 779-7261 https://scv-habitatagency.org/31/Governance-Policies</p>	<p>Makes recommendations to the Governing Board regarding fees and budget, appoints executive officers and hiring of other agency personnel, services, and equipment, makes decision regarding real property acquisition and makes recommendations to the executive officers regarding grants and other funding.</p>	<p>Bi-Monthly, 3rd Thursday 3:00 pm - 5:00 pm</p> <p>Morgan Hill City Council Chamber 17555 Peak Avenue</p>	<p>(P) Spring (A) Turner (A) Borgioli</p> <p>(P) Carman (A) Ramirez</p>	

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Environmental	<p><u>Silicon Valley Clean Energy Authority</u> 333 W. El Camino Real, Suite 290 Sunnyvale, CA 94087</p> <p>Andrea Pizano andrea.pizano@svcleanenergy.org (408) 721-5301 x.1005 https://www.svcleanenergy.org/board</p>	<p>The JPA created to collectively study, promote, develop, conduct, operate, and manage energy supply and efficiency programs related to the provision of clean power.</p> <p>Recommended two year assignment per SVCE</p>	<p>2nd Wednesday of the month 7:00 pm</p> <p>Cupertino Community Hall 10350 Torre Ave</p>	<p>(P) Martinez Beltran (A) Turner</p>	
Flood Control	<p><u>Pajaro River Watershed Flood Prevention Authority</u> PO Box 809 Marina, CA 93933</p> <p>Ana Flores Regional Analysis & Planning Services aflores@ambag.org (831)883-3750 ext. 300 http://www.pajaroriverwatershed.org</p>	<p>Identify, evaluate, fund, and implement environmentally sound flood prevention and control strategies in the Pajaro River Watershed, on an intergovernmental, cooperative basis as required by the Pajaro River Watershed Flood Prevention Authority Act.</p>	<p>Meet bi-monthly 1st Friday 9:00 am</p> <p>Meeting locations alternate between the Cities of Gilroy, Hollister, Salinas & Watsonville</p>	<p>(P) Spring (non-voting member)</p>	<p>Chris Ghione, Public Services Director</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Flood Control	<p><u>Santa Clara Valley Water District Elected Officials Quarterly Meeting (Llagas Creek PL 566)</u> 5750 Almaden Expressway San Jose, CA 95118-3686 (mailing address)</p> <p>Michelle King, Clerk of the Board board@valleywater.org (408) 265-2600</p>	Specifically address Llagas Creek flooding and Anderson Dam Retrofit Project.	<p>Quarterly on Fridays 10:00 am</p> <p>Currently held via Zoom only</p> <p>Morgan Hill City Hall, Grand Conference Room 17575 Peak Ave</p>	(P) Spring (P) Borgioli (A) Martinez Beltran	Chris Ghione, Public Services Director
Housing	<p><u>Santa Clara County Housing & Community Development Advisory Committee (HCDAC)</u> Office of Supportive Housing 3180 Newberry Drive, Ste 150 San Jose, CA 95118</p> <p>Alejandra Herrera Chavez, Program Manager I Alejandra.herrera@hhs.sccgov.org (408) 278-6414</p> <p>David Leon – Clerk of the Board contact david.leon@cob.sccgov.org</p>	The role of the HCD Advisory Committee is to be the policy-recommending body to the Board of Supervisors on the planning, implementation, monitoring, and evaluation of the Urban County HCD Program. The Committee guides the development of a coordinated housing and community development plan and hears project proposals, reviews staff recommendations, and makes recommendations to the Board of Supervisors for final approval and forwarding to HUD.	<p>As needed</p> <p>70 West Hedding Street, 1st Floor Board Chambers</p>	(P) Martinez Beltran (A) Librers	Rebecca Garcia, Housing Director

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Local Partnership	<p><u>City-School Liaison Committee</u> Morgan Hill Unified School District; 15600 Concord Circle <i>or</i> City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037-4128</p> <p>Kelly Schriefer, Secretary to the Superintendent, MHUSD schrieferk@mhusd.org (408) 201-6001</p> <p>Kim Mancera, Deputy City Clerk Kim.Mancera@morganhill.ca.gov <i>or</i> (408) 310-4680 http://mhusd.org/board-of-education/cityschool-liaison-committee/</p>	To facilitate communication between the City and School District on issues of common concern.	<p>Every other month, typically on Fridays 8:30 am</p> <p>Meetings alternate between the City of Morgan Hill, City Hall 17575 Peak Ave and the Morgan Hill Unified School District Office 15600 Concord Cir</p>	(P1) Turner (P2) Martinez Beltran (A1) Librers (A2) Borgioli	<p>Christina Turner, City Manager</p> <p>Shane Palsgrove, Police Chief</p> <p>Chris Ghione, Public Services Director</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Local Partnership	<p><u>South County Youth Task Force – Policy Team</u> 7301 Hanna Street Gilroy, CA 95020</p> <p>Sandra Cruz South County Youth Task Force Coordinator sandra.cruz@ci.gilroy.ca.us (408) 846-0337</p>	<p>The South County Youth Task Force is a collaboration of local governments, school districts, community and faith-based organizations, and law enforcement agencies in South County who are committed to serving, supporting, and uplifting our youth so that they have the opportunity to thrive.</p>	<p>Meets bi-monthly or six times per year</p>	<p>(P1) Turner (P2) Borgioli</p> <p>The Mayor and one Council Member are ex-officio members of the Policy Team</p>	<p>Christina Turner, City Manager</p> <p>Shane Palsgrove, Police Chief</p> <p>Chris Ghione, Public Services Director</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Regional Government	<p><u>ABAG</u> 375 Beale Street San Francisco</p> <p>Fred Castro, Clerk of the Board fcastro@bayareametro.gov (415) 820-7913 https://abag.ca.gov/overview/ga.html</p>	<p>Council of governments representing Cities & Counties in the Bay Area; a comprehensive planning agency addressing regional social, environmental, and economic issues.</p>	<p>Meets annually, usually in April</p> <p>Location varies (Oakland or San Francisco)</p>	<p>(P) Martinez Beltran (A) Turner</p>	<p>(P) Jennifer Carman, Community Development Director</p> <p>(A) Edith Ramirez, Assistant City Manager</p>
Regional Government	<p><u>Cities Association of Santa Clara County Board</u> PO Box 1079 Los Gatos, CA 95031</p> <p>Audin Leung, Board Clerk audin@citiesassociation.org (408) 766-9534 http://citiesassociation.org/about-us.php</p>	<p>Promotes cooperation, represents the mutual interest, and presents a unified voice for the fifteen cities of Santa Clara County; each city in Santa Clara County appoints the Mayor or a Council Member to the Board of Directors; advocates for positive action to enhance the quality of life for the people of our county.</p>	<p>Monthly 2nd Thursday 7:00 pm</p> <p>456 W. Olive Ave Sunnyvale</p>	<p>(P) Turner (A) Librers</p> <p>Mayor Pro Tem is usually the Alternate</p>	<p>None, unless Morgan Hill serves as President, then City Manager</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Regional Government	<p><u>Cities Association of Santa Clara County Board</u> <u>City Selection Committee</u> PO Box 1079 Los Gatos, CA 95031</p> <p>Audin Leung, Board Clerk audin@citiesassociation.org (408) 766-9534 http://citiesassociation.org/about-us.php</p>	<p>The committee makes recommendations on appointments to regional and countywide organizations.</p>	<p>Meets as needed before the Cities Association Board Meeting</p> <p>456 W. Olive Ave Sunnyvale</p>	<p>(P) Turner (A) Librers</p> <p>Mayor Pro Tem is usually the Alternate</p>	
Regional Government	<p><u>Cities Association of Santa Clara County Board</u> <u>Legislative Action Committee</u> PO Box 1079 Los Gatos, CA 95031</p> <p>Audin Leung, Board Clerk audin@citiesassociation.org (408) 766-9534 http://citiesassociation.org/about-us.php</p>	<p>The committee provides basic legislative updates to cities with little or no legislative staff, organizes emergency responses to urgent issues, and enables the Cities Association to advocate on issues of mutual interest.</p>	<p>Meets as needed before the Cities Association Board Meeting</p> <p>456 W. Olive Ave Sunnyvale</p>	<p>(P) Turner (A) Librers</p> <p>Mayor Pro Tem is usually the Alternate</p>	
Regional Government	<p><u>League of California Cities Peninsula Division</u></p> <p>Seth Miller P.O. Box 5630 San Francisco, CA 94080 sethl_miller@yahoo.com (415) 595-8629 http://www.cacities.org/Member-Engagement/Regional-Divisions/Peninsula</p>	<p>Comprised of the 36 cities from San Francisco to Gilroy, division members work together to enhance the quality of life in our communities, our region, and our state.</p>	<p>4 meetings per year: special meetings added as needed</p>	<p>(P) Martinez Beltran (A) Librers</p>	

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Transportation	<p><u>Caltrain Local Policy Maker Group</u> 1250 San Carlos Avenue San Carlos, CA 94070 (650) 508-6200</p> <p>Casey Fromson fromsonc@samtrans.com (650) 508-6493 http://www.caltrain.com/projects/plans/CaltrainModernization/Meetings.html</p>	<p>Advisory group comprised of elected officials and provides a formal venue to facilitate local input and guidance on the Caltrain Modernization Program.</p>	<p>Monthly 4th Thursday 5:30 pm</p> <p>Edward J. Bacciocco Auditorium, Second Floor 1250 San Carlos Ave</p>	<p>(P) Turner (A) Martinez Beltran</p>	<p>Edith Ramirez, Assistant City Manager</p> <p>Tiffany Brown, Senior Planner</p>
Transportation	<p><u>Comprehensive County Expressway Planning Study Policy Advisory Board</u> Santa Clara County Roads and Airports 101 Skyport Drive San Jose, Ca 95110-1302</p> <p>Ellen Talbo ellen.talbo01@rda.sccgov.org (408) 573-2462 http://sccgov.ig2.com/citizens/default.aspx?</p>	<p>Provides an elected officials' forum for policy input to the <i>Expressway Plan 2040</i> – a long range plan for the improvement and maintenance of the eight County expressways and the Santa Teresa-Hale Corridor. All areas of need are included: capacity and operational improvements, signal operations, high-occupancy vehicle (HOV) lanes, bicycle, and pedestrian improvements, finishing elements, and ongoing operating and maintenance needs and funding strategy recommendations.</p>	<p>As needed</p> <p>70 West Hedding Street, 1st Floor Board Chambers</p>	<p>(P) Turner (A) Borgioli</p>	<p>Chris Ghione, Public Services Director</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Transportation	<p><u>Santa Clara Valley Transportation Authority (VTA) Policy Advisory Committee (PAC)</u> 3331 North First Street, Building B-1st Floor San Jose, CA 95134-1927</p> <p>Steven Flynn Advisory Committee Coordinator</p> <p>Elaine Baltao, Board Secretary Board.secreatary@vta.org (408) 321-5680 http://www.vta.org/get-involved/advisory-committee/policy-advisory-committee-pac</p>	<p>Advises the Authority Board of Directors on policy matters relating to transportation and congestion management.</p> <p><i>Board Member cannot serve on the PAC.</i></p> <p><i>(Note: participation is State-mandated)</i></p>	<p>Monthly, 2nd Thursday 4:00 pm</p> <p>VTA River Oaks Campus 1331 N. 1st Street Room B-104 San Jose</p>	<p>(P) Martinez Beltran (A) Borgioli</p>	<p>Chris Ghione, Public Services Director</p> <p>Edith Ramirez, Assistant City Manager</p>
Transportation	<p><u>Santa Clara Valley Transportation Authority (VTA) MG - Group 4</u></p>	<p>Cities of Morgan Hill and Gilroy advises the PAC (see above) on transportation policy and funding issues. Discuss transportation items of mutual interest to the cities of Morgan Hill and Gilroy</p>	<p>Tuesday before each Thursday Board meeting, 9:00 am</p> <p>Morgan Hill City Hall 17575 Peak Ave</p>	<p>(P) Martinez Beltran (A) Borgioli</p>	<p>Christina Turner, City Manager</p> <p>Chris Ghione, Public Services Director</p> <p>Edith Ramirez, Assistant City Manager</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Transportation	<p><u>Santa Clara Valley Transportation Authority (VTA) Board of Directors</u> 3331 North First Street San Jose, CA 95134-1906</p> <p>Elaine Baltao, Board Secretary board.secretary@vta.org (408) 321-5680 http://www.vta.org/get-involved/board-of-directors</p>	<p>Reviews issues relating to transportation and congestion management.</p>	<p>Monthly, 1st Thursday 5:30 pm</p> <p>County Government Center 70 W. Hedding St. San Jose</p>	<p>(P) Marie Blankley (Gilroy) (A) Turner</p> <p><i>(Alternates between MH and Gilroy every two years based on VTA preference – sometimes longer for continuity)</i></p>	<p>Christina Turner, City Manager</p> <p>Chris Ghione, Public Services Director</p> <p>Edith Ramirez, Assistant City Manager</p>
Water/Wastewater	<p><u>Santa Clara Valley Water Commission</u> 5750 Almaden Expressway San Jose, CA 95118-3686 (mailing address)</p> <p>Nicole Merritt nmerritt@valleywater.org (408) 630-3262</p>	<p>Advises the District on water supply, legislative issues, and integrated water resource management.</p> <p><i>(Note: Most issues relate to imported water; Morgan Hill is 100% ground water)</i></p>	<p>Santa Clara Valley Water District Headquarters Building Boardroom 5700 Almaden Expressway, San Jose</p>	<p>(P) Borgioli (A) Martinez Beltran</p>	<p>James Sylvain, Deputy Director for Utilities Services</p> <p>Tanya Carothers, Environmental Programs Administrator</p>

CITY COUNCIL APPOINTMENTS TO OUTSIDE AGENCIES

Category	AGENCY NAME	PURPOSE	MEETS	DELEGATES (P=Primary) (A=Alternate)	STAFF REP/S (If applicable)
Water/Wastewater	<p><u>South County Regional Wastewater Authority (SCRWA) Board Meeting</u> 1500 Southside Drive Gilroy, CA 95020</p> <p>Kerry Edmonds kerry.edmonds@jacobs.com Secretary/Clerk of the Board (408) 848-0480 http://www.ci.gilroy.ca.us/561/South-County-Regional-Wastewater-Authority</p>	<p>The South County Regional Wastewater Authority established by Joint Powers Agreement (Cities of Gilroy & Morgan Hill) to provide common authority relating to Joint Wastewater Gilroy/Morgan Hill Sewage Treatment Plant located in Gilroy.</p>	<p>1st Wednesday of the Month, Quarterly 8:00 am</p> <p>1500 Southside Drive Gilroy</p>	<p>(P1) Spring (P2) Martinez Beltran (A) Librers (A) Martinez Beltran (A) Borgioli</p>	<p>James Sylvain, Deputy Director for Utilities Services</p> <p>Chris Ghione, Public Services Director</p> <p>Christina Turner, City Manager</p>
Water/Wastewater	<p><u>Joint Water Resource Committee</u> 5750 Almaden Expressway San Jose, CA 95118-3686 (mailing address)</p> <p>Max Overland moverland@valleywater.org Deputy Clerk</p> <p>Michelle King mking@valleywater.org Clerk of the Board (408) 630-2711 http://www.valleywater.org/About/CitiesofGilroyMorganHill.aspx</p>	<p>Advance South County Water interests. Ensure the continued utilization of recycled water in South County and promote the expansion of water reuse in the region and to advance recycled water production, distribution, and wholesaling in South County.</p>	<p>Meetings follow SCRWA Board Meetings - 1st Wednesday of the Month, Quarterly (at the request of the committee)</p> <p>1500 Southside Drive Gilroy</p>	<p>(P1) Spring (P2) Martinez Beltran (A) Librers (A) Martinez Beltran (A) Borgioli</p> <p>The members from the two cities will also represent the South County Regional Wastewater Authority (SCRWA).</p>	<p>Christina Turner, City Manager</p> <p>Chris Ghione, Public Services Director</p> <p>James Sylvain, Deputy Director for Utilities Services</p>

LIST OF CITY COUNCIL ADJUNCT COMMITTEES

Mayor Mark Turner

- Morgan Hill Chamber of Commerce Board (Mayor is ex-officio member)
- VTA Mobility Partnership Committee
- Cities Association, City Selection Committee LAFCO Alternate
- Cities Association, Public Safety Policy Committee
- LAFCO Board Alternate, Santa County City Selection Committee

Council Member Yvonne Martinez Beltran

- City Liaison to the Sister City Committee
- Peninsula Division Executive Board Secretary, Cal Cities
- Transportation, Communication, and Public Works Policy Committee for Cal Cities
- Housing, Economic, and Community Development Policy Committee for Cal Cities

Council Member Marilyn Librers

- Transportation, Communication, and Public Works Policy Committee for Cal Cities

	Outside Agency	Primary 1	Primary 2	Alternate 1	Alternate 2	Alternate 3
1	SCC Library District JPA	Turner	-----	Vega	-----	-----
2	Silicon Valley Interoperability Authority	Cline (Gilroy)	-----	Turner	-----	-----
3	SCV Habitat Agency Governing Board	Librers	Vega	Turner	Iwanaga	-----
4	SCV Habitat Agency Implementation Board	Librers	Vega	Turner	Iwanaga	-----
5	Silicon Valley Clean Energy	Martinez Beltran	-----	Turner	-----	-----
7	SCVWD Elected Officials PL566	Vega	Iwanaga	Martinez Beltran	-----	-----
8	SCC Housing & Community Development Advisory Committee	Martinez Beltran	-----	Librers	-----	-----
9	City/School Liaison Committee	Turner	Vega	Librers	Martinez Beltran	-----
10	South County Youth Task Force	Turner	Librers	-----	-----	-----
11	ABAG	Martinez Beltran	-----	Turner	-----	-----
12	Cities Association	Turner	-----	Librers	-----	-----
13	Cities Association - City Selection Committee	Turner	-----	Librers	-----	-----
14	Cities Association - Legislative Action Committee	Turner	-----	Librers	-----	-----
15	LOCC Peninsula Division	Librers	-----	Turner	-----	-----
16	Caltrain Policy Maker Group	Librers	-----	Martinez Beltran	-----	-----
17	Comprehensive County Expressway Planning Policy Advisory Board	Turner	-----	Librers	-----	-----
18	VTA Policy Advisory Committee	Martinez Beltran	-----	Librers	-----	-----
19	VTA MG-Group 4	Turner	-----	Martinez Beltran	-----	-----
20	VTA Board of Directors	Turner	-----	Bozzo (Gilroy)	-----	-----
21	Valley Water Commission	Martinez Beltran	-----	Vega	-----	-----
22	South County Regional Wastewater Authority	Martinez Beltran	Iwanaga	Turner	Librers	Vega
23	Joint Water Resource Committee	Martinez Beltran	Iwanaga	Turner	Librers	Vega

Totals

	Primary	Alternate
Turner	9	8
Iwanaga	3	2
Librers	5	9
Martinez Beltran	7	4
Vega	4	4



City Council

Meeting Minutes

- Mark Turner* - Mayor
Yvonne Martínez Beltrán - Mayor Pro Tem
Soraida Iwanaga - Council Member
Marilyn Librers - Council Member
Miriam Vega - Council Member

Wednesday, May 21, 2025

A special meeting was held at 5:00 p.m. at the address below:

**City Hall, Grand Conference Room
17575 Peak Avenue, Morgan Hill, CA 95037**

The regular meeting convened at 6:00 p.m. at the address below:

**Council Chamber Building, West Conference Room
17555 Peak Avenue, Morgan Hill, CA 95037**

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:00 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

Mayor Turner called the Special Meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

PRESENT	Mark Turner, Yvonne Martinez Beltran, Soraida Iwanaga, Marilyn Librers, Miriam Vega
ABSENT	None

Council Member Librers attended via Zoom.

Council Member Martinez Beltran arrived at 6:00 p.m. She was not present for the closed session.

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

CLOSED SESSION

City Attorney Donald Larkin announced the closed session.

Conference with Labor Negotiators

Authority: Pursuant Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; AFSCME Local 101 Morgan Hill; Community Service Officers Association; Employees Covered under Management Resolution #21-050

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 5:01 p.m. There being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:01 p.m.

REGULAR MEETING

The regular meeting was called to order at 6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Eagle Scout - Sean Wilmot
Ellie Weston

PROCLAMATIONS

Affordable Housing Month
American Red Cross Month
Foster Care/Resource Parent Month
Public Works Week

PRESENTATIONS

YAC Presentation and Recognitions

CITY COUNCIL REPORTS

Mayor Turner shared updates on several community and regional initiatives:

- Transportation: VTA approved \$1.5 million toward a \$2 million study for express lanes on Highway 101 to State Route 25. A groundbreaking for the 101/25 interchange work takes place tomorrow at 10:30 a.m. at Garlic World.
- Library News: The Santa Clara County Library District unveiled new early learning play spaces—Morgan Hill’s theme is “Trusty Trails.”
- Healthy Morgan Hill: The kick-off took place May 10 during Sidewalk Saturdays. The next event, Walk with a Doc, is June 7 at 9:00 a.m. at the Magical Bridge Playground.
- Community Engagement: A meeting was held on water and fire preparedness. Mayor Turner is also working with youth at Park Place Apartments to convert ball fields to turf and is seeking sponsors.
- Parks and Trails: Plans are underway to plant trees along the West Little Llagas Creek Trail. The Morgan Hill Rotary Club approved \$25,000 in funding, with work expected to begin in the fall.
- Tourism and Events: The mayor is discussing farm tours with the wine trolley operators and is coordinating a regional pickleball tournament with Gilroy and San Martin.

CITY MANAGER'S REPORT

City Manager Christina Turner shared the following updates:

- **New Leadership:** She introduced Morgan Hill's new Fire Chief, Marcus Hernandez.
- **Youth Engagement:** The Police Department will host a Teen Police Academy June 10–13 for local teens (ages 14–17) to explore law enforcement careers and community engagement.
- **PD Recruitment:** The Police Department is hiring for multiple roles, including Explorers (16–21), Cadets (18–21), Multi-Service Officers (21+), and Police Officers.
- **Affordable Housing:** A Manufactured Home Purchase Program Workshop will be held Wednesday, May 28, from 6:00–7:00 p.m., in partnership with the County. It will cover eligibility, financing, and the application process.
- **Public Art Planning:** A Public Art Master Plan Workshop is scheduled for Tuesday, June 3, from 6:00–7:00 p.m. Community input will help shape the future of public art in Morgan Hill.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that there was no reportable action from the closed session earlier in the evening.

OTHER REPORTS

Mayor Pro Tem Martinez Beltran shared recent activities and committee work:

- Attended Congresswoman Lofgren's Town Hall (April 4) and the Housing & Community Development Advisory Committee meeting (May 4).
- Participated in several SVCE meetings and noted they've secured a new building on El Camino Real.
- As Chair of the VTA PAC, she attended multiple meetings and is advocating to bring Viva Calle to Morgan Hill.
- Attended Peninsula Meetings, with a fundraiser planned at Top Golf in San Mateo.
- Participated in an ABAG meeting and the City Leaders Summit in Sacramento with Council Members Vega, Iwanaga, and Librers.
- Also attended a Cal Cities board meeting.

Council Member Librers reported:

- Joined the City Leaders Summit in Sacramento.
- Participated in the LPMG Local Policy Committee for Caltrain and completed related training.
- Personally funded a 4-day trip to Washington D.C. to meet with legislators about

EV mandates.

- Congratulated staff on the success of the Open Streets event.

PUBLIC COMMENT

Public comment opened at 6:49 p.m. The following people were called to speak:

John McKay

Eric Rodriguez

Sarah Miller

There being no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda, moving item 25 to the September 17, 2025, City Council Meeting.

RESULT:	Passed
MOVER:	Council Member Vega
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

1. **PROVIDE RECOMMENDATIONS TO THE MAYOR FOR THE REAPPOINTMENT OF TWO (2) COMMISSIONERS ON THE PLANNING COMMISSION AND INTERVIEW CANDIDATES TO FILL THE REMAINING ONE (1) SEAT ON THE PLANNING COMMISSION**

Recommendation:

1. Recommend Reappointment of Commissioners James Wilson and Mohammad Habib with terms ending June 1, 2029;
2. Mayor shares the characteristics/traits that a successful applicant(s) would possess;
3. Conduct Interviews;
4. Council Members identify top applicant(s) and provide recommendations to the Mayor.

The Mayor and Council interviewed the following applicants:

Elizabeth Pulido Carillo (Zoom)
Mark Chilcott
Pierre Dacunha
Danielle Davenport
David Lovato
Mike Rizzo

The meeting recessed at 7:26 p.m. and reconvened at 7:39 p.m.

MOTION:

Ratifying the Mayor's reappointment of James Wilson and Mohammad Habib and appointing David Lovato to four-year terms on the Planning Commission.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

MOTION:

Approving content calendar items 2, 4, and 6 through 19.

RESULT:	Passed
MOVER:	Council Member Vega
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

2. **AUTHORIZE THE CITY MANAGER TO EXECUTE A PURCHASE AGREEMENT FOR COMPUTER EQUIPMENT WITH SAVANT SOLUTIONS**

Recommendation:

Authorize the City Manager to execute a purchase agreement for computer equipment with Savant Solutions with an amount not to exceed \$150,000.

4. **ADOPT A RESOLUTION APPROVING FY 2025-26 LIST OF STREET REHABILITATION PROJECTS FUNDED BY SENATE BILL (SB) 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT**

Recommendation:

Adopt a resolution approving a list of street rehabilitation projects for Fiscal Year 2025-26 funded by SB1, the Road Repair and Accountability Act of 2017.

6. **ADOPT A RESOLUTION DECLARING THE SUMMARY VACATION OF A PORTION OF A PUBLIC SERVICE AND LANDSCAPE EASEMENT AT 250 JARVIS DRIVE (APN 726-25-095)**

Recommendation:

1. Adopt a Resolution declaring the Summary Vacation of a portion of a Public Service and Landscape Easement at 250 Jarvis Drive (APN 726-25-095); and
2. Direct the City Clerk to file a certified copy of the Resolution in the Office of the Recorder of Santa Clara County.

7. **APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AND ADMINISTER A CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS WITH KIMLEY-HORN & ASSOCIATES TO PROVIDE CONCEPTUAL DESIGN OF ROUNDABOUT INTERSECTION IMPROVEMENTS AT WATSONVILLE ROAD AND SUNNYSIDE AVENUE/SANTA TERESA BOULEVARD**

Recommendation:

Approve and authorize the City Manager to execute and administer a Consultant Agreement for Design Professionals with Kimley-Horn & Associates for the conceptual design of Roundabout Intersection Improvements at the intersection of Watsonville Road and Sunnyside Avenue/Santa Teresa Boulevard in the amount of \$175,096.

8. **APPROVE FINAL MAP FOR CROSSWINDS PHASE 2 - TRACT NO. 10652**

Recommendation:

1. Approve the Final Map; and
2. Authorize the recordation of the Final Map.

9. **APPROVE FIRST AMENDMENT TO THE AGREEMENT FOR COUNTYWIDE HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM**

Recommendation:

Authorize the City Manager to execute the first amendment to the Agreement for the Countywide Household Hazardous Waste Collection Program.

10. **APPROVE GEOGRAPHIC INFORMATION SYSTEM (GIS) ENTERPRISE SOFTWARE AGREEMENT WITH ESRI**

Recommendation:

Authorize the City Manager to execute a three-year small government enterprise agreement with Esri for GIS software licensing for a total amount of \$126,600.

11. **APPROVE OBJECTIVE DEVELOPMENT STANDARD WAIVER REQUEST FOR THE DIANA - VALLEY OAK RESIDENTIAL PROJECT**

Recommendation:

Adopt a resolution approving the request for one waiver to the City's objective Residential Development Design and Development Standards for residential development.

12. **APPROVE SANTA CLARA VALLEY HABITAT AGENCY (SCVHA) HABITAT PLAN AMENDMENT AND AUTHORIZE GOVERNING BOARD TO APPROVE FINAL AMENDMENT**

Recommendation:

1. Receive information on proposed amendments to the Santa Clara Valley Habitat Plan;
2. Authorize the Santa Clara Valley Habitat Agency to proceed with the Habitat Plan amendment; and
3. Authorize the Santa Clara Valley Habitat Agency Governing Board to approve the final Habitat Plan amendment.

13. **APPROVE THE APRIL 2, 2025 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve minutes.

14. **AWARD 2025 SIDEWALK REPAIRS PROJECT TO ESTATE DESIGN AND**

CONSTRUCTION, INC.

Recommendation:

1. Award contract to Estate Design and Construction, Inc. in the amount of \$160,000; and authorize the expenditure of construction contingency funds not to exceed \$16,000 for a total authorization of \$176,000; and
2. Authorize the City Manager to execute and administer the construction contract with Estate Design and Construction, Inc.

15. AWARD 2025 PAVEMENT REHABILITATION PROJECT TO JV LUCAS PAVING

Recommendation:

1. Approve 2025 Pavement Rehabilitation plans and specifications;
2. Award contract to JV Lucas Paving for the 2025 Pavement Rehabilitation Project in the amount of \$2,010,148;
3. Authorize the expenditure of construction contingency not to exceed \$301,522; and
4. Authorize the City Manager to execute and administer the construction contract with JV Lucas Paving.

16. AWARD EAST DUNNE SEWER UPSIZE PROJECT TO WESTROCK ENGINEERING

Recommendation:

1. Approve the East Dunne Sewer Upsize Project Plans and Specifications;
2. Award contract to WestRock Engineering for the East Dunne Sewer Upsize Project in the amount of \$1,177,409;
3. Authorize expenditure of construction contingency funds not to exceed \$117,741;
4. Authorize the City Manager to execute and administer the construction contract with WestRock Engineering.

17. INITIATE ANNUAL ASSESSMENT PROCESS FOR LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

Recommendation:

Approval of the resolutions to:

1. Initiate the proceedings for the levy of assessments for Fiscal Year 2025-26;
2. Approve the Engineer's Annual Report and the proposed assessment levy; and

3. Declare the City Council's intention to levy the assessments in the District and to set the Public Hearing date for June 18, 2025.

18. RATIFY CITY POSITION ON PENDING LEGISLATION

Recommendation:

Ratify the City's position supporting pending legislation, Senate Bill 496 (Hurtado) Advanced Clean Fleets.

19. APPROVE PACIFIC GAS AND ELECTRIC COMPANY AGREEMENT TO PROVIDE ELECTRIC SERVICE TO THE BUTTERFIELD PARK PHASE 1 PROJECT

Recommendation:

1. Approve the Pacific Gas and Electric Agreement to provide electric service to the Butterfield Park Phase 1 Project.; and
2. Authorize the City Manager to administer and execute the Pacific Gas and Electric Company Agreement in the amount of \$236,456.

ITEMS PULLED FOR DISCUSSION

3. ADOPT RESOLUTION ACCEPTING METROPOLITAN TRANSPORTATION COMMISSION'S (MTC'S) TRANSIT ORIENTED COMMUNITIES (TOC) PLANNING AND IMPLEMENTATION PROJECTS GRANTS AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT RELATED AGREEMENTS AND DOCUMENTS

Recommendation:

Adopt resolution:

1. Accepting a grant award from MTC for \$650,000 for Morgan Hill Zoning Densities and Floor Area Ratio TOC Policy Compliance; \$200,000 for Morgan Hill Housing TOC Policy Development; \$125,000 for Morgan Hill Parking Management TOC Policy Compliance; and \$175,000 for Morgan Hill Station Access and Circulation TOC Policy Compliance in response to the MTC's Call for TOC Planning and Implementation Projects; and
2. Authorizing the City Manager to negotiate and execute the City of Morgan Hill MTC TOC Planning and Implementation Grants application, the MTC TOC Planning and Implementation Grants documents, and any amendments thereto on behalf of the City as required by MTC for receipt of the MTC TOC Planning and Implementation Grants.

Development Services Director Jennifer Carman provided a report.

Public comment opened at 7:47 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Vega
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

5. **ADOPT A RESOLUTION TO REQUEST THE METROPOLITAN TRANSPORTATION COMMISSION FOR THE ALLOCATION OF FISCAL YEAR 2025-2026 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 PEDESTRIAN/BICYCLE PROJECT FUNDING**

Recommendation:

1. Authorize staff to prepare and submit a Transportation Development Act Article 3 Pedestrian Improvement Project grant application to the Santa Clara Valley Transportation Authority for implementation of the Monterey Road High-Intensity Activated Crosswalk Beacon Project; and
2. Adopt a resolution to request the Metropolitan Transportation Commission for the allocation of fiscal year 2025-2026 Transportation Development Act Article 3 Pedestrian/Bicycle project funding.

Assistant Engineer Nolan Ugalde provided a report.

Public comment opened at 7:49 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega

NAYS:	None
ABSTAIN:	None
ABSENT:	None

PUBLIC HEARINGS

20. APPROVE SOLID WASTE MANAGEMENT RATE ADJUSTMENT FOR 2025

Recommendation:

Adopt resolution approving an adjustment to the maximum allowable solid waste charges effective July 1, 2025.

Environmental Program Administrator Tanya Carothers provided a report and presentation. Mike Kelly with Recology answered questions.

Public comment opened at 7:55 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

21. INTRODUCE ORDINANCE TO UPDATE AND DESIGNATE FIRE HAZARD SEVERITY ZONES

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of the Ordinance; and
3. Introduce Ordinance adopting updated fire hazard severity zones.

Development Services Director Jennifer Carman provided a report and presentation.

Public comment opened at 8:02 p.m. There being no requests to speak, public

comment closed.

MOTION:

Waiving the first and second readings of the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Introducing the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

22. **INTRODUCE AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING SECTIONS 3.04.240 (CONSULTANT CONTRACTS) AND 3.04.250 (REQUEST FOR PROPOSALS) OF CHAPTER 3.04 (PURCHASING) OF TITLE 3 (REVENUE AND FINANCE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PROCUREMENT OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING, AND CONSTRUCTION PROJECT MANAGEMENT SERVICES PURSUANT TO ARTICLE XXII OF THE CALIFORNIA CONSTITUTION AND GOVERNMENT CODE § 4529.10 ET SEQ.**

Recommendation:

1. Waive first and second reading of the Ordinance; and

2. Introduce Ordinance amending Chapter 3.04 (Purchasing).

Assistant City Attorney Cynthia Hasson provided a report.

Public comment opened at 8:09 p.m. There being no requests to speak, public comment closed.

MOTION:

Waiving the first and second readings of the ordinance.

RESULT:	Passed
MOVER:	Council Member Iwanaga
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Introducing the ordinance.

RESULT:	Passed
MOVER:	Council Member Iwanaga
SECONDER:	Mayor Pro Tem Martinez Beltran
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

23. INTRODUCE ORDINANCE AMENDING CHAPTER 5.32 (MESSAGE ESTABLISHMENTS AND MESSAGE PROFESSIONALS PERMIT REQUIREMENTS) OF TITLE 5 (BUSINESS LICENSES GENERALLY) MODIFYING THE PERMITTING PROCEDURE FOR MASSAGE THERAPY ESTABLISHMENTS AND SERVICES

Recommendation:

1. Waive first and second reading of the Ordinance; and
2. Introduce Ordinance amending Chapter 5.32 (Massage Establishments

and Massage Professionals Permit Requirements).

Assistant City Attorney Cynthia Hasson provided a report.

Public comment opened at 8:18 p.m.

Bonnie Kelley was called to speak.

There being no further requests to speak, public comment closed.

MOTION:

Waiving the first and second readings of the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Introducing the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Martinez Beltran, Council Member Iwanaga, Council Member Librers, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

24. RECEIVE MONTHLY BUDGET UPDATE; MARCH 2025 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Receive and file reports.

Finance Director Dat Nguyen provided a report and presentation.

Public comment opened at 8:30 p.m. There being no requests to speak, public

comment closed.

Report received.

25. APPROVE REQUEST TO RENAME NOB HILL TRAIL PARK AFTER COMMUNITY MEMBER MARTY CHEEK OR PROVIDE ALTERNATIVE DIRECTION

Recommendation:

Approve or do not approve the renaming of the Nob Hill Trail Park in recognition of Marty Cheek.

Item continued to the September 17, 2025 City Council Meeting.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Mayor Pro Tem Martinez Beltran requested a review of the City Council meeting schedule.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 8:34 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

AWARD OF 2025 MORGAN HILL WATER MAIN REPLACEMENT PROJECT TO DPI, INC.

RECOMMENDATION(S)

1. Approve the 2025 Morgan Hill Water Main Replacement Project Plans and Specifications;
2. Award 2025 Morgan Hill Water Main Replacement Project to DPI, Inc. in the amount of \$537,800;
3. Authorize the expenditure of contingency in the amount of \$107,560; and
4. Authorize the City Manager to execute and administer the construction contract with DPI, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Healthy Community

Guiding Documents

Water System Master Plan

REPORT NARRATIVE:

The 2021 Water System Master Plan recommends an ongoing program to replace aging and failing pipelines through the City's water system. This includes improvements to mitigate existing water system deficiencies, increasing hydraulic reliability and/or replacing existing pipelines due to poor condition. The City-owned water main at the Hale Avenue/Main Avenue Shopping Center has had multiple breaks over the last few years and the proposed water main installation connecting White Oak Court and Hilltop Court water main system will allow for the abandonment of a section of failing water main at Hilltop Court to Jackson Oaks Drive (Attachment 1 - Vicinity Map)

Staff began working on this project in August 2024 to produce a set of project plans and

specifications to replace the aging water main at the Hale Avenue/Main Avenue Shopping Center and to install a new water main between White Oak Court and Hilltop Court. The project's scope of work involves the abandonment of the existing water main and the installation of approximately 600 linear feet of new 8" water main at the Hale Avenue/Main Avenue Shopping Center. Furthermore, approximately 200 linear feet of 8" water main will be installed between White Oak Court to Hilltop Court. Other miscellaneous work includes water main connections to the existing main, new water services to the existing water meters, new fire hydrants, abandoning the existing main, testing and chlorination and trench restoration, slurry seal, and striping.

The plans and specifications were completed in February 2025 and the project was advertised for bidding in March 2025. The bid opening was held on April 29, 2025 and eight (8) bids were received and are as listed below:

Estate Design and Construction, Inc.	\$465,700 * (rejected)
DPI, Inc.	\$537,800
WestRock Engineering	\$538,750
Monterey Peninsula Engineering, Inc.	\$586,800
Golden Bay Construction, Inc.	\$605,602
Granite Rock Company	\$655,300
Con-Quest Contractors, Inc.	\$677,100
Pacific Underground Construction, Inc.	\$925,935

At the bid opening, Estate Design and Construction, Inc. was deemed the apparent low bidder. But after further review of their bid proposal, their bid was rejected due to the omission of the addendum acknowledgments. Therefore, their bid was rejected. The next low bidder, DPI, Inc.'s bid amount of \$537,800 is approximately 8% above the engineer's estimate of \$495,000. DPI, Inc. is an experienced public contractor with good experience in underground utility projects. Staff recommends the award of the contract to DPI, Inc. in the amount of \$537,800. Due to possible unforeseen conditions, staff is requesting a twenty (20) percent contingency for this project (\$107,560). This project is tentatively scheduled to start in July 2025 with a completion date of October 2025.

The plans and specifications are available for review on the City's webpage under the Government tab and Community Projects site:

<https://www.morganhill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>

COMMUNITY ENGAGEMENT:

Inform

This project is located within both business and residential neighborhoods. Staff will work with the contractor to minimize inconveniences to both residents and business owners and provide email and door notifications prior to any construction activities. City Staff has already met with the owner of the Shopping Center to coordinate work and is planning nighttime work, with most work occurring after 9pm and before 5am, so businesses are not impacted during their daytime business hours. Staff will provide regular updates with construction information regularly through Nextdoor and on the City's website.

ALTERNATIVE ACTIONS:

City Council may elect not to award this construction contract and request the project be re-bid. Staff does not recommend this alternative as competitive bids were received. Rebidding the project is not likely to result in significant savings and it will delay the project approximately three to four months.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On December 15, 2021, the City Council adopted the Water Systems Master Plan.

FISCAL AND RESOURCE IMPACT:

The total authorization for the project would be \$645,360, which includes a 20% contingency of \$107,560. The project is sufficiently funded in the Fiscal Year 2024-25 Capital Improvement Program (CIP) budget under CIP Project WA6005, Water Pipeline Repair and Replacement, utilizing Water Capital Project Funds (653).

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this staff report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the work for this project involves the repair, maintenance, or minor alteration of existing City facilities involving negligible or no expansion of the use of those facilities.



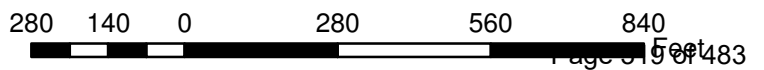
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



**Public Services Department
CIP Engineering Division**

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2025 Morgan Hill Water Main Replacement Project (1 of 2)





Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



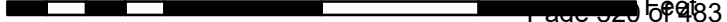
CITY OF MORGAN HILL
Public Services Department
CIP Engineering Division

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2025 Morgan Hill Water Main Replacement Project (2 of 2)



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CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Hilary Holeman, Administrative Analyst

APPROVED BY: City Manager

RATIFY CITY POSITION ON PENDING LEGISLATION

RECOMMENDATION(S)

Ratify the City's position opposing pending legislation, Senate Bill 16 (Blakespear) Homeless Housing, Assistance, and Prevention program: housing element.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities

Affordable Housing and Homelessness

REPORT NARRATIVE:

Per Resolution No. 20-010 (Attachment 1), the City Council recognizes occasional situations arise where communication indicating support or opposition on pending State, County, or other regional boards' legislation or action that could be important and may occur prior to the next scheduled City Council meeting. Under these circumstances, the Mayor or City Manager is delegated the authority to prepare, execute and transmit written or verbal communications indicating a City's position when any of the following criteria are met: a) the League of California Cities, or a similar organization, has requested the City to comment or take a position, b) the timing to express a position occurs prior to the next scheduled Council meeting, and c) the pending State, County, or other regional boards' legislation or action clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal, or Strategy in a substantial manner such that it is in the best interest of the City to indicate its comment or position. When this occurs, a written report to the City Council for acceptance is required at the next possible meeting.

BACKGROUND

On May 14, 2025, the League of California Cities issued an "Action Alert" to Peninsula Division agencies, calling attention to several bills passing through the Appropriations Committee. After review, staff recommended the City take an "Oppose Unless Amended" position on SB 16 (Blakespear) Homeless Housing, Assistance, and Prevention program: housing element, before the next scheduled legislative hearing on

May 23, 2025 when it passed and has been ordered to a third reading.

BILL SUMMARY

SB 16 aims to improve coordination between cities and counties in addressing homelessness and to ensure more accountability and effective use of funds in transitioning people from the streets into housing. Specifically, SB 16 would require all but 14 cities to provide detailed reports on available homelessness resources, actions taken to connect individuals to those resources, and various data points. For example, SB 16 requires cities to share information about the number of people who become homeless after exiting institutional settings, including jails, prisons, and hospitals, and the number of people who become unhoused after moving into permanent housing.

While well-intentioned, this bill limits local control and could impose unfunded mandates and significant reporting burdens on Morgan Hill. For these reasons, on May 21, 2025, the City sent a letter in opposition of SB 16 (Attachment 2) via the California Legislature Position Portal. The full SB 16 Bill Text is included as Attachment 3.

COMMUNITY ENGAGEMENT:

Inform - this report serves to inform the Community on the City's position on pending legislation that directly impacts the City of Morgan Hill.

ALTERNATIVE ACTIONS:

The City Council could rescind the position taken.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

City Council periodically ratifies City positions on various pending State, County or other regional board legislation or actions that have a direct impact on the City of Morgan Hill.

FISCAL AND RESOURCE IMPACT:

Tracking legislation is an activity included in the annual workplan of the City Manager's Office.

CEQA (California Environmental Quality Act):

Not a Project - administrative action/activity without an impact.

RESOLUTION NO. 20-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING THE MAYOR OR CITY MANAGER TO PREPARE, EXECUTE AND TRANSMIT COMMUNICATIONS INDICATING A POSITION ON PROPOSED STATE, COUNTY, OR OTHER REGIONAL BOARDS' LEGISLATION OR ACTION ON CERTAIN MATTERS THAT MAY HAVE IMPACTS UPON THE CITY IN CERTAIN CIRCUMSTANCES AND DIRECTING A REPORT BACK TO CITY COUNCIL ON ANY SUCH COMMUNICATIONS TRANSMITTED. (THIS RESOLUTION RESCINDS RESOLUTION NO. 6851)

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to indicate City's position on proposed legislation of the State of California and is sometimes requested to so indicate City's position on such legislation for the benefit of the City; and

WHEREAS, the reasons supporting the adoption of this Resolution are set forth in detail in that certain City Council Staff Report submitted for City Council consideration at its meeting of February 5, 2020, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. **Recitals.** The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council prefers, whenever possible, that determinations on whether to take a position on pending State, County, or other regional boards' legislation or action be brought before the City Council as a whole for consideration and action. However, the City Council recognizes that occasional, limited situations arise where communications indicating support or opposition on pending State, County, or other regional boards' legislation or action that could be important to City are requested from cities within timeframes that have deadlines occurring prior to the next scheduled meeting of the City Council as a whole at which the City Council could consider and determine City's position on such pending legislation. For these reasons, the City Council does further resolve, order and/or direct as follows:

- a. That the Mayor and/or the City Manager is delegated authority to and is authorized to prepare, execute and transmit written or verbal communications indicating a City position on proposed pending State, County or other regional boards' legislation or action that may have impacts upon City when any of the following criteria are met:
 - i. The League of California Cities, or a successor or similar organization, has requested City comment or position on a piece of pending legislation or action, or the City has otherwise become aware of such pending legislation or action;
 - ii. A public hearing and an opportunity for City to comment or take a position upon such pending legislation or action is occurring in a timeframe and with a deadline to comment or express a position that occurs prior to the next scheduled meeting of the City Council at which the City Council could consider and determine City's comment or position on such pending legislation or action; or
 - iii. The pending legislation or action clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal or Strategy in a substantial manner such that it is in the best interests of City to indicate its comment or position on such pending legislation or action.
- b. That the Mayor and/or City Manager is hereby directed to provide a written report to the City Council for the Council's comment and acceptance at the City Council's next possible meeting whenever the Mayor or City Manager prepares, executes and transmits a communication indicating a comment or position on pending legislation or action pursuant to the authority delegated under this Resolution, which report shall include a copy of such pending legislation or action, and the comment or position transmitted.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 5th day of February 2020 by the following vote:


AYES:	COUNCIL MEMBERS:	Yvonne Martinez Beltran, Rene Spring, John McKay, Larry Carr, Rich Constantine
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:



RICH CONSTANTINE, Mayor

ATTEST:




IRMA TORREZ, City Clerk

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-010, adopted by the City Council at the meeting held on the 5th day of February 2020.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: 3/3/2020



Irma Torrez, CITY CLERK



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Morgan Hill, CA 95037-4128
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FAX: (408) 779-3117
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May 21, 2025

The Honorable Aisha Wahab
Chair, Senate Housing Committee
1021 O Street, Room 3330
Sacramento, CA 95814

**RE: SB 16 (Blakespear) Homeless Housing, Assistance, and Prevention Program: Housing Element
Notice of OPPOSE UNLESS AMENDED**

Dear Senator Wahab,

The City of Morgan Hill respectfully opposes SB 16 (Blakespear) unless amended to address cities' concerns. Currently, SB 16 places additional reporting mandates on all but 14 cities, targeting cities that already do not receive direct state homelessness funding.

The state's flagship homelessness grant program, the Homeless Housing, Assistance, and Prevention (HHAP) Grant program, allocates funding to all 58 counties, 44 continuums of care, and cities with populations over 300,000. This means that only 14 cities in California are receiving direct state homelessness funding through HHAP.

To receive HHAP funding, grantees must submit a regionally coordinated homelessness action plan to the Housing and Community Development Department that includes specific system performance measures. SB 16 would copy these system performance measures from the HHAP regional plans and impose them as a separate, unequal reporting requirement **only** on cities not receiving state funding - forcing them to track these metrics in their housing elements.

Specifically, SB 16 would require all but 14 cities to provide detailed reports on available homelessness resources, actions taken to connect individuals to those resources, and various data points. For example, SB 16 requires cities to share information about the number of people who become homeless after exiting institutional settings, including jails, prisons, and hospitals, and the number of people who become unhoused after moving into permanent housing.

There is a reason these system performance metrics are currently in the regional planning process – because gathering this data requires collaboration with counties, prisons, hospitals, VAs, and other stakeholders. These requirements create significant administrative burdens for communities such as ours, that already do not receive financial support. Morgan Hill lacks the infrastructure to collect the data required by SB 16, making compliance nearly impossible.

The City of Morgan Hill understands the goal of increasing transparency around the efforts of smaller cities to address the state's homelessness crisis. Currently, cities that do not receive HHAP funding are encouraged to take part in HHAP regional planning but are not required to participate. The City of Morgan Hill is requesting amendments that require smaller cities to have a seat at the table for the regional planning process. This will

accomplish the same goal, allowing transparency on the same system metrics that SB 16 includes, but instead through the same regional process that is already being used by California's largest cities.

Each year, the Legislature introduces bills that change the rules mid-stream, significantly complicating cities' efforts to secure housing element certification. These multiyear planning efforts are already complex, time-consuming, and expensive. SB 16 would add yet another layer of reporting requirements - through a non-reimbursable state mandate - placing a disproportionate burden on smaller cities. For many, the challenge of collecting and reporting this data could further jeopardize their ability to achieve a compliant housing element.

The City of Morgan Hill urges amendments to SB 16 that create consistency with the existing reporting process and do not unfairly target California's small cities that will continue to be left out of direct state homelessness funding. For these reasons, the City of Morgan Hill has an oppose unless amended position on SB 16 (Blakespear).

Sincerely,

A handwritten signature in black ink that reads "Mark Turner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Turner
Mayor

cc: Assemblymember Gail Pellerin
Senator Dave Cortese
Montana Cruz, Regional Public Affairs Manager, League of California Cities, mcruz@calcities.org
Meg Desmond, League of California Cities, cityletters@calcities.org

AMENDED IN SENATE APRIL 24, 2025
AMENDED IN SENATE MARCH 25, 2025

SENATE BILL

No. 16

Introduced by Senator Blakespear

December 2, 2024

An act to amend Section 65583 of the Government Code, to add Article 3 (commencing with Section 50245) to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety Code, and to amend Section 5963.02 8257.1 of the Welfare and Institutions Code, relating to homelessness.

LEGISLATIVE COUNSEL'S DIGEST

SB 16, as amended, Blakespear. Homeless Housing, Assistance, and Prevention program: housing element: ~~Integrated Plan for Behavioral Health Services and Outcomes: unsheltered and chronic homelessness: assessment and financing plan.~~

(1) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. Existing law requires the housing element to *consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.* Existing law requires the housing element to include, among other things, an assessment of housing needs and an inventory of resources and constraints that are relevant to meeting these needs. *Existing law establishes the Homeless Housing, Assistance, and Prevention program (HHAP) for the purpose of providing jurisdictions with grant funds to support regional*

coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified.

~~For a local government that does not receive funding to address the population of individuals who are unhoused pursuant to certain state programs, pursuant to HHAP, this bill would require the assessment to include, among other things, specified data regarding the population of individuals who are unhoused the most up-to-date data on the number of individuals who are unhoused and a description of key actions that will be taken to reduce the number of individuals who are unhoused based on the data. By imposing additional duties on local governments, this bill would impose a state-mandated local program.~~

~~(2) Existing law establishes the Homeless Housing, Assistance, and Prevention program (HHAP) for the purpose of providing jurisdictions with grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified. Existing law provides for the allocation of funding under the program among continuums of care, cities, counties, and tribes in 6 rounds, which are administered by the Department of Housing and Community Development.~~

~~Upon appropriation by the Legislature, this bill would establish Round 7 of the HHAP program. To be eligible for a Round 7 base program allocation, the bill would require specified jurisdictions to apply as part of a region and be signatory to a Round 7 regionally coordinated homeless action plan that has been approved by the department. The bill would require the plan to include an inventory of existing and planned city-operated shelters, the expected cost for those shelters, and a commitment by counties to contribute 50% of the expected costs, as specified.~~

~~On or before the end of the 2025–26 fiscal year, the bill would require a grantee to submit to the department an update on its regionally coordinated homeless action plan activities for department review, as specified. The bill would authorize a board of supervisors of a county to adopt a resolution determining that contributing 50% of expected costs is financially infeasible, as specified. If a county adopts the resolution, the bill would require the department to determine the contribution percentage of the county, as specified. On or before the end of the 2025–26 fiscal year, the bill would require cities to submit to the department the actual operating cost of city-operated shelters and require counties to reimburse cities for any excess contributions. The~~

bill would authorize the department to withhold 50% of funds from a grantee until the department has approved the update.

~~(3) Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans for the provision of mental health services, as specified. Existing law authorizes the MHSA to be amended by a $\frac{2}{3}$ vote of the Legislature if the amendments are consistent with and further the intent of the MHSA. Existing law authorizes the Legislature to add provisions to clarify procedures and terms of the MHSA by majority vote. Existing law, the Behavioral Health Services Act (BHSA), a legislative act amending the MHSA that was approved by the voters as Proposition 1 at the March 5, 2024, statewide primary election, recast the MHSA. The BHSA requires each county to prepare and submit an integrated plan, including sections for specified programs and services, such as services provided through federal grants or other county mental health and substance use disorder programs, and annual updates to the Behavioral Health Services Oversight and Accountability Commission and the State Department of Health Care Services.~~

~~This bill would additionally require the integrated plan to include a section regarding programs and services relating to Round 7 of the HHAP program, as prescribed.~~

(2) Existing law requires the Governor to create the Interagency Council on Homelessness to, among other things, identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California, to make policy and procedural recommendations to legislators and other governmental entities, and to serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California. Existing law establishes the Department of Housing and Community Development and requires it to administer various programs intended to promote the development of housing.

Existing law states the intent of the Legislature to obtain trustworthy information to connect funding allocated to prevent and end homelessness with established sheltering and housing resources and to provide state agencies with accurate information to allow for more accurate forecasting to target future investments. For purposes of advancing those goals, existing law requires the council, upon appropriation, to conduct, or contract with an entity to conduct, a statewide homelessness assessment to identify certain programs and to

collect and analyze data, as specified. Existing law requires the council to submit an interim report and a final report to certain legislative committees by July 1, 2022, and December 31, 2022, respectively.

This bill would require the Department of Housing and Community Development to complete, or contract to complete, an assessment and financing plan to, in coordination with local jurisdictions, address unsheltered and chronic homelessness in the state over a 10-year period. The bill would require the department to report to the Legislature on the assessment and financing plan by December 31, 2027. The bill would require the assessment to include specified information, including, among others, the number of people experiencing unsheltered homelessness and the number of people expected to fall into unsheltered homelessness over the next 10 years based on recent data on rates of Californians becoming unsheltered. The bill would require the department or contractor to, in completing the assessment and financing plan, consult with specified individuals and entities, including, among others, individuals with lived experience of homelessness, representatives of cities and counties, and specified working groups. By requiring the department or contractor to consult with local entities, this bill would impose a state-mandated local program.

~~(4)~~

(3) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

~~(5)~~

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. ~~(a) The Legislature finds and declares all of the~~
2 ~~following:~~

1 ~~(1) California has the largest number of residents who are~~
2 ~~unhoused, with over 123,000 people who are unhoused on a given~~
3 ~~night, which is almost 30 percent of the nation's number, according~~
4 ~~to the United States Department of Housing and Urban~~
5 ~~Development's Annual Homelessness Assessment Report.~~

6 ~~(2) The state's crisis of individuals who are unhoused is the~~
7 ~~product of the state's affordable housing shortage.~~

8 ~~(3) Innovative, cost-effective models for interim housing, which~~
9 ~~provide noncongregate spaces for people to live and sleep in safety,~~
10 ~~have been implemented in jurisdictions across the state.~~

11 ~~(4) These interim housing models are a scalable, timely solution~~
12 ~~to the population of individuals who are unhoused while the state~~
13 ~~builds sufficient permanent affordable housing to address the state's~~
14 ~~affordable housing shortage.~~

15 ~~(5) California's counties manage and operate regional social~~
16 ~~service systems that deliver vital safety net programs and benefits~~
17 ~~to Californians in need.~~

18 ~~(b) Therefore, it is the intent of the Legislature that this act~~
19 ~~promotes collaboration between cities and counties on the operation~~
20 ~~of facilities serving individuals who are unhoused and further~~
21 ~~integrates those facilities into regional social service systems.~~

22 ~~SEC. 2.~~

23 ~~SECTION 1.~~ Section 65583 of the Government Code is
24 amended to read:

25 65583. The housing element shall consist of an identification
26 and analysis of existing and projected housing needs and a
27 statement of goals, policies, quantified objectives, financial
28 resources, and scheduled programs for the preservation,
29 improvement, and development of housing. The housing element
30 shall identify adequate sites for housing, including rental housing,
31 factory-built housing, mobilehomes, and emergency shelters, and
32 shall make adequate provision for the existing and projected needs
33 of all economic segments of the community. The housing element
34 shall contain all of the following:

35 (a) An assessment of housing needs and an inventory of
36 resources and constraints that are relevant to the meeting of these
37 needs. The assessment and inventory shall include all of the
38 following:

39 (1) An analysis of population and employment trends and
40 documentation of projections and a quantification of the locality's

1 existing and projected housing needs for all income levels. These
2 existing and projected needs shall include the locality’s share of
3 the regional housing need in accordance with Section 65584.

4 (2) An analysis and documentation of household characteristics,
5 including level of payment compared to ability to pay, housing
6 characteristics, including overcrowding, and housing stock
7 condition.

8 (3) An inventory of land suitable and available for residential
9 development, including vacant sites and sites having realistic and
10 demonstrated potential for redevelopment during the planning
11 period to meet the locality’s housing need for a designated income
12 level, and an analysis of the relationship of zoning and public
13 facilities and services to these sites, and an analysis of the
14 relationship of the sites identified in the land inventory to the
15 jurisdiction’s duty to affirmatively further fair housing.

16 (4) (A) The identification of one or more zoning designations
17 that allow residential uses, including mixed uses, where emergency
18 shelters are allowed as a permitted use without a conditional use
19 or other discretionary permit and that are suitable for residential
20 uses. The identified zoning designations shall include sufficient
21 sites meeting the requirements of subparagraph (H) with sufficient
22 capacity, as described in subparagraph (I), to accommodate the
23 need for emergency shelter identified in paragraph (7), except that
24 each local government shall identify a zoning designation or
25 designations that can accommodate at least one year-round
26 emergency shelter. If the local government cannot identify a zoning
27 designation or designations with sufficient capacity, the local
28 government shall include a program to amend its zoning ordinance
29 to meet the requirements of this paragraph within one year of the
30 adoption of the housing element. The local government may
31 identify additional zoning designations where emergency shelters
32 are permitted with a conditional use permit. The local government
33 shall also demonstrate that existing or proposed permit processing,
34 development, and management standards that apply to emergency
35 shelters are objective and encourage and facilitate the development
36 of, or conversion to, emergency shelters.

37 (B) Emergency shelters shall only be subject to the following
38 written, objective standards:

39 (i) The maximum number of beds or persons permitted to be
40 served nightly by the facility.

- 1 (ii) Sufficient parking to accommodate all staff working in the
2 emergency shelter, provided that the standards do not require more
3 parking for emergency shelters than other residential or commercial
4 uses within the same zone.
- 5 (iii) The size and location of exterior and interior onsite waiting
6 and client intake areas.
- 7 (iv) The provision of onsite management.
- 8 (v) The proximity to other emergency shelters, provided that
9 emergency shelters are not required to be more than 300 feet apart.
- 10 (vi) The length of stay.
- 11 (vii) Lighting.
- 12 (viii) Security during hours that the emergency shelter is in
13 operation.
- 14 (C) For purposes of this paragraph, “emergency shelter” shall
15 include other interim interventions, including, but not limited to,
16 a navigation center, bridge housing, and respite or recuperative
17 care.
- 18 (D) The permit processing, development, and management
19 standards applied under this paragraph shall not be deemed to be
20 discretionary acts within the meaning of the California
21 Environmental Quality Act (Division 13 (commencing with Section
22 21000) of the Public Resources Code).
- 23 (E) If a local government has adopted written, objective
24 standards pursuant to subparagraph (B), the local government shall
25 include an analysis of the standards in the analysis of constraints
26 pursuant to paragraph (5).
- 27 (F) A local government that can demonstrate, to the satisfaction
28 of the department, the existence of one or more emergency shelters
29 either within its jurisdiction or pursuant to a multijurisdictional
30 agreement that can accommodate that jurisdiction’s need and the
31 needs of the other jurisdictions that are a part of the agreement for
32 emergency shelter identified in paragraph (7) may comply with
33 the zoning requirements of subparagraph (A) by identifying a
34 zoning designation where new emergency shelters are allowed
35 with a conditional use permit.
- 36 (G) A local government with an existing ordinance or ordinances
37 that comply with this paragraph shall not be required to take
38 additional action to identify zoning designations for emergency
39 shelters. The housing element must only describe how existing

1 ordinances, policies, and standards are consistent with the
2 requirements of this paragraph.

3 (H) The zoning designation or designations where emergency
4 shelters are allowed, as described in subparagraph (A), shall include
5 sites that meet at least one of the following standards:

6 (i) Vacant sites zoned for residential use.

7 (ii) Vacant sites zoned for nonresidential use that allow
8 residential development, if the local government can demonstrate
9 how the sites with this zoning designation that are being used to
10 satisfy the requirements of paragraph (1) are located near amenities
11 and services that serve people experiencing homelessness, which
12 may include health care, transportation, retail, employment, and
13 social services, or that the local government will provide free
14 transportation to services or offer services onsite.

15 (iii) Nonvacant sites zoned for residential use or for
16 nonresidential use that allow residential development that are
17 suitable for use as a shelter in the current planning period, or which
18 can be redeveloped for use as a shelter in the current planning
19 period. A nonvacant site with an existing use shall be presumed
20 to impede emergency shelter development absent an analysis based
21 on substantial evidence that the use is likely to be discontinued
22 during the planning period. The analysis shall consider current
23 market demand for the current uses, market conditions, and
24 incentives or standards to encourage shelter development.

25 (I) The zoning designation or designations shall have sufficient
26 sites meeting the requirements of subparagraph (H) to
27 accommodate the need for shelters identified pursuant to paragraph
28 (7). The number of people experiencing homelessness that can be
29 accommodated on any site shall be demonstrated by dividing the
30 square footage of the site by a minimum of 200 square feet per
31 person, unless the locality can demonstrate that one or more
32 shelters were developed on sites that have fewer square feet per
33 person during the prior planning period or the locality provides
34 similar evidence to the department demonstrating that the site can
35 accommodate more people experiencing homelessness. Any
36 standard applied pursuant to this subparagraph is intended only
37 for calculating site capacity pursuant to this section, and shall not
38 be construed as establishing a development standard applicable to
39 the siting, development, or approval of a shelter.

1 (J) Notwithstanding subparagraph (H), a local government may
2 accommodate the need for emergency shelters identified pursuant
3 to paragraph (7) on sites owned by the local government if it
4 demonstrates with substantial evidence that the sites will be made
5 available for emergency shelter during the planning period, they
6 are suitable for residential use, and the sites are located near
7 amenities and services that serve people experiencing
8 homelessness, which may include health care, transportation, retail,
9 employment, and social services, or that the local government will
10 provide free transportation to services or offer services onsite.

11 (5) An analysis of potential and actual governmental constraints
12 upon the maintenance, improvement, or development of housing
13 for all income levels, including the types of housing identified in
14 paragraph (1) of subdivision (c), and for persons with disabilities
15 as identified in the analysis pursuant to paragraph (7), including
16 land use controls, building codes and their enforcement, site
17 improvements, fees, and other exactions required of developers,
18 local processing and permit procedures, historic preservation
19 practices and policies and an assessment of how existing and
20 proposed historic designations affect the locality's ability to meet
21 its share of the housing need pursuant to paragraph (1), and any
22 locally adopted ordinances that directly impact the cost and supply
23 of residential development. The analysis shall also demonstrate
24 local efforts to remove governmental constraints that hinder the
25 locality from meeting its share of the regional housing need in
26 accordance with Section 65584 and from meeting the need for
27 housing for persons with disabilities, supportive housing,
28 transitional housing, and emergency shelters identified pursuant
29 to paragraph (7).

30 (6) An analysis of potential and actual nongovernmental
31 constraints upon the maintenance, improvement, or development
32 of housing for all income levels, including the availability of
33 financing, the price of land, the cost of construction, the requests
34 to develop housing at densities below those anticipated in the
35 analysis required by subdivision (c) of Section 65583.2, and the
36 length of time between receiving approval for a housing
37 development and submittal of an application for building permits
38 for that housing development that hinder the construction of a
39 locality's share of the regional housing need in accordance with
40 Section 65584. The analysis shall also demonstrate local efforts

1 to remove nongovernmental constraints that create a gap between
2 the locality's planning for the development of housing for all
3 income levels and the construction of that housing.

4 (7) (A) An analysis of any special housing needs, such as those
5 of the elderly; persons with disabilities, including a developmental
6 disability, as defined in Section 4512 of the Welfare and
7 Institutions Code; extremely low income households; large
8 families; farmworkers; families with female heads of households;
9 and families and persons in need of emergency shelter. The need
10 for emergency shelter shall be assessed based on the capacity
11 necessary to accommodate the most recent homeless point-in-time
12 count conducted before the start of the planning period, the need
13 for emergency shelter based on number of beds available on a
14 year-round and seasonal basis, the number of shelter beds that go
15 unused on an average monthly basis within a one-year period, and
16 the percentage of those in emergency shelters that move to
17 permanent housing solutions. The need for emergency shelter may
18 be reduced by the number of supportive housing units that are
19 identified in an adopted 10-year plan to end chronic homelessness
20 and that are either vacant or for which funding has been identified
21 to allow construction during the planning period. An analysis of
22 special housing needs by a city or county may include an analysis
23 of the need for frequent user coordinated care housing services.

24 (B) For the seventh and subsequent revisions of the housing
25 element, the analysis required in subparagraph (A) shall also
26 include an analysis of the housing needs of acutely and extremely
27 low income households.

28 (8) An analysis of opportunities for energy conservation with
29 respect to residential development. Cities and counties are
30 encouraged to include weatherization and energy efficiency
31 improvements as part of publicly subsidized housing rehabilitation
32 projects. This may include energy efficiency measures that
33 encompass the building envelope, its heating and cooling systems,
34 and its electrical system.

35 (9) An analysis of existing assisted housing developments that
36 are eligible to change from low-income housing uses during the
37 next 10 years due to termination of subsidy contracts, mortgage
38 prepayment, or expiration of restrictions on use. "Assisted housing
39 developments," for the purpose of this section, shall mean
40 multifamily rental housing that receives governmental assistance

1 under federal programs listed in subdivision (a) of Section
2 65863.10, state and local multifamily revenue bond programs,
3 local redevelopment programs, the federal Community
4 Development Block Grant Program, or local in-lieu fees. “Assisted
5 housing developments” shall also include multifamily rental units
6 that were developed pursuant to a local inclusionary housing
7 program or used to qualify for a density bonus pursuant to Section
8 65916.

9 (A) The analysis shall include a listing of each development by
10 project name and address, the type of governmental assistance
11 received, the earliest possible date of change from low-income
12 use, and the total number of elderly and nonelderly units that could
13 be lost from the locality’s low-income housing stock in each year
14 during the 10-year period. For purposes of state and federally
15 funded projects, the analysis required by this subparagraph need
16 only contain information available on a statewide basis.

17 (B) The analysis shall estimate the total cost of producing new
18 rental housing that is comparable in size and rent levels, to replace
19 the units that could change from low-income use, and an estimated
20 cost of preserving the assisted housing developments. This cost
21 analysis for replacement housing may be done aggregately for
22 each five-year period and does not have to contain a
23 project-by-project cost estimate.

24 (C) The analysis shall identify public and private nonprofit
25 corporations known to the local government that have legal and
26 managerial capacity to acquire and manage these housing
27 developments.

28 (D) The analysis shall identify and consider the use of all federal,
29 state, and local financing and subsidy programs that can be used
30 to preserve, for lower income households, the assisted housing
31 developments, identified in this paragraph, including, but not
32 limited to, federal Community Development Block Grant Program
33 funds, tax increment funds received by a redevelopment agency
34 of the community, and administrative fees received by a housing
35 authority operating within the community. In considering the use
36 of these financing and subsidy programs, the analysis shall identify
37 the amounts of funds under each available program that have not
38 been legally obligated for other purposes and that could be
39 available for use in preserving assisted housing developments.

1 (10) For a local government that does not receive funding
 2 pursuant to the Homeless Housing, Assistance, and Prevention
 3 program (Chapter 6 (commencing with Section 50216)) ~~or the~~
 4 ~~Regionally Coordinated Homelessness Housing, Assistance, and~~
 5 ~~Prevention Program~~ and (Chapter 6.5 (commencing with Section
 6 50230) of Part 1 of Division 31 of the Health and Safety Code),
 7 all of the following:

8 (A) An itemized list of the specific federal, state, and local
 9 resources available to assist individuals who are unhoused,
 10 including interim and permanent housing, and mental and
 11 behavioral health services.

12 (B) A description of the actions taken by the local government
 13 to connect individuals who are unhoused to the resources described
 14 in subparagraph (A).

15 (C) ~~(i) Most up-to-date data on the population number of~~
 16 ~~individuals who are unhoused, which shall include all of the~~
 17 ~~following:~~ *unhoused.*

18 ~~(I) The number of individuals who are unhoused.~~
 19 ~~(II) The average length of time individuals are unhoused.~~
 20 ~~(III) The number and percentage of individuals who are~~
 21 ~~unhoused that moved into permanent housing.~~
 22 ~~(IV) The number of people who become unhoused after moving~~
 23 ~~into permanent housing.~~
 24 ~~(V) The number of people who became unhoused for the first~~
 25 ~~time.~~
 26 ~~(VI) The number of people who become unhoused after exiting~~
 27 ~~institutional settings, including, but not limited to, jails, prisons,~~
 28 ~~and hospitals.~~

29 ~~(ii) The data specified in clause (i) shall be disaggregated by~~
 30 ~~age, racial, and ethnic demographics.~~

31 (D) A description of key actions that will be taken to reduce *the*
 32 *number of* individuals who are unhoused based on the data points
 33 described in subparagraph (C).

34 (E) *A description of key actions that will be taken to prevent*
 35 *individuals from becoming unhoused.*

36 ~~(E)~~

37 (F) Actions taken to coordinate with cities in the region, counties
 38 or council of governments, and identification and analysis of the
 39 specific roles and responsibilities regarding outreach and site
 40 coordination, siting and use of available land, the development of

1 shelter, interim, and permanent housing options, and the
2 coordination and connection to the delivery of services to
3 individuals who are unhoused, or at risk of becoming unhoused,
4 including specifying roles and coordination plans in relation to the
5 Mental Health Services Act or Behavioral Health Services Act,
6 within the ~~region~~ *region and engagement in the regionally*
7 *coordinated homelessness action plan required pursuant to the*
8 *Homeless Housing, Assistance, and Prevention program (Chapter*
9 *6 (commencing with Section 50216) and Chapter 6.5 (commencing*
10 *with Section 50230) of Part 1 of Division 31 of the Health and*
11 *Safety Code).*

12 ~~(F) Identify programs that prevent individuals from becoming~~
13 ~~unhoused and other actions taken to prevent vulnerable populations~~
14 ~~from becoming unhoused, such as current and former foster youth,~~
15 ~~veterans, persons exiting the judicial system, and persons with~~
16 ~~special housing needs.~~

17 *(G) Actions taken to reduce barriers and expedite the approval*
18 *processes for approving interim and permanent housing options.*

19 (b) (1) A statement of the community's goals, quantified
20 objectives, and policies relative to affirmatively furthering fair
21 housing and to the maintenance, preservation, improvement, and
22 development of housing.

23 (2) It is recognized that the total housing needs identified
24 pursuant to subdivision (a) may exceed available resources and
25 the community's ability to satisfy this need within the content of
26 the general plan requirements outlined in Article 5 (commencing
27 with Section 65300). Under these circumstances, the quantified
28 objectives need not be identical to the total housing needs. The
29 quantified objectives shall establish the maximum number of
30 housing units by income category that can be constructed,
31 rehabilitated, and conserved over a five-year time period.

32 (c) A program that sets forth a schedule of actions during the
33 planning period, each with a timeline for implementation, that may
34 recognize that certain programs are ongoing, such that there will
35 be beneficial impacts of the programs within the planning period,
36 that the local government is undertaking or intends to undertake
37 to implement the policies and achieve the goals and objectives of
38 the housing element through the administration of land use and
39 development controls, the provision of regulatory concessions and
40 incentives, the utilization of appropriate federal and state financing

1 and subsidy programs when available, and the utilization of moneys
 2 in a low- and moderate-income housing fund of an agency if the
 3 locality has established a redevelopment project area pursuant to
 4 the Community Redevelopment Law (Division 24 (commencing
 5 with Section 33000) of the Health and Safety Code). In order to
 6 make adequate provision for the housing needs of all economic
 7 segments of the community, the program shall do all of the
 8 following:

9 (1) Identify actions that will be taken to make sites available
 10 during the planning period with appropriate zoning and
 11 development standards and with services and facilities to
 12 accommodate that portion of the city’s or county’s share of the
 13 regional housing need for all income levels that could not be
 14 accommodated on sites identified in the inventory completed
 15 pursuant to paragraph (3) of subdivision (a) without rezoning, and
 16 to comply with the requirements of Section 65584.09. Sites shall
 17 be identified as needed to affirmatively further fair housing and
 18 to facilitate and encourage the development of a variety of types
 19 of housing for all income levels, including multifamily rental
 20 housing, factory-built housing, mobilehomes, housing for
 21 agricultural employees, supportive housing, single-room occupancy
 22 units, emergency shelters, and transitional housing.

23 (A) Where the inventory of sites, pursuant to paragraph (3) of
 24 subdivision (a), does not identify adequate sites to accommodate
 25 the need for groups of all household income levels pursuant to
 26 Section 65584, a program for rezoning of those sites, subject to
 27 the following deadlines:

28 (i) For the adoption of the sixth revision of the housing element,
 29 jurisdictions with an eight-year housing element planning period
 30 pursuant to Section 65588, including adoption of minimum density
 31 and development standards or, for a jurisdiction in the coastal zone,
 32 any necessary local coastal program amendments related to land
 33 use designations, changes in intensity of land use, zoning
 34 ordinances, or zoning district maps, consistent with Sections 30512,
 35 30512.2, 30513, and 30514 of the Public Resources Code, shall
 36 be completed no later than three years after either the date the
 37 housing element is adopted pursuant to subdivision (f) of Section
 38 65585 or the date that is 90 days after receipt of comments from
 39 the department pursuant to subdivision (b) of Section 65585,
 40 whichever is earlier, unless the deadline is extended pursuant to

1 subdivision (f). Notwithstanding the foregoing, for a local
2 government that fails to adopt a housing element that the
3 department has found to be in substantial compliance with this
4 article within 120 days of the statutory deadline in Section 65588
5 for adoption of the housing element, rezoning of those sites,
6 including adoption of minimum density and development standards
7 or, for a jurisdiction in the coastal zone, any necessary local coastal
8 program amendments related to land use designations, changes in
9 intensity of land use, zoning ordinances, or zoning district maps,
10 consistent with Sections 30512, 30512.2, 30513, and 30514 of the
11 Public Resources Code, shall be completed no later than one year
12 from the statutory deadline in Section 65588 for adoption of the
13 housing element.

14 (ii) For adoption of the seventh and all subsequent revisions of
15 the housing element, rezonings shall be completed no later than
16 one year from the statutory deadline in Section 65588 for adoption
17 of the housing element.

18 (iii) Notwithstanding clause (ii), for the adoption of the seventh
19 and all subsequent revisions of the housing element, rezonings
20 shall be completed no later than three years and 90 days after the
21 statutory deadline in Section 65588 for adoption of the housing
22 element, unless the deadline is extended pursuant to subdivision
23 (f). This clause shall apply only if the local government complies
24 with all of the following:

25 (I) The local government submits a draft element or draft
26 amendment to the department for review pursuant to paragraph
27 (1) of subdivision (b) of Section 65585 at least 90 days before the
28 statutory deadline established in Section 65588 for adoption of the
29 housing element.

30 (II) The local government receives from the department findings
31 that the draft element or draft amendment substantially complies
32 with this article pursuant to paragraph (3) of subdivision (b) of
33 Section 65585 on or before the statutory deadline set forth in
34 Section 65588 for adoption of the housing element.

35 (III) The local government adopts the draft element or draft
36 amendment that the department found to substantially comply with
37 this article no later than 120 days after the statutory deadline set
38 forth in Section 65588.

39 (B) Where the inventory of sites, pursuant to paragraph (3) of
40 subdivision (a), does not identify adequate sites to accommodate

1 the need for groups of all household income levels pursuant to
2 Section 65584, the program shall identify sites that can be
3 developed for housing within the planning period pursuant to
4 subdivision (h) of Section 65583.2. The identification of sites shall
5 include all components specified in Section 65583.2.

6 (C) Where the inventory of sites pursuant to paragraph (3) of
7 subdivision (a) does not identify adequate sites to accommodate
8 the need for farmworker housing, the program shall provide for
9 sufficient sites to meet the need with zoning that permits
10 farmworker housing use by right, including density and
11 development standards that could accommodate and facilitate the
12 feasibility of the development of farmworker housing for low- and
13 very low income households.

14 (2) (A) Assist in the development of adequate housing to meet
15 the needs of extremely low, very low, low-, and moderate-income
16 households.

17 (B) For the seventh and subsequent revisions of the housing
18 element, the program shall also assist in the development of
19 adequate housing to meet the needs of acutely low income
20 households.

21 (3) Address and, where appropriate and legally possible, remove
22 governmental and nongovernmental constraints to the maintenance,
23 improvement, and development of housing, including housing for
24 all income levels and housing for persons with disabilities. The
25 program shall remove constraints to, and provide reasonable
26 accommodations for housing designed for, intended for occupancy
27 by, or with supportive services for, persons with disabilities.
28 Transitional housing and supportive housing shall be considered
29 a residential use of property and shall be subject only to those
30 restrictions that apply to other residential dwellings of the same
31 type in the same zone. Supportive housing, as defined in Section
32 65650, shall be a use by right in all zones where multifamily and
33 mixed uses are permitted, as provided in Article 11 (commencing
34 with Section 65650).

35 (4) Conserve and improve the condition of the existing
36 affordable housing stock, which may include addressing ways to
37 mitigate the loss of dwelling units demolished by public or private
38 action.

39 (5) Promote and affirmatively further fair housing opportunities
40 and promote housing throughout the community or communities

1 for all persons regardless of race, religion, sex, marital status,
2 ancestry, national origin, color, familial status, or disability, and
3 other characteristics protected by the California Fair Employment
4 and Housing Act (Part 2.8 (commencing with Section 12900) of
5 Division 3 of Title 2), Section 65008, and any other state and
6 federal fair housing and planning law.

7 (6) Preserve for lower income households the assisted housing
8 developments identified pursuant to paragraph (9) of subdivision
9 (a). The program for preservation of the assisted housing
10 developments shall utilize, to the extent necessary, all available
11 federal, state, and local financing and subsidy programs identified
12 in paragraph (9) of subdivision (a), except where a community has
13 other urgent needs for which alternative funding sources are not
14 available. The program may include strategies that involve local
15 regulation and technical assistance.

16 (7) Develop a plan that incentivizes and promotes the creation
17 of accessory dwelling units that can be offered at affordable rent,
18 as defined in Section 50053 of the Health and Safety Code, for
19 very low, low-, or moderate-income households. For purposes of
20 this paragraph, “accessory dwelling units” has the same meaning
21 as “accessory dwelling unit” as defined in subdivision (a) of
22 Section 66313.

23 (8) Include an identification of the agencies and officials
24 responsible for the implementation of the various actions and the
25 means by which consistency will be achieved with other general
26 plan elements and community goals.

27 (9) Include a diligent effort by the local government to achieve
28 public participation of all economic segments of the community
29 in the development of the housing element, and the program shall
30 describe this effort.

31 (10) (A) Affirmatively further fair housing in accordance with
32 Chapter 15 (commencing with Section 8899.50) of Division 1 of
33 Title 2. The program shall include an assessment of fair housing
34 in the jurisdiction that shall include all of the following
35 components:

36 (i) A summary of fair housing issues in the jurisdiction and an
37 assessment of the jurisdiction’s fair housing enforcement and fair
38 housing outreach capacity.

39 (ii) An analysis of available federal, state, and local data and
40 knowledge to identify integration and segregation patterns and

1 trends, racially or ethnically concentrated areas of poverty and
2 affluence, disparities in access to opportunity, and disproportionate
3 housing needs, including displacement risk. The analysis shall
4 identify and examine such patterns, trends, areas, disparities, and
5 needs, both within the jurisdiction and comparing the jurisdiction
6 to the region in which it is located, based on race and other
7 characteristics protected by the California Fair Employment and
8 Housing Act (Part 2.8 (commencing with Section 12900) of
9 Division 3 of Title 2) and Section 65008.

10 (iii) An assessment of the contributing factors, including the
11 local and regional historical origins and current policies and
12 practices, for the fair housing issues identified under clauses (i)
13 and (ii).

14 (iv) An identification of the jurisdiction's fair housing priorities
15 and goals, giving highest priority to those factors identified in
16 clause (iii) that limit or deny fair housing choice or access to
17 opportunity, or negatively impact fair housing or civil rights
18 compliance, and identifying the metrics and milestones for
19 determining what fair housing results will be achieved.

20 (v) Strategies and actions to implement those priorities and
21 goals, which may include, but are not limited to, enhancing
22 mobility strategies and encouraging development of new affordable
23 housing in areas of opportunity, as well as place-based strategies
24 to encourage community revitalization, including preservation of
25 existing affordable housing, and protecting existing residents from
26 displacement.

27 (B) A jurisdiction that completes or revises an assessment of
28 fair housing pursuant to Subpart A (commencing with Section
29 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal
30 Regulations, as published in Volume 80 of the Federal Register,
31 Number 136, page 42272, dated July 16, 2015, or an analysis of
32 impediments to fair housing choice in accordance with the
33 requirements of Section 91.225 of Title 24 of the Code of Federal
34 Regulations in effect before August 17, 2015, may incorporate
35 relevant portions of that assessment or revised assessment of fair
36 housing or analysis or revised analysis of impediments to fair
37 housing into its housing element.

38 (C) (i) The requirements of this paragraph shall apply to housing
39 elements due to be revised pursuant to Section 65588 on or after
40 January 1, 2021.

1 (ii) The assessment required pursuant to this paragraph shall be
2 completed before the planning agency makes its first draft revision
3 of a housing element available for public comment pursuant to
4 subdivision (b) of Section 65585.

5 (D) (i) The department shall develop a standardized reporting
6 format for programs and actions taken pursuant to this paragraph.
7 The standardized reporting format shall enable the reporting of all
8 of the assessment components listed in subparagraph (A) and, at
9 a minimum, include all of the following fields:

- 10 (I) Timelines for implementation.
- 11 (II) Responsible party or parties.
- 12 (III) Resources committed from the local budget to affirmatively
13 further fair housing.
- 14 (IV) Action areas.
- 15 (V) Potential impacts of the program.

16 (ii) A local government shall utilize the standardized report
17 format developed pursuant to this subparagraph for the seventh
18 and each subsequent revision of the housing element.

19 (d) (1) A local government may satisfy all or part of its
20 requirement to identify a zone or zones suitable for the
21 development of emergency shelters pursuant to paragraph (4) of
22 subdivision (a) by adopting and implementing a multijurisdictional
23 agreement, with a maximum of two other adjacent communities,
24 that requires the participating jurisdictions to develop at least one
25 year-round emergency shelter within two years of the beginning
26 of the planning period.

27 (2) The agreement shall allocate a portion of the new shelter
28 capacity to each jurisdiction as credit toward its emergency shelter
29 need, and each jurisdiction shall describe how the capacity was
30 allocated as part of its housing element.

31 (3) Each member jurisdiction of a multijurisdictional agreement
32 shall describe in its housing element all of the following:

33 (A) How the joint facility will meet the jurisdiction's emergency
34 shelter need.

35 (B) The jurisdiction's contribution to the facility for both the
36 development and ongoing operation and management of the
37 facility.

38 (C) The amount and source of the funding that the jurisdiction
39 contributes to the facility.

1 (4) The aggregate capacity claimed by the participating
2 jurisdictions in their housing elements shall not exceed the actual
3 capacity of the shelter.

4 (e) Except as otherwise provided in this article, amendments to
5 this article that alter the required content of a housing element
6 shall apply to both of the following:

7 (1) A housing element or housing element amendment prepared
8 pursuant to subdivision (e) of Section 65588 or Section 65584.02,
9 when a city, county, or city and county submits a draft to the
10 department for review pursuant to Section 65585 more than 90
11 days after the effective date of the amendment to this section.

12 (2) Any housing element or housing element amendment
13 prepared pursuant to subdivision (e) of Section 65588 or Section
14 65584.02, when the city, county, or city and county fails to submit
15 the first draft to the department before the due date specified in
16 Section 65588 or 65584.02.

17 (f) The deadline for completing required rezoning pursuant to
18 subparagraph (A) of paragraph (1) of subdivision (c) shall be
19 extended by one year if the local government has completed the
20 rezoning at densities sufficient to accommodate at least 75 percent
21 of the units for lower income households and if the legislative
22 body at the conclusion of a public hearing determines, based upon
23 substantial evidence, that any of the following circumstances exists:

24 (1) The local government has been unable to complete the
25 rezoning because of the action or inaction beyond the control of
26 the local government of any other state, federal, or local agency.

27 (2) The local government is unable to complete the rezoning
28 because of infrastructure deficiencies due to fiscal or regulatory
29 constraints.

30 (3) The local government must undertake a major revision to
31 its general plan in order to accommodate the housing-related
32 policies of a sustainable communities strategy or an alternative
33 planning strategy adopted pursuant to Section 65080.

34 The resolution and the findings shall be transmitted to the
35 department together with a detailed budget and schedule for
36 preparation and adoption of the required rezonings, including plans
37 for citizen participation and expected interim action. The schedule
38 shall provide for adoption of the required rezoning within one year
39 of the adoption of the resolution.

1 (g) (1) If a local government fails to complete the rezoning by
2 the deadline provided in subparagraph (A) of paragraph (1) of
3 subdivision (c), as it may be extended pursuant to subdivision (f),
4 except as provided in paragraph (2), a local government may not
5 disapprove a housing development project, nor require a
6 conditional use permit, planned unit development permit, or other
7 locally imposed discretionary permit, or impose a condition that
8 would render the project infeasible, if the housing development
9 project, (A) is proposed to be located on a site required to be
10 rezoned pursuant to the program action required by that
11 subparagraph and, (B) complies with applicable, objective general
12 plan and zoning standards and criteria, including design review
13 standards, described in the program action required by that
14 subparagraph. Any subdivision of sites shall be subject to the
15 Subdivision Map Act (Division 2 (commencing with Section
16 66410)). Design review shall not constitute a “project” for purposes
17 of Division 13 (commencing with Section 21000) of the Public
18 Resources Code.

19 (2) A local government may disapprove a housing development
20 described in paragraph (1) if it makes written findings supported
21 by substantial evidence on the record that both of the following
22 conditions exist:

23 (A) The housing development project would have a specific,
24 adverse impact upon the public health or safety unless the project
25 is disapproved or approved upon the condition that the project be
26 developed at a lower density. As used in this paragraph, a “specific,
27 adverse impact” means a significant, quantifiable, direct, and
28 unavoidable impact, based on objective, identified written public
29 health or safety standards, policies, or conditions as they existed
30 on the date the application was deemed complete.

31 (B) There is no feasible method to satisfactorily mitigate or
32 avoid the adverse impact identified pursuant to paragraph (1), other
33 than the disapproval of the housing development project or the
34 approval of the project upon the condition that it be developed at
35 a lower density.

36 (3) The applicant or any interested person may bring an action
37 to enforce this subdivision. If a court finds that the local agency
38 disapproved a project or conditioned its approval in violation of
39 this subdivision, the court shall issue an order or judgment
40 compelling compliance within 60 days. The court shall retain

1 jurisdiction to ensure that its order or judgment is carried out. If
2 the court determines that its order or judgment has not been carried
3 out within 60 days, the court may issue further orders to ensure
4 that the purposes and policies of this subdivision are fulfilled. In
5 any such action, the city, county, or city and county shall bear the
6 burden of proof.

7 (4) For purposes of this subdivision, “housing development
8 project” means a project to construct residential units for which
9 the project developer provides sufficient legal commitments to the
10 appropriate local agency to ensure the continued availability and
11 use of at least 49 percent of the housing units for very low, low-,
12 and moderate-income households with an affordable housing cost
13 or affordable rent, as defined in Section 50052.5 or 50053 of the
14 Health and Safety Code, respectively, for the period required by
15 the applicable financing.

16 (h) An action to enforce the program actions of the housing
17 element shall be brought pursuant to Section 1085 of the Code of
18 Civil Procedure.

19 (i) Notwithstanding any other law, the otherwise applicable
20 timeframe set forth in paragraph (2) of subdivision (b) and
21 subdivision (d) of Section 21080.3.1 of the Public Resources Code,
22 and paragraph (3) of subdivision (d) of Section 21082.3 of the
23 Public Resources Code, for a Native American tribe to respond to
24 a lead agency and request consultation in writing is extended by
25 30 days for any housing development project application
26 determined or deemed to be complete on or after March 4, 2020,
27 and prior to December 31, 2021.

28 (j) On or after January 1, 2024, at the discretion of the
29 department, the analysis of government constraints pursuant to
30 paragraph (5) of subdivision (a) may include an analysis of
31 constraints upon the maintenance, improvement, or development
32 of housing for persons with a characteristic identified in subdivision
33 (b) of Section 51 of the Civil Code. The implementation of this
34 subdivision is contingent upon an appropriation by the Legislature
35 in the annual Budget Act or another statute for this purpose.

36 ~~SEC. 3.— Article 3 (commencing with Section 50245) is added~~
37 ~~to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety~~
38 ~~Code, to read:~~

1 Article 3. ~~Round 7 of the Homeless Housing, Assistance, and~~
2 ~~Prevention Program~~

3
4 50245. ~~For the purposes of this article:~~

5 (a) ~~“City” means a city or city and county that is legally~~
6 ~~incorporated to provide local government services to its population.~~
7 ~~A city can be organized either under the general laws of this state~~
8 ~~or under a charter adopted by the local voters.~~

9 (b) ~~“City-operated shelter” means low barrier navigation centers,~~
10 ~~interim housing, safe parking sites, and safe camping sites that are~~
11 ~~owned or leased by a city and are operated by a city or by a~~
12 ~~nonprofit provider contracted by a city.~~

13 (c) ~~“Low barrier navigation center” means a low barrier~~
14 ~~navigation center, as defined in subdivision (a) of Section 65660~~
15 ~~of the Government Code.~~

16 50246. (a) ~~Upon appropriation by the Legislature, Round 7 of~~
17 ~~the Homeless Housing, Assistance, and Prevention Program is~~
18 ~~hereby established.~~

19 (b) ~~The department shall administer all aspects of the program~~
20 ~~in accordance with this article.~~

21 50247. (a) ~~To be eligible for a Round 7 base program~~
22 ~~allocation, a jurisdiction that is not a tribe shall apply as part of a~~
23 ~~region and shall be signatory to a Round 7 regionally coordinated~~
24 ~~homelessness action plan that has been approved by the department.~~

25 (b) ~~The department shall approve a Round 7 regionally~~
26 ~~coordinated homelessness action plan when the department~~
27 ~~determines that the plan meets all of the requirements of this~~
28 ~~section.~~

29 (c) ~~The Round 7 regionally coordinated homelessness action~~
30 ~~plan shall include all of the following components:~~

31 (1) ~~For each city, an inventory of existing and planned~~
32 ~~city-operated shelters. The inventory must include the location,~~
33 ~~size, and capacity of each shelter.~~

34 (2) ~~The expected costs for city-operated shelters listed in~~
35 ~~paragraph (1):~~

36 (A) ~~Counties shall coordinate with cities to determine the~~
37 ~~expected costs.~~

38 (B) ~~Cities shall provide counties with estimates of the annual~~
39 ~~total cost to operate the shelters.~~

1 ~~(C) Beginning on January 1, 2026, the expected costs shall not~~
 2 ~~exceed 125 percent of the most recent three-year average of the~~
 3 ~~annual cost to operate the city's shelters.~~

4 ~~(3) (A) A commitment by counties to contribute 50 percent of~~
 5 ~~the expected costs described in paragraph (2). The contribution~~
 6 ~~may include the value of resources provided to city shelters,~~
 7 ~~including any of the following:~~

8 ~~(i) Social services provided to clients of city shelters.~~

9 ~~(ii) Assistance with services, infrastructure, and capacity~~
 10 ~~building under the Providing Access and Transforming Health~~
 11 ~~(PATH) program pursuant to Section 14184.700 of the Welfare~~
 12 ~~and Institutions Code. The value of the resource provided pursuant~~
 13 ~~to this clause shall be incentive payments, grants, or other financial~~
 14 ~~support made to cities pursuant to Section 14184.700 of the~~
 15 ~~Welfare and Institutions Code as a result of the assistance.~~

16 ~~(iii) Staff and contractors provided to city-operated shelters.~~
 17 ~~The value of the resource provided pursuant to this clause shall be~~
 18 ~~the cost of providing staff and contractors.~~

19 ~~(B) The Legislature finds and declares that the purpose of this~~
 20 ~~paragraph is to:~~

21 ~~(i) Ensure counties provide funding to offset one-half of cities'~~
 22 ~~costs to operate their facilities serving individuals who are~~
 23 ~~unhoused.~~

24 ~~(ii) Permit the value of services counties provide to support the~~
 25 ~~operation of city shelters to be applied toward the mandatory~~
 26 ~~funding counties provide. These services may include staffing,~~
 27 ~~assistance with billing Medi-Cal managed care organizations, and~~
 28 ~~benefits programs, including CalWORKS and CalFresh, provided~~
 29 ~~to clients of cities' homeless-serving facilities.~~

30 ~~(d) The regionally coordinated homelessness action plan shall~~
 31 ~~be reflected in a memorandum of understanding committing each~~
 32 ~~signatory to participation in, and to comply with, the regionally~~
 33 ~~coordinated homelessness action plan.~~

34 ~~50248. (a) (1) On or before the end of the 2025–26 fiscal year,~~
 35 ~~a grantee shall submit to the department an update on their Round~~
 36 ~~7 regionally coordinated homelessness action plan activities, which~~
 37 ~~shall include the contribution made pursuant paragraph (3) of~~
 38 ~~subdivision (c) of Section 50247.~~

1 ~~(2) The department shall, within 30 days, review the update and~~
2 ~~report its findings to the participating grantee pursuant to this~~
3 ~~subdivision.~~

4 ~~(3) If the department finds that the grantee has adhered to the~~
5 ~~requirements of this article, or concludes that the grantee has~~
6 ~~addressed any shortcomings in the update, the department shall~~
7 ~~approve the update.~~

8 ~~(4) (A) If the department finds that a grantee failed to adhere~~
9 ~~to the requirements of this article, the department may require the~~
10 ~~participating jurisdictions in the region to make specific changes~~
11 ~~needed to meet the requirements of this article and may require~~
12 ~~the participating jurisdictions to provide a corrective action plan~~
13 ~~to the update to the regionally coordinated action plan to address~~
14 ~~these findings. Participating jurisdictions shall accomplish these~~
15 ~~changes or submit a corrective action plan, as applicable, within~~
16 ~~30 days of being notified by the department.~~

17 ~~(B) The department shall have 30 days to review the changes~~
18 ~~or corrective action plan, as applicable, to determine if they~~
19 ~~addressed the department's concerns and approve the update, or~~
20 ~~to provide the grantee with additional guidance and a deadline for~~
21 ~~making changes or further amending the corrective action plan to~~
22 ~~address the department's concerns.~~

23 ~~(b) (1) A board of supervisors of a county may adopt a~~
24 ~~resolution determining that complying with paragraph (3) of~~
25 ~~subdivision (c) of Section 50247 is financially infeasible and the~~
26 ~~county has made attempts to obtain maximum funding available~~
27 ~~to the county.~~

28 ~~(2) If a board of supervisors adopt a resolution pursuant to~~
29 ~~paragraph (1), the department shall conduct a review of a county's~~
30 ~~financial documents to determine the contribution percentage that~~
31 ~~is financially feasible.~~

32 ~~(3) A county shall contribute the contribution percentage~~
33 ~~determined by the department pursuant to paragraph (2).~~

34 ~~(e) (1) On or before the end of the 2025-26 fiscal year, cities~~
35 ~~shall submit to the department the actual operating cost of~~
36 ~~city-operated shelters.~~

37 ~~(2) If the counties' contribution exceed the contribution required~~
38 ~~by paragraph (3) of subdivision (c) of Section 50247, cities shall~~
39 ~~reimburse the counties the excess contribution.~~

1 (d) ~~The department may withhold 50 percent of the funds from
2 a grantee until the department has approved the update to the
3 grantee’s Round 7 regionally coordinated homelessness action
4 plan.~~

5 SEC. 4. ~~Section 5963.02 of the Welfare and Institutions Code
6 is amended to read:~~

7 ~~5963.02.— (a) (1) Each county shall prepare and submit an
8 integrated plan and annual updates to the Behavioral Health
9 Services Oversight and Accountability Commission and the
10 department.~~

11 ~~(2) All references to the three-year program and expenditure
12 plan mean the integrated plan.~~

13 ~~(3) Each county’s board of supervisors shall approve the
14 integrated plan and annual updates by June 30 prior to the fiscal
15 year or years the integrated plan or update would cover.~~

16 ~~(4) A county shall not use the integrated plan to demonstrate
17 compliance with federal law, state law, or requirements imposed
18 by the department related to programs listed in subdivision (c).~~

19 ~~(b) (1) Each section of the integrated plan and annual update
20 listed in subdivision (c) shall be based on available funding or
21 obligations under Section 30025 of the Government Code and
22 corresponding contracts for the applicable fiscal years and in
23 accordance with established stakeholder engagement and planning
24 requirements as required in Section 5963.03.~~

25 ~~(2) A county shall consider relevant data sources, including
26 local data, to guide addressing local needs, including the prevalence
27 of mental health and substance use disorders, the unmet need for
28 mental health and substance use disorder treatment in the county,
29 behavioral health disparities, and the homelessness point-in-time
30 count, in preparing each integrated plan and annual update, and
31 should use the data to demonstrate how the plan appropriately
32 allocates funding between mental health and substance use disorder
33 treatment services.~~

34 ~~(3) A county shall consider the population needs assessment of
35 each Medi-Cal managed care plan, as defined in subdivision (j) of
36 Section 14184.101, that covers residents of the county in preparing
37 each integrated plan and annual update.~~

38 ~~(4) A county shall consider the community health improvement
39 plan of the local health jurisdiction for the county in preparing
40 each integrated plan and annual update.~~

1 ~~(5) A county shall stratify data to identify behavioral health~~
2 ~~disparities and consider approaches to eliminate disparities,~~
3 ~~including, but not limited to, promising practices, models of care,~~
4 ~~community-defined evidence practices, workforce diversity, and~~
5 ~~cultural responsiveness in preparing each integrated plan and~~
6 ~~annual update.~~

7 ~~(6) A county shall report and consider the achievement of~~
8 ~~defined goals and outcomes measures of the prior integrated plan~~
9 ~~and annual update, in addition to other data and information as~~
10 ~~specified by the department pursuant to Section 5963.05, in~~
11 ~~preparing each integrated plan and annual update.~~

12 ~~(7) A county with a population greater than 200,000 shall~~
13 ~~collaborate with the five most populous cities in the county,~~
14 ~~managed care plans, and continuums of care to outline respective~~
15 ~~responsibilities and coordination of services related to housing~~
16 ~~interventions described in Section 5830.~~

17 ~~(8) A county shall consider input and feedback into the plan~~
18 ~~provided by stakeholders, including, but not limited to, those with~~
19 ~~lived behavioral health experience, including peers and families.~~

20 ~~(e) The integrated plan and annual updates shall include a section~~
21 ~~for each of the following:~~

22 ~~(1) (A) Community mental health services provided pursuant~~
23 ~~to Part 2 (commencing with Section 5600):~~

24 ~~(B) Programs and services funded from the Behavioral Health~~
25 ~~Services Fund pursuant to Section 5890, including a description~~
26 ~~of how the county meets the requirements of paragraph (7) of~~
27 ~~subdivision (b):~~

28 ~~(C) Programs and services funded by the Projects for Assistance~~
29 ~~in Transition from Homelessness grant pursuant to Sections~~
30 ~~290cc-21 to 290cc-35, inclusive, of Title 42 of the United States~~
31 ~~Code.~~

32 ~~(D) Programs and services funded by the Community Mental~~
33 ~~Health Services Block Grant pursuant to Sections 300x to 300x-9,~~
34 ~~inclusive, of Title 42 of the United States Code.~~

35 ~~(E) Programs and services funded by the Substance Abuse Block~~
36 ~~Grant pursuant to Sections 300x-21 to 300x-35, inclusive, of Title~~
37 ~~42 of the United States Code.~~

38 ~~(F) Programs and services provided pursuant to Article 5~~
39 ~~(commencing with Section 14680) of Chapter 8.8 of Part 3 of~~

1 ~~Division 9 and Chapter 8.9 (commencing with Section 14700) of~~
2 ~~Part 3 of Division 9.~~

3 ~~(G) Programs and services provided pursuant to Article 3.2~~
4 ~~(commencing with Section 14124.20) of Chapter 7 of Part 3 of~~
5 ~~Division 9.~~

6 ~~(H) Programs and services provided pursuant to Section~~
7 ~~14184.401.~~

8 ~~(I) Programs and services funded by distributions from the~~
9 ~~Opioid Settlements Fund established pursuant to Section 12534~~
10 ~~of the Government Code.~~

11 ~~(J) Services provided through other federal grants or other~~
12 ~~county mental health and substance use disorder programs.~~

13 ~~(K) Programs and services provided pursuant to paragraph (3)~~
14 ~~of subdivision (c) of Section 50247 of the Health and Safety Code.~~

15 ~~(2) A budget that includes the county planned expenditures and~~
16 ~~reserves for the county distributions from the Behavioral Health~~
17 ~~Service Fund and any other funds allocated to the county to provide~~
18 ~~the services and programs set forth in paragraph (1). The budget~~
19 ~~shall also include proposed adjustments pursuant to the~~
20 ~~requirements set forth in paragraph (c) of Section 5892.~~

21 ~~(3) (A) A description of how the integrated plan and annual~~
22 ~~update aligns with statewide behavioral health goals and outcome~~
23 ~~measures, including goals and outcome measures to reduce~~
24 ~~identified disparities, as defined by the department in consultation~~
25 ~~with counties, stakeholders, and the Behavioral Health Services~~
26 ~~and Oversight Accountability Commission, pursuant to Section~~
27 ~~5963.05.~~

28 ~~(B) Outcome measures may include, but are not limited to,~~
29 ~~measures that demonstrate achievement of goals to reduce~~
30 ~~homelessness among those eligible for housing interventions~~
31 ~~pursuant to Section 5830 and measures that demonstrate reductions~~
32 ~~in the number of people who are justice-involved in the county~~
33 ~~and who are eligible adults or older adults, as defined in Section~~
34 ~~5892, or eligible children and youth, as defined in Section 5892.~~

35 ~~(4) A description of how the integrated plan aligns with local~~
36 ~~goals and outcome measures for behavioral health, including goals~~
37 ~~and outcome measures to reduce identified disparities.~~

38 ~~(5) The programs and services specified in paragraph (1) shall~~
39 ~~include descriptions of efforts to reduce identified disparities in~~
40 ~~behavioral health outcomes.~~

1 ~~(6) A description of the data sources considered to meet the~~
2 ~~requirements specified in paragraph (2) of subdivision (b).~~

3 ~~(7) A description of how the county has considered the unique~~
4 ~~needs of LGBTQ+ youth, justice-involved youth, child~~
5 ~~welfare-involved, justice-involved adults, and older adults in the~~
6 ~~housing intervention program pursuant to Part 3.2 (commencing~~
7 ~~with Section 5830) and Full Service Partnership program pursuant~~
8 ~~to Part 4.1 (commencing with Section 5887).~~

9 ~~(8) A description of its workforce strategy, to include actions~~
10 ~~the county will take to ensure its county and noncounty contracted~~
11 ~~behavioral health workforce is well-supported and culturally and~~
12 ~~linguistically concordant with the population to be served, and~~
13 ~~robust enough to achieve the statewide and local behavioral health~~
14 ~~goals and measures. This description shall include how the county~~
15 ~~will do all of the following:~~

16 ~~(A) Maintain and monitor a network of appropriate, high-quality,~~
17 ~~culturally and linguistically concordant county and noncounty~~
18 ~~contracted providers, where applicable, that is sufficient to provide~~
19 ~~adequate access to services and supports for individuals with~~
20 ~~behavioral health needs.~~

21 ~~(B) Meet federal and state standards for timely access to care~~
22 ~~and services, considering the urgency of the need for services.~~

23 ~~(C) Ensure the health and welfare of the individual and support~~
24 ~~community integration of the individual.~~

25 ~~(D) Promote the delivery of services in a culturally competent~~
26 ~~manner to all individuals, including those with limited English~~
27 ~~proficiency and diverse cultural and ethnic backgrounds and~~
28 ~~disabilities, regardless of age, religion, sexual orientation, and~~
29 ~~gender identity.~~

30 ~~(E) Ensure physical access, reasonable accommodations, and~~
31 ~~accessible equipment for individuals with physical, intellectual~~
32 ~~and developmental, and mental disabilities.~~

33 ~~(F) Select and retain all contracted network providers, including~~
34 ~~ensuring all contracted providers meet minimum standards for~~
35 ~~license, certification, training, experience, and credentialing~~
36 ~~requirements.~~

37 ~~(G) Ensure that the contractor's hiring practices meet applicable~~
38 ~~nondiscrimination standards and demonstrate best practices in~~
39 ~~promoting diversity and equity.~~

1 ~~(H) Adequately fund contracts to ensure that noncounty~~
2 ~~contracted providers are resourced to achieve the behavioral health~~
3 ~~goals outlined in their contract for the purposes of meeting~~
4 ~~statewide metrics.~~

5 ~~(I) Conduct oversight of compliance of all federal and state laws~~
6 ~~and regulations of all contracted network providers.~~

7 ~~(J) Fill county vacancies and retain county employees providing~~
8 ~~direct behavioral health services, if applicable.~~

9 ~~(9) A description of the system developed to transition a~~
10 ~~beneficiary’s care between the beneficiary’s mental health plan~~
11 ~~and their managed care plan based upon the beneficiary’s health~~
12 ~~condition.~~

13 ~~(10) Certification by the county behavioral health director, that~~
14 ~~ensures that the county has complied with all pertinent regulations,~~
15 ~~laws, and statutes, including stakeholder participation requirements.~~

16 ~~(11) Certification by the county behavioral health director and~~
17 ~~by the county chief administration officer or their designee that~~
18 ~~the county has complied with fiscal accountability requirements,~~
19 ~~as directed by the department, and that all expenditures are~~
20 ~~consistent with applicable state and federal law.~~

21 ~~(d) The county shall submit its integrated plan and annual~~
22 ~~updates to the department and the commission in a form and~~
23 ~~manner prescribed by the department.~~

24 ~~(e) The department shall post on its internet website, in a timely~~
25 ~~manner, the integrated plan submitted by every county pursuant~~
26 ~~to this section.~~

27 ~~(f) This section shall become operative on July 1, 2026, if~~
28 ~~amendments to the Mental Health Services Act are approved by~~
29 ~~the voters at the March 5, 2024, statewide primary election.~~

30 *SEC. 2. Section 8257.1 of the Welfare and Institutions Code*
31 *is amended to read:*

32 8257.1. (a) It is the intent of the Legislature to obtain
33 trustworthy information to connect funding allocated to prevent
34 and end homelessness with established sheltering and housing
35 resources and to provide state agencies with accurate information
36 to allow for more accurate forecasting to target future investments.
37 To advance these goals, the coordinating council shall, upon
38 appropriation by the Legislature, do all of the following:

39 (1) Conduct, or contract with an entity to conduct, a statewide
40 homelessness assessment that will do all of the following:

- 1 (A) Identify all programs a state agency funds, implements, or
2 administers for the purpose of providing unsheltered outreach
3 services, emergency shelter, housing or housing-based services to
4 persons experiencing homelessness or at risk of homelessness and
5 do all of the following:
- 6 (i) Identify homelessness interventions and service categories
7 available statewide and in geographically diverse regions across
8 the state.
 - 9 (ii) Compile the amount of funding distributed to local
10 jurisdictions and its stated intent by the administering entity.
 - 11 (iii) Identify the intended uses for the funds identified pursuant
12 to clause (ii) by type of intervention as stated by local jurisdictions
13 requesting funding made available for housing- or
14 homelessness-related services.
 - 15 (iv) Identify conditions or premise of the funds identified
16 pursuant to clause (ii) as it relates to leveraging nonstate dollars.
 - 17 (v) If applicable, reasons for the unavailability of data.
- 18 (B) Obtain the following information for each program identified
19 in subparagraph (A) to the extent that data is available in local
20 Homeless Management Information Systems (HMIS), the
21 Homeless Data Integration System (HDIS) or other readily
22 available data sources:
- 23 (i) The number of permanent housing units that the program
24 made available.
 - 25 (ii) The amount of rental subsidies, vouchers, or other forms of
26 financial support intended to prevent homelessness or to rehouse
27 individuals that the program made available.
 - 28 (iii) The number of emergency shelter beds, vouchers, or units
29 that the program made available.
 - 30 (iv) The wrap around services that the program offered.
- 31 (C) Collect data, to the extent data it is available, on the numbers
32 and demographics of persons served through the identified services,
33 including, but not limited to, a quantification of the disparities
34 across age, race, ethnicity, and other demographics based on the
35 following subpopulation categories to describe the homelessness
36 population relative to the general population:
- 37 (i) Young adults.
 - 38 (ii) Unaccompanied minors.
 - 39 (iii) Single adults experiencing either chronic or nonchronic
40 patterns of homelessness, of first-time homelessness.

- 1 (iv) Adults over 50 years of age.
2 (v) Veterans.
3 (vi) Families experiencing either chronic or nonchronic patterns
4 of homelessness, or first-time homelessness.
5 (D) For each program identified pursuant to subparagraph (A)
6 that provides housing or homelessness-related services, collect
7 and analyze the following data:
8 (i) The number of persons served annually by service or
9 intervention type by age, gender, and racial subgroupings.
10 (ii) Typical service mix use to develop portrait of the “types”
11 of system clients to better understand the holistic needs of people
12 experiencing homelessness and to forecast future uses and policies
13 of resources intended to address homelessness.
14 (iii) The service, services, or service mixes that are associated
15 with individuals exiting homelessness.
16 (iv) The duration and frequency individuals accessed services,
17 on average, and the length of time from program intake to the date
18 the individual moves into permanent housing or resolves
19 homelessness.
20 (v) Each type of housing and each type of intervention provided
21 disaggregated by age, racial, and gender characteristics of
22 recipients.
23 (vi) The number of individuals whose homelessness was
24 prevented after accessing homelessness prevention services
25 (vii) Information about the people who accessed the resources
26 identified in subparagraph (B) and disaggregated by demographic
27 characteristics described in subparagraph (C).
28 (viii) Analyze the results of current permanent and interim
29 housing programs by program type.
30 (ix) Additional data necessary to provide a comprehensive view
31 of the homelessness response system.
32 (E) Provide the reasons for lack of data availability, if applicable.
33 (2) (A) For purposes of collecting data to conduct the
34 assessment pursuant to paragraph (1), evaluate available data,
35 including, but not limited to, HDIS, data from state agencies
36 administering homelessness funds, statewide and local homeless
37 point-in-time counts and housing inventory counts, and available
38 statewide information on the number or rate of persons exiting
39 state-funded institutional settings, including, but not limited to,

1 state prisons and, to the extent possible, local jails, into
2 homelessness.

3 (B) The coordinating council may work with a technical
4 assistance provider from the federal Department of Housing and
5 Urban Development to complete the assessment.

6 (C) For purposes of collecting data pursuant to paragraph (1),
7 a local government may collaborate with the coordinating council
8 or the entity conducting the statewide assessment to, if available,
9 share existing data from existing local analyses of system needs
10 or gaps to complement other data requested.

11 (D) The coordinating council shall submit an interim report by
12 July 1, 2022, to the Assembly Housing and Community
13 Development Committee, the Assembly Committee on Budget,
14 Senate Committee on Housing, and Senate Committee on Budget
15 and Fiscal Review. The report submitted pursuant to this paragraph
16 shall comply with Section 9795 of the Government Code.

17 (E) The council shall report on the final assessment by December
18 31, 2022, to the Assembly Housing and Community Development
19 Committee, the Assembly Committee on Budget, Senate
20 Committee on Housing, and Senate Committee on Budget and
21 Fiscal Review. The report submitted pursuant to this paragraph
22 shall comply with Section 9795 of the Government Code.

23 *(b) (1) The Department of Housing and Community*
24 *Development shall complete, or contract to complete, an*
25 *assessment and financing plan to, in coordination with local*
26 *jurisdictions, address unsheltered and chronic homelessness in*
27 *the state over a 10-year period. The department shall report to the*
28 *Legislature on the assessment and financing plan by December*
29 *31, 2027. The report submitted pursuant to this paragraph shall*
30 *comply with Section 9795 of the Government Code.*

31 *(2) The assessment shall identify all of the following:*

32 *(A) The number of people experiencing unsheltered*
33 *homelessness and the number of people expected to fall into*
34 *unsheltered homelessness over the next 10 years, based on recent*
35 *data on rates of Californians becoming unsheltered.*

36 *(B) The unmet housing and services needs among the*
37 *populations identified in subparagraph (A).*

38 *(C) Evidence-based interventions required to meet the housing*
39 *and services needs of the populations identified in subparagraph*

40 *(A).*

1 (D) The funding required to offer evidence-based interventions
2 at a scale great enough for populations identified in subparagraph
3 (A) to exit homelessness over the 10-year period.

4 (E) Of the funding identified as required in subparagraph (D),
5 existing resources that could be used to meet the unmet housing
6 and services needs of the populations identified in subparagraph
7 (A), including estimates of local funding available to serve these
8 populations. This can include the funding available for a spectrum
9 of interventions, from interventions to keep people safe while
10 homeless to evidence-based interventions to end homelessness,
11 including, but not limited to, additional shelters and interim and
12 permanent housing services solutions.

13 (F) Remaining resources required to end homelessness among
14 the populations identified in subparagraph (A), after taking into
15 consideration existing funding described in subparagraph (E).
16 This can include the funding necessary for a spectrum of
17 interventions, from interventions to keep people safe while
18 homeless to evidence-based practices to end homelessness,
19 including, but not limited to, additional shelters and interim and
20 permanent housing solutions.

21 (G) The actions that state and local governments need to take
22 in order to create the resources identified in subparagraph (F)
23 and recommendations to the Legislature for how and when to
24 accomplish those actions.

25 (3) In conducting the assessment and financing plan, the
26 department or contractor shall consult with individuals with lived
27 experience of homelessness, affordable housing and homelessness
28 experts and advocates, researchers and housing data experts,
29 housing authority representatives, representatives of homeless
30 continuums of care, representatives of cities and counties,
31 representatives of Native American tribes, homeless services and
32 housing providers, and participants on the Interagency Council
33 on Homelessness' State Funding and Programs Working Group,
34 Racial Equity Working Group, and Youth and Young Adults
35 Working Group.

36 ~~(b)~~

37 (c) For purposes of this section, all of the following definitions
38 apply:

1 (1) “Chronic homelessness” has the same definition as that in
2 Section 578.3 of Title 24 of the Code of Federal Regulations, as
3 that section read on January 1, 2020.

4 (2) “State-funded institutional settings” include, but are not
5 limited to, justice, juvenile justice, child welfare, and health care
6 settings.

7 (3) “Young adult” means a person 18 to 24 years of age,
8 inclusive.

9 (4) “Persons at risk of homelessness” means a person or family
10 in the circumstances described in Section 11302(a)(5) of Title 42
11 of the United States Code.

12 (5) “Homeless” has the same meaning as defined in Section
13 578.3 of Title 24 of the Code of Federal Regulations, as that section
14 read on January 10, 2019.

15 ~~SEC. 5.~~

16 *SEC. 3.* The Legislature finds and declares that Section-2 I of
17 this act amending Section 65583 of the Government Code
18 addresses a matter of statewide concern rather than a municipal
19 affair as that term is used in Section 5 of Article XI of the
20 California Constitution. Therefore, Section-2 I of this act applies
21 to all cities, including charter cities.

22 ~~SEC. 6.~~

23 *SEC. 4.* If the Commission on State Mandates determines that
24 this act contains costs mandated by the state, reimbursement to
25 local agencies and school districts for those costs shall be made
26 pursuant to Part 7 (commencing with Section 17500) of Division
27 4 of Title 2 of the Government Code.

O

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE AND APRIL 2025 FINANCIAL AND INVESTMENT REPORTS

RECOMMENDATION(S)

Receive and file reports

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Fiscal Sustainability

Community Engagement

REPORT NARRATIVE:

As part of the City Council's commitment to maintaining a high level of transparency and being responsible stewards of public funds, staff is providing this monthly budget update, along with the April 2025 financial and investment reports.

April 2025 Financial Report

The Revenue and Expense Summary through April 2025 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total \$38.9 million or about 69% of the budget. Expenditures, including encumbrances, amounted to \$50.2 million, of which approximately \$2.5 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$48.1 million. This represents an increase of \$2.1 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$2.5 million, primarily due to additional staffing, negotiated salary adjustments, and overall cost increases.

Budget Update

There has been no material change since the last budget update to the Council on May 21, 2025. Regarding water revenue, Morgan Hill residents consumed approximately 8% more water through April compared to the average for the prior three years. As a result, no revenue stabilization water rate was implemented.

COMMUNITY ENGAGEMENT:

Inform

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an "Other Business" item.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
April 30, 2025 - 83% of Year Complete



CITY OF MORGAN HILL

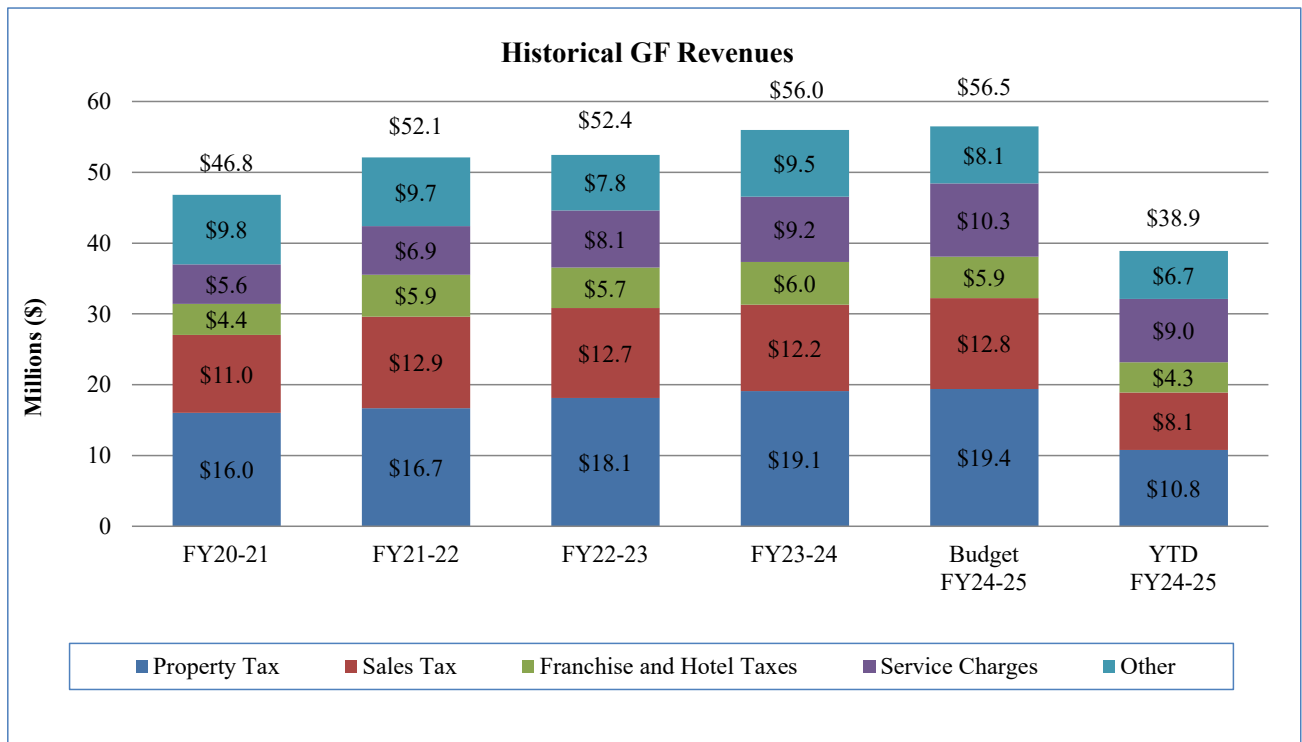
Prepared by:
FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2024-25
FOR THE MONTH ENDED APRIL 2025 – 83% OF YEAR COMPLETE

- General Fund** – Revenues through April totaled \$38.9 million, or about 69% of the budget. Regarding the property tax revenue forecast, the County estimates the City will receive approximately \$20.0 million in property tax revenue for the current fiscal year, slightly exceeding the budget of \$19.4 million. However, after adjusting for the excess ERAF set-aside of 20%, or \$0.5 million, the revised property tax revenue shows only a modest increase over the budget. As for sales tax, HdL, the City's sales tax consultant, estimates the City's current fiscal year sales tax revenue (before tax rebates) at \$12.0 million, slightly higher than previous estimate by about \$0.1 million. Nevertheless, this still represents a reduction of approximately \$0.9 million from the current year's budget, partially attributable to lower tax receipts from vehicle sales and one-time adjustments in the prior year's receipts. Furthermore, the estimate for the next fiscal year has been further reduced to \$12.2 million, down from the previous estimate of \$12.4 million.

The chart below shows historical General Fund revenues by major revenue category from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of April 30, 2025.



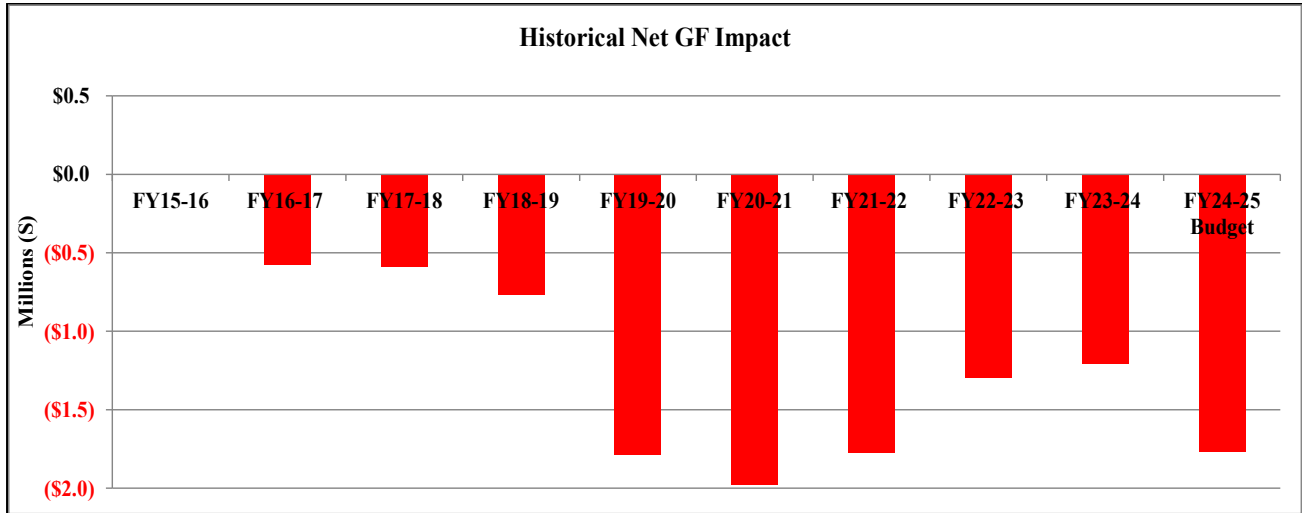
General Fund expenditures and encumbrances through April totaled \$50.2 million, of which approximately \$2.5 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$48.1 million. This represents an increase of \$2.1 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$2.5 million, primarily due to additional staffing, negotiated salary adjustments, and overall cost increases.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2024-25
FOR THE MONTH ENDED APRIL 2025 – 83% OF YEAR COMPLETE

- **Community Services** – The Community Services Department’s recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$0.9 million as of April 30, 2025. Recreation Services revenues continue to recover from the pandemic and are on target with budget.

The chart below shows the historical net impact of Recreation Operations to the general fund.



Due to longstanding governmental accounting and budgeting convention, the City’s recreation operations are not charged for indirect costs (known in Morgan Hill as “General Fund Administration”) from the central services departments of City Attorney, City Manager, and Administrative Services. The City’s other governmental funds, such as Development Services, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City’s indirect cost allocation plan, prepared in compliance with the guidelines set forth in the Code of Federal Regulations Title 2, Chapter II, Part 200 (formerly OMB Circular No. A-87), which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represents best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Revenues through April totaled \$5.3 million compared to the prior year to date amount of approximately \$4.9 million. Expenditures, including encumbrances, totaled \$5.2 million.
- **Debt Service Funds** – Expenditures through April totaled \$0.6 million. The debt service for the first half of the year includes both interest and principal, while the second half will include interest only. Debt service payments were scheduled when the bonds were issued and are budgeted for the months specified in the underlying bond documents. The General Fund’s portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund’s budgeted revenues.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2024-25
FOR THE MONTH ENDED APRIL 2025 – 83% OF YEAR COMPLETE

- Wastewater Operations** – Revenues through April 30, 2025 totaled \$13.3 million. Expenditures and outstanding encumbrances totaled \$13.7 million or 81% of the budget. The table below shows historical Wastewater Operations revenues and expenditures from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of April 30, 2025.

(amount in millions)					Budget	YTD
	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
Revenues	13.3	14.9	15.3	15.2	16.6	13.3
Expenditures	13.3	14.8	16.0	14.9	16.8	13.7
Operating Margin	-	0.1	(0.7)	0.3	(0.2)	(0.4)
Operating Margin without Encumbrances	-	0.1	(0.7)	0.3	(0.2)	(0.4)

- Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through April 30, 2025 totaled \$15.5 million. Water Operations expenditures, including outstanding encumbrances, totaled \$16.2 million. Morgan Hill residents consumed about 8% more water through April compared to the prior three-year average. As such, no revenue stabilization water rate was implemented. The table below shows Water Operations revenues and expenditures from FY20-21 through FY23-24 Actual, FY24-25 Budget, and YTD as of April 30, 2025.

(amount in millions)					Budget	YTD
	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
Revenues	16.5	16.0	18.1	18.7	21.5	15.5
Expenditures	16.5	15.2	18.0	19.1	21.6	16.2
Operating Margin	-	0.8	0.1	(0.4)	(0.1)	(0.7)
Operating Margin without Encumbrances	-	0.8	0.1	(0.4)	(0.1)	(0.3)

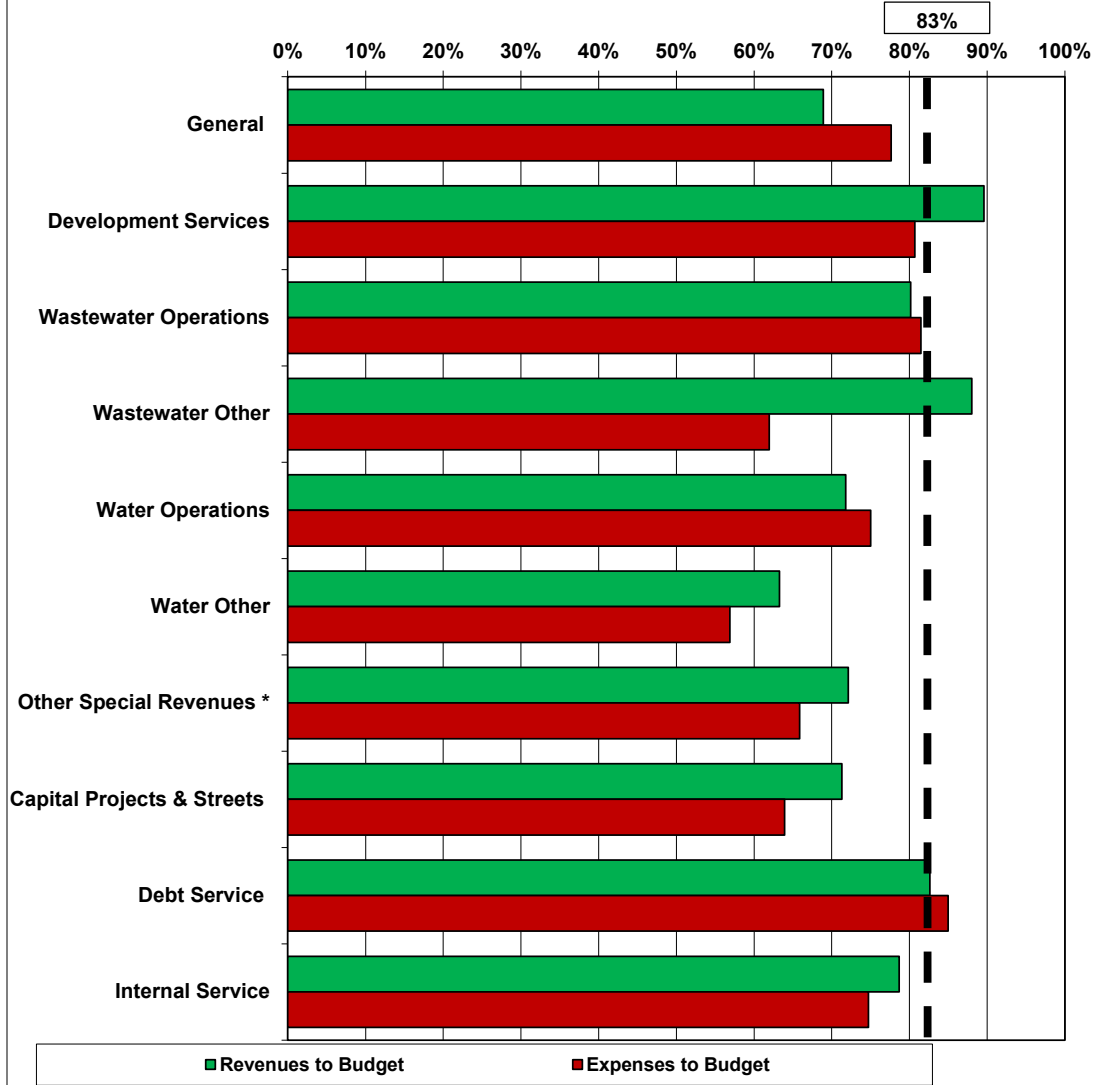
- Investments** – Four securities were called, and four new securities were purchased. Total interest earnings received on investments were \$513,000 during the month.



Morgan Hill YTD Revenue & Expense Summary

April 30, 2025 - 83% of Year Complete

Percentage of Actual to Budget



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 38,929,630	69%	\$ 50,251,111	78%
Development Services	5,336,408	90%	5,164,002	81%
Wastewater Operations	13,336,463	80%	13,687,366	81%
Wastewater Other	15,909,830	88%	11,843,443	62%
Water Operations	15,472,490	72%	16,224,147	75%
Water Other	9,122,457	63%	13,854,978	57%
Other Special Revenues *	5,913,610	72%	7,310,479	66%
Capital Projects & Streets	23,264,714	71%	32,332,554	64%
Debt Service	571,151	83%	575,084	85%
Internal Service	11,408,861	79%	11,872,090	75%
TOTAL FOR ALL FUNDS	\$ 139,265,615	74%	\$ 163,115,253	71%

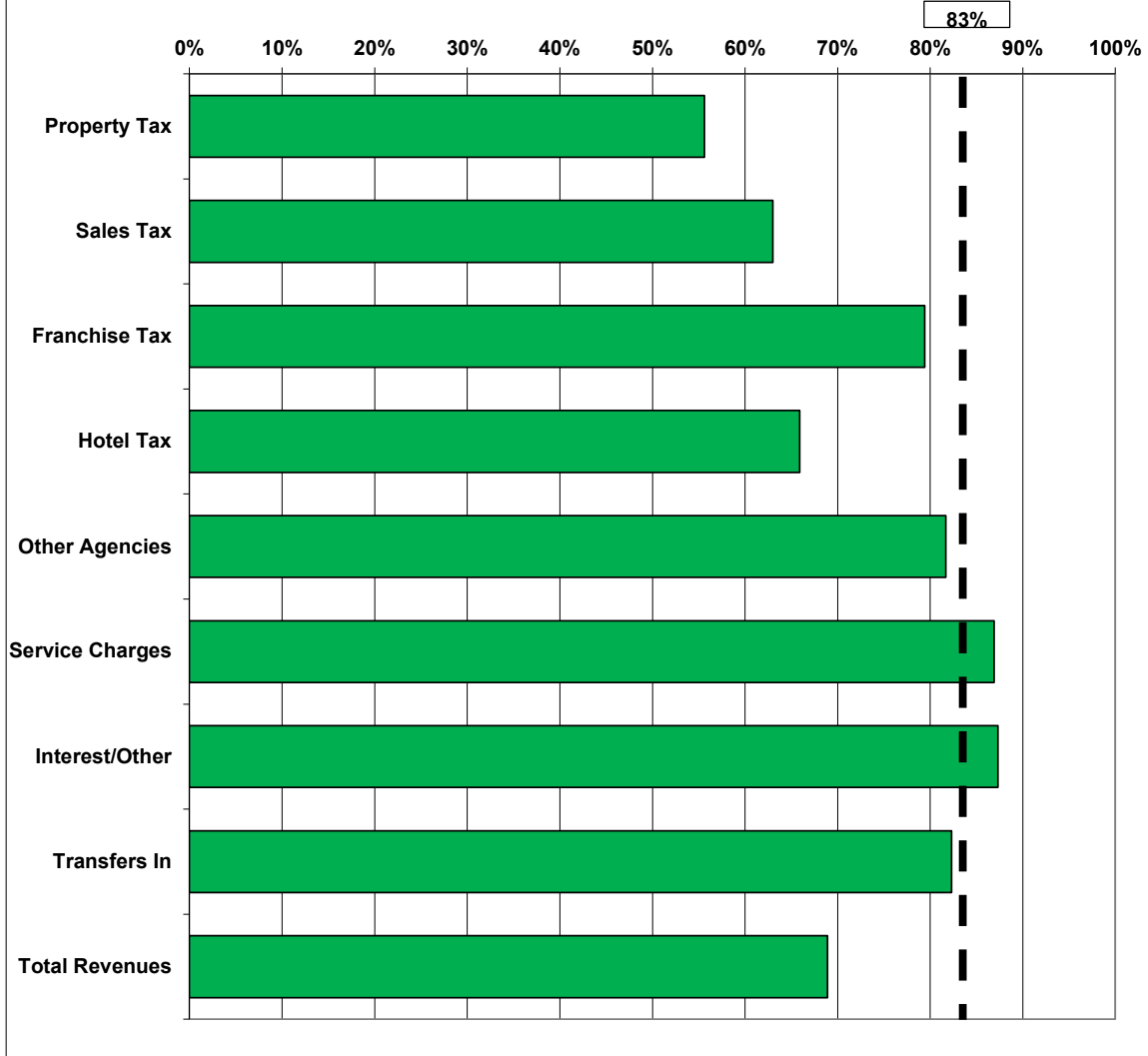
* Includes all Special Revenue Funds except Development Services Fund and Street Funds.



Morgan Hill YTD General Fund Revenues

April 30, 2025 - 83% of Year Complete

Percent of Actual to Budget



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 19,411,020	\$ 10,798,086	56%	\$ 12,894,222	-16%
Sales Tax	12,816,469	8,078,329	63%	8,518,676	-5%
Franchise Tax	3,185,872	2,530,671	79%	2,470,726	2%
Hotel Tax	2,678,000	1,764,787	66%	1,770,297	0%
Other Agencies	1,601,204	1,307,809	82%	732,782	78%
Service Charges	10,323,751	8,967,996	87%	8,721,268	3%
Interest/Other	3,107,665	2,713,237	87%	2,214,998	22%
Transfers In	3,365,760	2,768,715	82%	2,511,494	10%
TOTAL REVENUES	\$ 56,489,742	\$ 38,929,630	69%	\$ 39,834,461	-2%

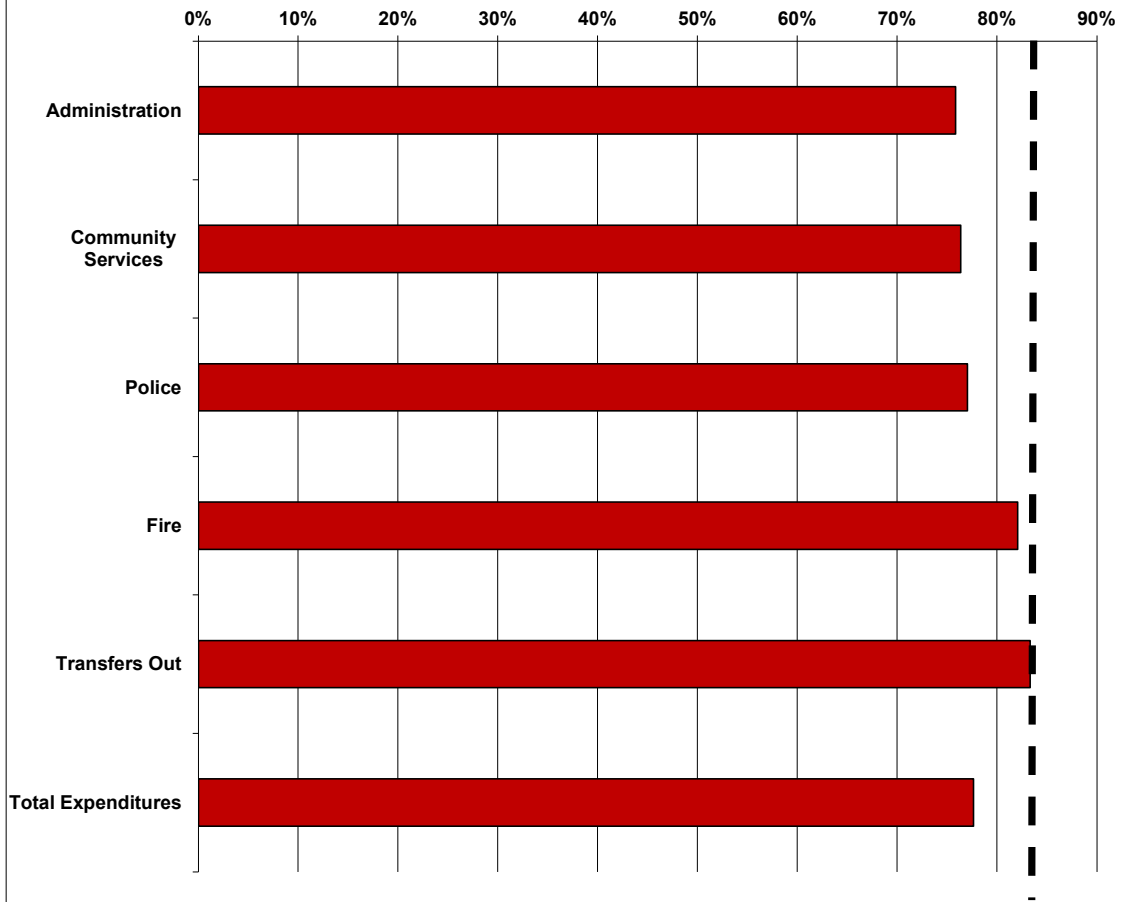


Morgan Hill YTD General Fund Expenditures

April 30, 2025 - 83% of Year Complete

Percent of Actual to Budget

83%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 7,351,159	\$ 5,577,587	76%	\$ 5,405,287	3%
Community Services	19,922,029	15,215,011	76%	14,391,397	6%
Police	25,598,203	19,723,249	77%	18,144,316	9%
Fire	10,381,160	8,520,072	82%	7,716,921	10%
Transfers Out	1,458,230	1,215,192	83%	2,486,473	-51%
TOTAL EXPENDITURES	\$ 64,710,781	\$ 50,251,111	78%	\$ 48,144,393	4%

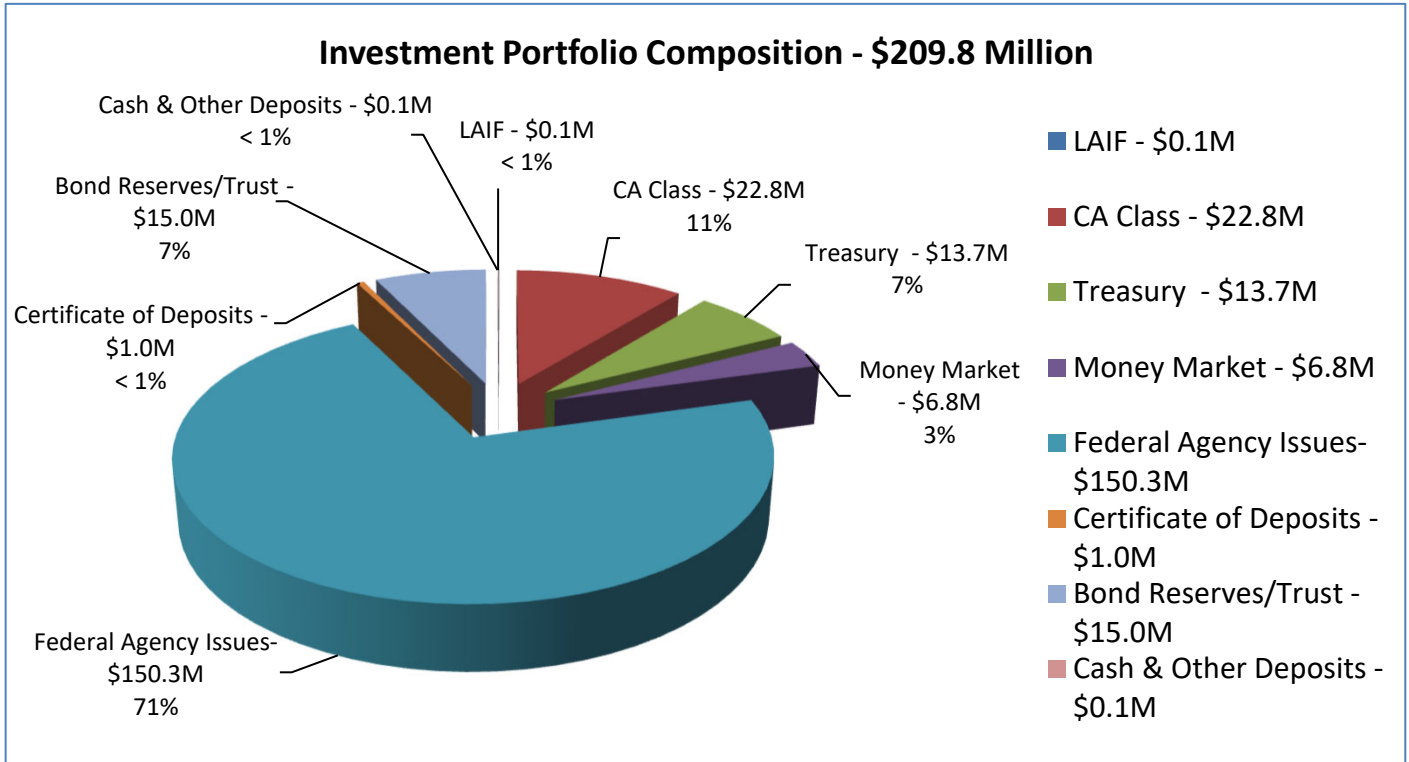


City of Morgan Hill
Recreation Report - Fiscal Year 2024-25
For the Month Ended April 30, 2025
83% of Year Complete

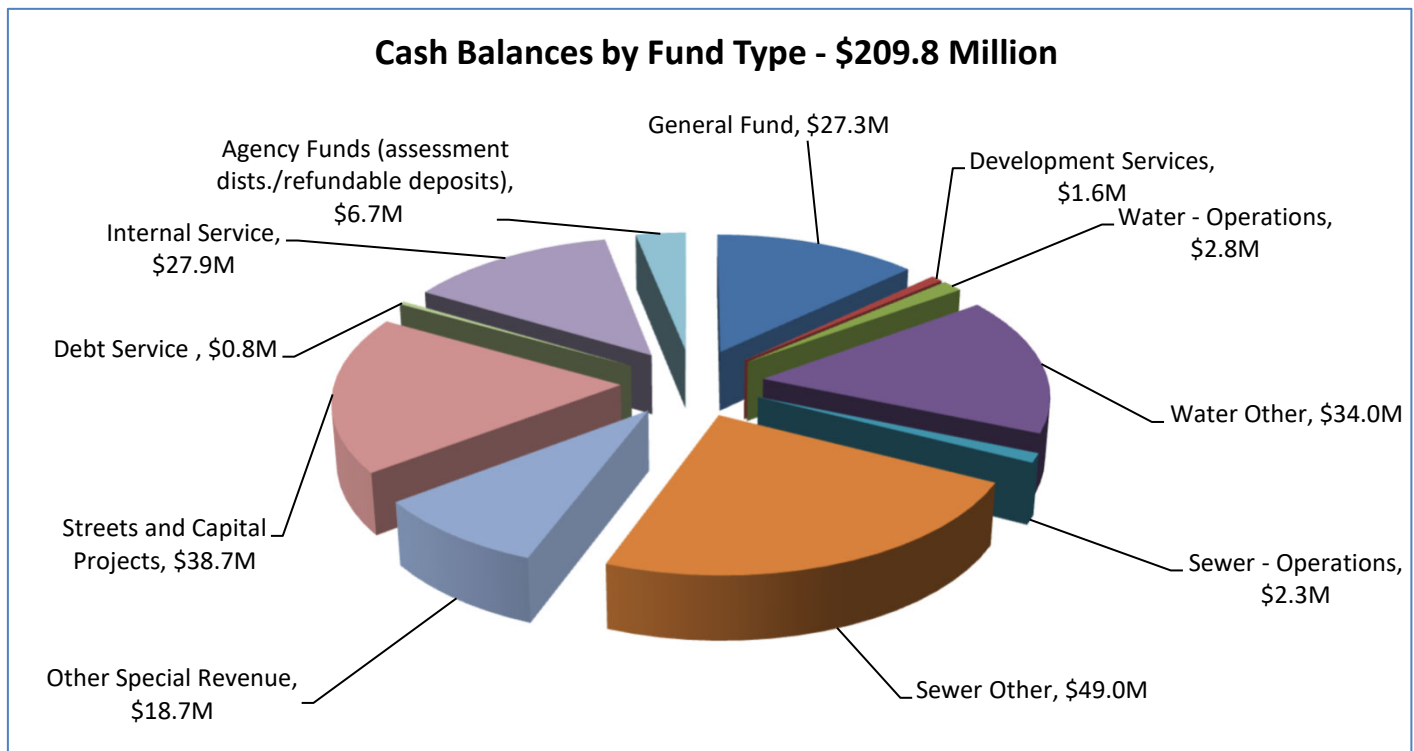
	<u>Budget</u>	<u>April 2025</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 6,222,399	\$ 517,389	\$ 5,262,986	
Facility Rentals	1,197,395	113,882	1,253,533	
Community Services	147,498	3,394	126,934	
Transfers in	100,000	6,250	83,333	
Total Revenues	<u>\$ 7,667,292</u>	<u>\$ 640,914</u>	<u>\$ 6,726,786</u>	88%
Less: Expenditures				
Membership & Program Services	\$ 8,040,818	\$ 457,073	\$ 5,952,318	
Facility Rentals	633,051	44,331	453,661	
Community Services	761,973	60,984	489,370	
Total Expenditures	<u>\$ 9,435,843</u>	<u>\$ 562,387</u>	<u>\$ 6,895,349</u>	73%
Net Impact without encumbrances	<u>\$ (1,768,551)</u>	<u>\$ 78,527</u>	<u>\$ (168,563)</u>	
Encumbrances	-	-	738,737	
Net Impact with encumbrances	<u>\$ (1,768,551)</u>	<u>\$ 78,527</u>	<u>\$ (907,300)</u>	

City of Morgan Hill Monthly Investment Report - April 30, 2025

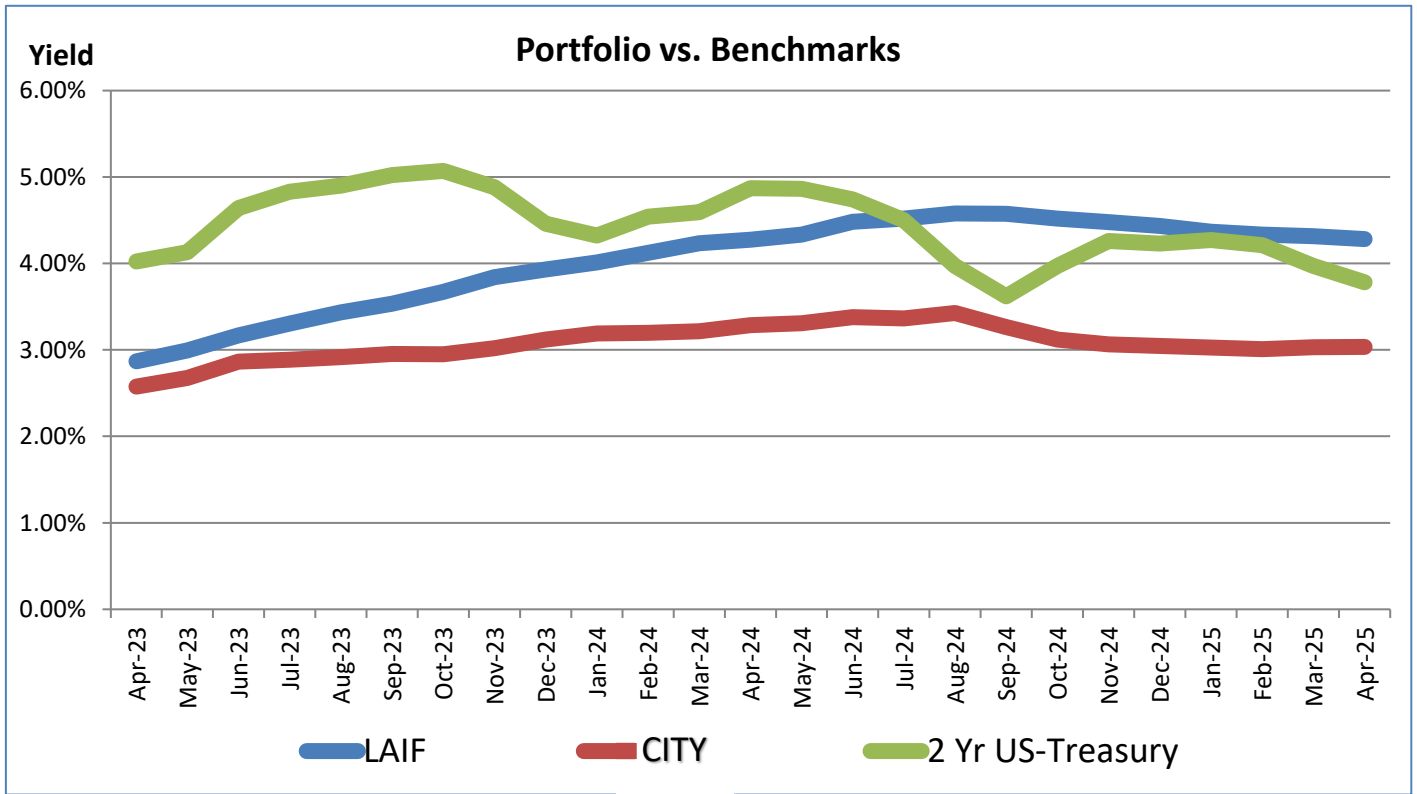
The following are the snapshots of City's investment portfolio as of April 30, 2025. The first chart shows the portfolio composition by investment type:



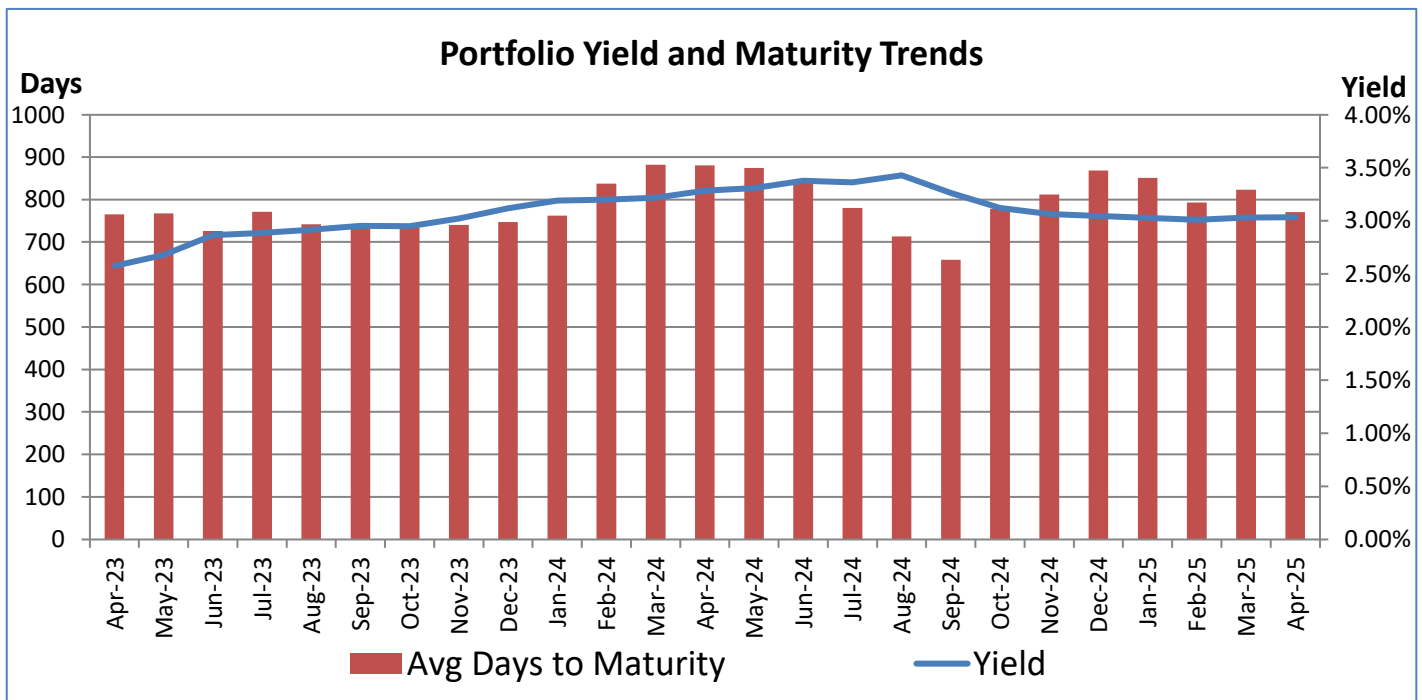
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





**City of Morgan Hill
Investment Portfolio Detail
As of April 30, 2025**

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F			\$ 63,225	\$ 63,225	0.0%	\$ 63,279	4.28%		
California C L A S S			22,804,594	22,804,594	10.9%	22,804,594	4.39%		
WFB Money Market			6,658,310	6,658,310	3.2%	6,658,310	4.23%		
US Bank - Portfolio of Securities									
Dreyfus Treasury Agency MM	261908107		103,872	103,872	0.0%	103,872	4.20%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,996,483	1.0%	1,921,720	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,966,735	0.9%	1,948,980	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	1,993,033	0.9%	1,990,780	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,846,598	0.9%	1,844,840	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,949,891	0.9%	1,955,540	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	2,028,036	1.0%	2,014,840	3.76%	8/31/2029	8/31/2029
Treasury Note	91282CFY2	12/19/2024	1,959,077	1,958,317	0.9%	2,014,380	4.39%	11/30/2029	11/30/2029
FFCB Bond	3133ELC28	5/27/2020	2,000,000	2,000,000	1.0%	1,994,780	0.73%	5/5/2025	5/27/2025
FHLMC Bond	3134GWZG4	10/20/2020	2,000,000	2,000,000	1.0%	1,966,720	0.60%	7/20/2025	10/20/2025
FHLMC Bond	3134GW3X2	10/27/2020	2,000,000	2,000,000	1.0%	1,964,400	0.63%	7/27/2025	10/27/2025
FFCB Bond	3133EMFR8	11/3/2020	2,000,000	2,000,000	1.0%	1,962,760	0.54%	5/5/2025	11/3/2025
FNMA Bond	3135GA4P3	11/18/2020	2,000,000	2,000,000	1.0%	1,960,460	0.65%	11/18/2025	11/18/2025
FHLMC Bond	3134GXEJ9	11/24/2020	2,000,000	2,000,000	1.0%	1,959,800	0.64%	5/24/2025	11/24/2025
FFCB Bond	3133EMHF2	11/24/2020	1,000,000	1,000,000	0.5%	980,330	0.60%	5/5/2025	11/24/2025
FHLMC Bond	3134GXCS1	11/25/2020	3,000,000	3,000,000	1.4%	2,940,600	0.63%	11/25/2025	11/25/2025
FHLMC Bond	3134GXFA7	11/30/2020	2,000,000	2,000,000	1.0%	1,959,960	0.65%	5/26/2025	11/26/2025
FFCB Bond	3133EMLC4	12/22/2020	2,000,000	2,000,000	1.0%	1,954,160	0.47%	5/5/2025	12/22/2025
FHLB Bond	3130AKQ74	1/22/2021	2,000,000	2,000,000	1.0%	1,950,080	0.63%	5/22/2025	1/22/2026
FNMA Bond	3135G06R9	1/28/2021	2,000,000	2,000,000	1.0%	1,948,380	0.55%	5/28/2025	1/28/2026
FHLB Bond	3130AKRN8	1/28/2021	2,000,000	2,000,000	1.0%	1,950,640	0.65%	5/28/2025	1/28/2026
FHLB Bond	3130ALCV4	2/24/2021	2,000,000	2,000,000	1.0%	1,947,660	0.75%	5/24/2025	2/24/2026
FHLB Bond	3130ALDB7	2/25/2021	2,000,000	2,000,000	1.0%	1,945,940	0.66%	5/25/2025	2/25/2026
FHLB Bond	3130AKZ25	2/26/2021	2,000,000	2,000,000	1.0%	1,945,440	0.65%	5/26/2025	2/26/2026
FHLB Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.0%	1,946,420	0.85%	6/10/2025	3/10/2026
FHLB Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.0%	1,941,760	0.70%	6/16/2025	3/16/2026
FHLB Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.0%	1,944,060	0.80%	6/16/2025	3/16/2026
FHLB Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.0%	1,939,900	1.08%	5/5/2025	6/9/2026
FHLB Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.0%	1,933,360	1.00%	6/30/2025	6/30/2026
FHLB Bond	3130AMYP1	7/15/2021	3,000,000	3,000,000	1.4%	2,905,560	1.13%	7/15/2025	7/15/2026
FHLB Bond	3130AMYS5	7/15/2021	2,000,000	2,000,000	1.0%	1,985,560	0.85%	7/15/2025	7/15/2025
FHLB Bond	3130ANJCS	8/26/2021	2,000,000	2,000,000	1.0%	1,921,680	0.80%	8/26/2025	8/26/2026
FHLB Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.4%	2,889,030	1.00%	5/26/2025	8/26/2026
FHLB Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.0%	1,924,680	0.90%	8/26/2025	8/26/2026
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,028,220	1.0%	1,950,300	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,995,314	1.0%	1,918,480	0.98%	9/10/2026	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.4%	2,888,550	1.13%	5/5/2025	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,920,260	0.88%	9/30/2026	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.4%	2,884,380	1.05%	6/30/2025	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.4%	2,884,830	1.02%	6/30/2025	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,920,000	1.00%	7/19/2025	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,924,160	1.30%	11/18/2025	11/18/2026
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,951,960	1.74%	1/19/2027	1/19/2027
FHLB Bond	3130AQKT9	1/25/2022	2,000,000	2,000,000	1.0%	1,987,780	1.51%	7/25/2025	7/25/2025
FHLB Bond	3130AR4F5	3/10/2022	2,000,000	2,000,000	1.0%	1,996,900	3.48%	6/10/2025	3/10/2027
FHLMC Bond	3134GXUZ5	6/15/2022	2,000,000	2,000,000	1.0%	1,990,880	3.28%	12/15/2025	12/15/2025
FHLB Bond	3130ASPE3	7/28/2022	2,000,000	2,000,000	1.0%	1,996,000	4.30%	7/28/2025	7/28/2027
FHLMCTN Bond	3134H1QG1	1/26/2024	3,000,000	3,000,000	1.4%	3,004,380	4.66%	7/26/2025	1/26/2029
FHLB Bond	3130B2KZ7	9/11/2024	790,698	790,698	0.4%	790,595	5.00%	5/5/2025	9/11/2029
FHLMCMTN Bond	3134HAKY8	9/13/2024	2,985,210	2,987,075	1.4%	2,964,180	4.11%	12/13/2025	9/13/2029
FHLMCMTN Bond	3134HALK7	9/19/2024	3,000,000	3,000,000	1.4%	2,999,910	5.00%	6/19/2025	9/19/2029
FHLB Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	1,982,900	3.87%	9/10/2026	9/10/2029
FHLB Bond	3130B2X59	9/27/2024	2,000,000	2,000,000	1.0%	1,990,080	4.00%	9/18/2025	9/18/2028

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FHLMCMTN Bond	3134HANZ2	10/1/2024	3,000,000	3,000,000	1.4%	3,001,050	5.00%	5/1/2025	10/1/2029
FHLB Bond	3130B33T8	10/8/2024	2,500,000	2,500,000	1.2%	2,500,325	5.00%	7/2/2025	10/2/2029
FHLB Bond	3130B35N9	10/8/2024	2,000,000	2,000,000	1.0%	1,993,640	4.50%	10/1/2025	10/1/2029
FHLMCMTN Bond	3134HARE5	10/11/2024	2,000,000	2,000,000	1.0%	1,998,660	4.75%	7/11/2025	10/11/2029
FNMA Bond	3135GAW98	10/15/2024	2,000,000	2,000,000	1.0%	1,997,480	5.00%	5/1/2025	10/1/2029
FHLB Bond	3130B36N8	10/15/2024	1,944,000	1,994,650	1.0%	1,996,340	4.32%	4/15/2026	10/15/2029
FHLMCMTN Bond	3134HAXT5	11/12/2024	2,000,000	2,000,000	1.0%	1,999,980	5.00%	5/7/2025	11/7/2029
FHLMCMTN Bond	3134HAZW6	11/15/2024	2,000,281	2,000,000	1.0%	2,001,480	5.43%	5/14/2025	11/14/2029
FHLMCMTN Bond	3134HAC92	11/19/2024	3,000,000	3,000,000	1.4%	2,999,310	5.00%	5/19/2025	11/19/2029
FNMA Bond	3135GAYV7	11/26/2024	3,000,000	3,000,000	1.4%	2,999,160	5.25%	5/26/2025	11/26/2029
FFCB Bond	3133ERF48	12/4/2024	2,000,000	2,000,000	1.0%	2,002,800	4.77%	12/4/2025	12/4/2028
FHLMCMTN Bond	3134HAM91	12/13/2024	2,000,000	2,000,000	1.0%	1,998,260	4.70%	6/13/2025	12/13/2027
FNMA Bond	3136GA4B2	12/20/2024	2,000,000	2,000,000	1.0%	2,000,260	5.01%	6/20/2025	12/20/2029
FNMA Bond	3136GA6M6	1/24/2025	2,000,000	2,000,000	1.0%	1,999,320	5.00%	7/24/2025	7/24/2028
FHLB Bond	3130B4MZ1	1/30/2025	2,000,000	2,000,000	1.0%	2,000,340	5.25%	7/22/2025	1/22/2030
FNMA Bond	3136GAAN9	2/13/2025	2,000,000	2,000,000	1.0%	1,999,720	5.05%	8/13/2025	2/13/2030
FNMA Bond	3136GABM0	2/25/2025	2,000,000	2,000,000	1.0%	2,001,640	5.06%	8/25/2025	2/25/2030
FHLB Bond	3130B5A73	2/26/2025	2,000,000	2,000,000	1.0%	2,009,120	4.75%	8/26/2026	2/26/2030
FHLMCMTN Bond	3134HBBE0	3/11/2025	2,000,000	2,000,000	1.0%	1,998,540	4.88%	12/11/2025	3/11/2030
FNMA Bond	3136GABW8	3/12/2025	2,000,000	2,000,000	1.0%	2,005,860	5.00%	12/12/2025	3/12/2030
FHLB Bond	3130B5KK3	3/26/2025	2,000,000	2,000,000	1.0%	2,000,640	5.21%	9/26/2025	3/26/2030
FHLMCMTN Bond	3134HBHG9	4/9/2025	2,000,000	2,000,000	1.0%	1,998,660	4.50%	7/9/2025	4/9/2027
FHLMCMTN Bond	3134HBKF7	4/16/2025	2,000,000	2,000,000	1.0%	1,998,700	4.50%	7/16/2025	4/16/2027
FFCB Bond	3133ETDL8	4/17/2025	2,000,000	2,000,000	1.0%	2,000,880	4.87%	10/17/2025	10/17/2029
FHLB Bond	3130B64X1	4/30/2025	2,000,000	2,000,000	1.0%	1,999,260	4.50%	10/17/2025	4/17/2028
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	257,460	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	257,460	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	257,055	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	259,660	5.00%	11/24/2028	11/24/2028
Sub Total/Average			\$ 165,063,168	\$ 165,138,924	78.7%	\$ 162,938,657	2.80%		
Total City Managed/Average			\$ 194,589,297	\$ 194,665,053	92.8%	\$ 192,464,840	3.03%		
Bond Reserve Accounts - Held By Trustees			\$ 7,150,070	\$ 7,150,070	3.4%	\$ 7,150,070			
Cash/Deposits			\$ 107,143	\$ 107,143	0.1%	\$ 107,143			
PARS and CALPERS CERBT Trust			\$ 7,887,404	\$ 7,887,404	3.8%	\$ 9,623,330			
GRAND TOTAL/AVERAGE			\$ 209,733,914	\$ 209,809,669	100.0%	\$ 209,345,383			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF APRIL 30, 2025
FOR THE FISCAL YEAR OF 2024-25

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	4.28%	\$ 63,225	0.0%	\$ 63,279
California CLASS	All Funds Pooled	4.39%	22,804,594	10.9%	22,804,594
US Bank - Portfolio of Securities	All Funds Pooled	2.80%	165,138,924	78.7%	162,938,657
WFB MMA	All Funds Pooled	4.23%	6,658,310	3.2%	6,658,310
	SUBTOTAL		\$ 194,665,053	92.8%	\$ 192,464,840
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	3.97%	249,367	0.1%	249,367
Blackrock Liq Fund	Debt Service	3.97%	317,377	0.2%	317,377
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	3.97%	317,377	0.2%	317,377
Blackrock Liq Fund	Debt Service	3.97%	317,377	0.2%	317,377
BNY - RDA Bonds	Agency Fund	3.88%	6,173,740	2.9%	6,173,740
Dreyfus Cash Mgmt 521	Agency Fund	3.88%	6,173,740	2.9%	6,173,740
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015	Agency Fund	3.97%	409,587	0.2%	409,587
Blackrock Liquidity Temp Fund-2015	Agency Fund	3.97%	409,587	0.2%	409,587
	SUBTOTAL		7,150,070	3.4%	7,150,070
Other Cash/Deposits					
General Checking	All Funds		61,293	0.0%	61,293
Workers' Comp Administrators	Workers' Comp		30,000	0.0%	30,000
Petty Cash & Emergency Cash	General Fund		15,850	0.0%	15,850
CALPERS CERBT - OPEB Trust			5,237,404	2.5%	6,417,119
PARS - PENSION Trust			2,650,000	1.3%	3,206,212
	SUBTOTAL		7,994,547	3.8%	9,730,473
Total Cash and Investments			\$ 209,809,669	100.0%	\$ 209,345,383

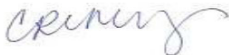
CASH ACTIVITY SUMMARY
FY 2024-25

Fund Type	07/01/2024 Balance	Change in Cash Balance	4/30/2025 Balance
General Fund	\$ 30,617,860	\$ (3,312,097)	\$ 27,305,763
Development Services	1,939,319	(342,654)	1,596,665
Water - Operations	2,386,837	437,969	2,824,807
Water Other	27,894,107	6,086,801	33,980,908
Sewer - Operations	1,178,576	1,098,953	2,277,529
Sewer Other	41,964,736	7,018,827	48,983,562
Other Special Revenue	17,038,062	1,646,066	18,684,127
Streets and Capital Projects	39,467,115	(756,520)	38,710,595
Debt Service	346,933	462,438	809,371
Internal Service	27,935,786	31,587	27,967,372
Agency Funds (assessment dists./refundable deposits)	7,240,095	(571,125)	6,668,970
Total	\$ 198,009,426	\$ 11,800,243	\$ 209,809,669

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify that information on the investment report has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill Investment Policy and all State laws and regulations.

Prepared by: 
 Gina Nazareno, Senior Accountant

Approved by: 
 Cindy Murphy, Treasurer

Reviewed by: 
 Dat Nguyen, Finance Director



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2024-25
For the Month Ended April 30, 2025
83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 16,210,880	16,210,880	\$ 9,425,111	58%	\$ 11,667,659	\$ (2,242,549)	-19%
Property Tax - RPTTF Residual Distribution	2,895,920	2,895,920	1,160,036	40%	1,020,900	139,136	14%
Property Tax - Supplemental Roll	304,220	304,220	212,940	70%	205,663	7,277	4%
Sales Tax	12,352,215	12,352,215	7,782,601	63%	8,220,501	(437,900)	-5%
Public Safety Sales Tax	464,254	464,254	295,728	64%	298,175	(2,447)	-1%
Transient Occupancy Taxes	2,678,000	2,678,000	1,764,787	66%	1,770,297	(5,510)	0%
Franchise (Refuse ,Cable ,PG&E)	3,185,872	3,185,872	2,530,671	79%	2,470,726	59,945	2%
Property Transfer Tax	600,000	600,000	400,790	67%	321,151	79,639	25%
TOTAL TAXES	38,691,361	38,691,361	23,572,663	61%	25,975,071	(2,402,408)	-9%
LICENSES/PERMITS							
Business License	200,000	200,000	196,896	98%	168,143	28,753	17%
Other Permits	80,750	80,750	71,597	89%	39,377	32,220	82%
TOTAL LICENSES/PERMITS	280,750	280,750	268,493	96%	207,519	60,974	29%
FINES AND PENALTIES							
Parking Enforcement	9,800	9,800	6,708	68%	7,765	(1,057)	-14%
Bails & Fines	55,000	55,000	30,278	55%	41,807	(11,528)	-28%
Administrative Citations	20,000	20,000	13,932	70%	27,111	(13,180)	-49%
TOTAL FINES AND PENALTIES	84,800	84,800	50,918	60%	76,683	(25,765)	-34%
OTHER AGENCIES							
Motor Vehicle in-Lieu	61,800	61,800	73,134	118%	56,686	16,447	29%
Other Revenue - Other Agencies	1,332,381	1,601,204	1,307,809	82%	732,782	575,027	78%
TOTAL OTHER AGENCIES	1,394,181	1,663,004	1,380,942	83%	789,468	591,474	75%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	33,500	33,500	25,839	77%	25,938	(99)	0%
Business License Application Review	82,400	82,400	45,840	56%	85,094	(39,253)	-46%
Membership Services & Rec Programs	6,222,399	6,222,399	5,262,986	85%	4,973,327	289,659	6%
Facility Rentals	1,197,395	1,197,395	1,253,533	105%	1,350,133	(96,600)	-7%
Community Services	147,498	147,498	126,934	86%	54,929	72,006	131%
General Administration Overhead	1,756,111	1,756,111	1,402,425	80%	1,484,891	(82,466)	-6%
Other Charges Current Services	884,448	884,448	850,438	96%	746,956	103,482	14%
TOTAL CURRENT SERVICES	10,323,751	10,323,751	8,967,996	87%	8,721,268	246,728	3%
OTHER REVENUE							
Use of money/property	1,375,045	1,375,045	1,263,854	92%	1,198,259	65,595	5%
Other Revenues	705,270	705,270	656,049	93%	354,700	301,349	85%
TOTAL OTHER REVENUE	2,080,315	2,080,315	1,919,902	92%	1,552,958	366,944	24%
TRANSFERS IN							
One Time Transfer	165,000	165,000	137,500	83%	150,000	(12,500)	-8%
Public Safety Facilities Fund	50,000	50,000	41,667	83%	41,667	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	100,000	100%	100,000	-	n/a
Countywide Solid Waste	540,328	540,328	450,273	83%	310,833	139,440	45%
Streets	851,932	851,932	657,192	77%	492,682	164,510	33%
Park Maintenance	650,000	650,000	541,667	83%	541,667	-	n/a
Sewer Operations	413,700	413,700	344,750	83%	369,065	(24,315)	-7%
Water Operations	413,700	413,700	344,750	83%	375,496	(30,746)	-8%
Open Space	81,100	81,100	67,583	83%	67,583	-	n/a
Park Development	100,000	100,000	83,333	83%	62,500	20,833	33%
TOTAL TRANSFERS IN	3,365,760	3,365,760	2,768,715	82%	2,511,494	257,222	10%
TOTAL GENERAL FUND	56,220,919	56,489,742	38,929,630	69%	39,834,461	(904,831)	-2%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	851,932	851,932	651,691	76%	618,310	33,381	5%
Interest / Other Revenue/Other Charges	2,135	2,135	5,502	258%	5,640	(139)	-2%
202 STREET MAINTENANCE	854,067	854,067	657,192	77%	623,951	33,242	5%



City of Morgan Hill
 Year to Date Revenues - Fiscal Year 2024-25
 For the Month Ended April 30, 2025
 83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	12,957	12,957	12,720	98%	8,804	3,916	44%
Police Grant/SLEF/JAG	100,000	100,000	194,664	195%	190,787	3,877	2%
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	112,957	112,957	207,383	184%	199,591	7,793	4%
206 DEVELOPMENT SERVICES							
Building Fees	3,510,850	3,510,850	3,419,938	97%	2,726,829	693,110	25%
Planning Fees	954,276	954,276	911,732	96%	1,694,701	(782,969)	-46%
Engineering Fees	942,327	942,327	744,779	79%	474,722	270,057	57%
Other Revenue/Current Charges	550,599	550,599	259,959	47%	18,720	241,239	1289%
206 DEVELOPMENT SERVICES	5,958,052	5,958,052	5,336,408	90%	4,914,971	421,437	9%
207 LONG RANGE PLANNING	1,751,005	1,751,005	994,613	57%	770,917	223,696	29%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	1,161	1,161	1,978	170%	1,550	428	28%
215 and 216 HCD BLOCK GRANT	1,161	1,161	1,978	170%	1,550	428	28%
225 ASSET SEIZURE	2,807	2,807	3,010	107%	2,373	637	27%
229 LIGHTING AND LANDSCAPE	206,415	206,415	117,132	57%	115,657	1,474	1%
230 COMMUNITY FACILITIES DISTRICT	28,828	28,828	19,276	67%	30,186	(10,910)	-36%
232 ENVIRONMENTAL PROGRAMS	501,236	501,236	421,281	84%	505,211	(83,930)	-17%
234 MOBILE HOME PARK RENT STAB.	2,872	2,872	5,884	205%	5,322	562	11%
236 HOUSING MITIGATION	2,762,629	2,762,629	2,013,543	73%	2,651,903	(638,360)	-24%
240 EMPLOYEE ASSISTANCE	1,297	1,297	6,050	466%	6,718	(669)	-10%
246 COUNTYWIDE SOLID WASTE	2,279,503	2,279,503	1,727,426	76%	1,580,378	147,048	9%
255 HOUSING SUCCESSOR AGENCY	463,881	463,881	395,454	85%	404,313	(8,859)	-2%
260 PUBLIC ART	1,411	1,411	580	41%	-	580	n/a
TOTAL SPECIAL REVENUE FUNDS	14,928,122	14,928,122	11,907,211	80%	11,816,304	90,907	1%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,999,271	1,999,271	1,968,039	98%	717,909	1,250,130	174%
302 PARK MAINTENANCE	15,507	15,507	69,261	447%	83,833	(14,572)	-17%
303 LOCAL DRAINAGE	1,424,799	1,424,799	429,813	30%	452,637	(22,825)	-5%
304 LOCAL DRAINAGE/NON AB1600	251,296	251,296	293,552	117%	30,778	262,774	854%
306 AGRICULTURE & OPEN SPACE PRESERVATION	18,459	18,459	1,046,634	5670%	154,405	892,228	578%
308 STREET CIP	3,886,877	3,886,877	3,757,988	97%	2,071,473	1,686,515	81%
309 TRAFFIC IMPACT	4,753,292	4,753,292	2,100,319	44%	838,595	1,261,724	150%
315 PUBLIC SAFETY FACILITIES IMPACT	3,203,214	12,153,214	6,330,668	52%	539,606	5,791,062	1073%
346 PUBLIC FACILITIES NON-AB1600	189,832	189,832	187,331	99%	204,496	(17,165)	-8%
347 PUBLIC FACILITIES IMPACT	451,223	451,223	358,076	79%	224,681	133,395	59%
348 LIBRARY	1,414,286	1,414,286	1,388,640	98%	801,618	587,023	73%
350 UNDERGROUNDING	74,302	74,302	83,392	112%	257,141	(173,748)	-68%
360 COMMUNITY/REC IMPACT FUND	2,501,528	2,501,528	2,539,146	102%	1,368,455	1,170,690	86%
375 QUIMBY FEE	2,650,042	2,650,042	2,054,661	78%	2,894,534	(839,873)	-29%
TOTAL CAPITAL PROJECTS FUNDS	22,833,927	31,783,927	22,607,522	71%	10,672,095	11,935,427	112%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	300,467	300,467	249,995	83%	246,019	3,975	2%
441 POLICE FACILITY BOND	390,939	390,939	321,156	82%	323,366	(2,210)	-1%
TOTAL DEBT SERVICE FUNDS	691,406	691,406	571,151	83%	569,386	1,765	0%



City of Morgan Hill
 Year to Date Revenues - Fiscal Year 2024-25
 For the Month Ended April 30, 2025
 83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 WASTEWATER OPERATION							
Sewer Service Fees	16,100,000	16,100,000	13,022,762	81%	11,100,257	1,922,505	17%
Interest Income/Transfers	141,661	141,661	59,954	42%	46,020	13,934	30%
Other Revenue/Current Charges	397,200	397,200	253,748	64%	250,182	3,566	1%
640 WASTEWATER OPERATION	16,638,861	16,638,861	13,336,463	80%	11,396,460	1,940,004	17%
641 WASTEWATER EXPANSION							
Interest Income	275,047	275,047	649,978	236%	493,886	156,092	32%
Development Impact Fee	11,546,118	11,546,118	9,505,948	82%	5,101,782	4,404,166	86%
641 WASTEWATER EXPANSION	11,821,165	11,821,165	10,155,926	86%	5,595,668	4,560,258	81%
642 WASTEWATER RATE STABILIZATION	108,613	108,613	92,383	85%	230,262	(137,879)	-60%
643 WASTEWATER CAPITAL PROJECT	6,149,134	6,149,134	5,661,521	92%	4,644,898	1,016,623	22%
TOTAL SEWER FUNDS	34,717,773	34,717,773	29,246,294	84%	21,867,288	7,379,006	34%
650 WATER OPERATION							
Water Sales	19,620,000	19,620,000	14,087,754	72%	12,638,569	1,449,185	11%
Meter Install & Service	107,000	107,000	70,865	66%	76,872	(6,007)	-8%
Transfers-In / Interest Income	894,617	894,617	693,524	78%	558,426	135,098	24%
Other Revenue/Current Charges	926,109	926,109	620,347	67%	680,445	(60,097)	-9%
650 WATER OPERATION	21,547,726	21,547,726	15,472,490	72%	13,954,312	1,518,179	11%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	92,467	92,467	157,789	171%	76,624	81,165	106%
Development Impact Fee	3,829,384	3,829,384	3,301,871	86%	1,339,187	1,962,684	147%
651 WATER EXPANSION	3,921,851	3,921,851	3,459,659	88%	1,415,811	2,043,849	144%
652 WATER RATE STABILIZATION	115,840	115,840	99,479	86%	77,984	21,496	28%
653 WATER CAPITAL PROJECT	10,380,062	10,380,062	5,563,319	54%	6,139,260	(575,942)	-9%
TOTAL WATER FUNDS	35,965,479	35,965,479	24,594,948	68%	21,587,366	3,007,582	14%
TOTAL ENTERPRISE FUNDS	70,683,252	70,683,252	53,841,242	76%	43,454,654	10,386,588	24%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	2,883,241	2,883,241	2,407,443	83%	2,082,319	325,124	16%
740 BUILDING MAINTENANCE	1,421,485	1,421,485	1,188,679	84%	1,397,930	(209,250)	-15%
741 BUILDING REPLACEMENT	1,041,905	1,041,905	877,734	84%	799,114	78,620	10%
745 CIP ADMINISTRATION	2,582,015	2,582,015	1,571,078	61%	1,152,211	418,867	36%
760 UNEMPLOYMENT INSURANCE	10,206	10,206	7,973	78%	6,642	1,331	20%
770 WORKERS COMPENSATION	1,157,705	1,157,705	767,349	66%	790,120	(22,771)	-3%
790 EQUIPMENT REPLACEMENT	1,680,580	1,704,881	1,540,783	90%	1,160,686	380,097	33%
791 EMPLOYEE BENEFITS	1,183,215	1,183,215	955,113	81%	712,727	242,386	34%
795 GENERAL LIABILITY INSURANCE	2,519,216	2,519,216	2,092,710	83%	1,757,922	334,788	19%
TOTAL INTERNAL SERVICE FUNDS	14,479,568	14,503,869	11,408,861	79%	9,859,671	1,549,190	16%
TOTAL FOR ALL FUNDS	\$ 179,837,194	\$ 189,080,318	\$ 139,265,615	74%	\$ 116,206,571	\$ 23,059,045	20%



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2024-25
 For the Month Ended April 30, 2025
 83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 25,652	\$ 520,395	\$ 378,591	\$ -	\$ 378,591	73%	\$ 375,888
	CITY ATTORNEY	80,359	1,134,397	808,383	108,580	916,963	81%	716,371
	CITY MANAGER	52,649	1,007,624	553,371	6	553,377	55%	570,376
	HUMAN RESOURCES	88,609	1,087,175	787,829	-	787,829	72%	708,981
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	50,791	609,913	467,177	-	467,177	77%	420,784
	Elections	3,174	354,364	280,131	-	280,131	79%	25,639
	COUNCIL SVCS & RECORDS MGMT	53,965	964,277	747,308	-	747,308	77%	446,423
	FINANCE	170,753	2,637,291	1,783,891	409,627	2,193,518	83%	1,873,398
	TOTAL ADMINISTRATION	471,987	7,351,159	5,059,374	518,212	5,577,587	76%	4,691,437
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	457,073	8,040,818	5,952,318	694,732	6,647,050	83%	5,839,390
	Recreation Facility Rentals	44,331	633,051	453,661	31,905	485,566	77%	481,421
	Innovative Transit	2,513	590,944	502,975	3,221	506,195	86%	499,682
	Community Services	60,984	761,973	489,370	12,100	501,470	66%	492,622
	Park Maintenance	78,834	1,472,380	941,351	14,900	956,252	65%	873,951
	Environmental Services	45,307	1,067,544	498,654	13,891	512,545	48%	394,012
	Countywide Solid Waste Program	37,261	540,327	400,793	-	400,793	74%	327,314
	Street Maintenance	256,432	3,511,464	2,766,769	25,971	2,792,740	80%	2,050,106
	Downtown Maintenance	22,229	378,065	225,620	12,198	237,818	63%	214,290
	PD Building Maintenance	31,230	664,355	491,451	60,138	551,589	83%	421,776
	Cable Television	7,569	91,234	75,655	-	75,655	83%	73,700
	COMMUNITY SERVICES	1,043,763	17,752,155	12,798,618	869,056	13,667,675	77%	11,668,264
	CODE COMPLIANCE	32,944	405,637	323,459	-	323,459	80%	230,489
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	37,526	555,166	350,270	-	350,270	63%	335,792
	ECONOMIC DEVELOPMENT PROGRAMS	67,257	1,209,072	809,450	64,157	873,607	72%	777,776
	TOTAL COMMUNITY SERVICES	1,181,489	19,922,029	14,281,797	933,214	15,215,011	76%	13,012,321
III. PUBLIC SAFETY								
POLICE								
	PD Administration	113,985	2,296,286	1,291,458	41,049	1,332,507	58%	1,313,518
	Field Operations	992,471	13,884,900	9,622,520	577,894	10,200,414	73%	9,101,041
	Support Services	210,874	2,556,380	2,176,140	438,785	2,614,925	102%	2,284,079
	Emergency Services/Haz Mat	23,304	275,047	210,046	-	210,046	76%	196,648
	Special Operations	312,998	4,244,340	3,512,758	8,153	3,520,911	83%	2,933,856
	Dispatch Services	187,299	2,341,249	1,844,447	-	1,844,447	79%	1,645,044
	POLICE	1,840,932	25,598,203	18,657,368	1,065,881	19,723,249	77%	17,474,186
	FIRE	817,679	10,381,160	8,492,696	27,376	8,520,072	82%	7,560,486
	TOTAL PUBLIC SAFETY	2,658,611	35,979,363	27,150,064	1,093,257	28,243,321	78%	25,034,671
IV. TRANSFERS								
	Other	121,519	1,458,230	1,215,192	-	1,215,192	83%	2,486,473
	TOTAL TRANSFERS	121,519	1,458,230	1,215,192	-	1,215,192	83%	2,486,473
	TOTAL GENERAL FUND	4,433,606	64,710,781	47,706,427	2,544,684	50,251,111	78%	45,224,901



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2024-25
 For the Month Ended April 30, 2025
 83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	454	857,383	657,192	-	657,192	77%	497,009
205	PUBLIC SAFETY/SUPP.LAW	113	101,354	101,128	-	101,128	100%	101,074
206	DEVELOPMENT SERVICES FUND							
	Planning	131,321	1,700,561	1,325,554	2,028	1,327,583	78%	1,325,370
	Building	209,596	3,055,890	2,259,457	152,067	2,411,524	79%	1,965,328
	Engineering	147,919	1,644,092	1,265,166	159,730	1,424,896	87%	1,404,780
206	DEVELOPMENT SERVICES FUND	488,836	6,400,543	4,850,178	313,824	5,164,002	81%	4,695,479
207	LONG RANGE PLANNING	70,512	3,125,686	956,231	748,029	1,704,260	55%	672,229
215/216	CDBG	7	87	73	-	73	83%	69
225	ASSET SEIZURE	68	821	684	-	684	83%	652
229	LIGHTING AND LANDSCAPE	5,731	212,191	155,041	13,735	168,776	80%	127,683
230	COMMUNITY FACILITIES DISTRICT	2,680	23,511	20,340	-	20,340	87%	35,380
232	ENVIRONMENTAL PROGRAMS	33,950	453,818	334,329	2,023	336,352	74%	342,364
234	MOBILE HOME PARK	79	952	793	-	793	83%	756
236	HOUSING MITIGATION	69,883	2,214,529	960,988	755,518	1,716,506	78%	764,884
240	EMPLOYEE ASSISTANCE	83	20,993	4,328	-	4,328	21%	4,288
246	COUNTYWIDE SOLID WASTE PROGRAM	46,042	2,648,132	1,046,776	1,196,212	2,242,988	85%	1,353,757
255	HOUSING SUCCESSOR AGENCY	125,521	1,319,931	965,883	38,125	1,004,008	76%	1,007,763
260	PUBLIC ART	525	16,306	10,243	-	10,243	63%	-
TOTAL SPECIAL REVENUE FUNDS		844,484	17,396,238	10,064,207	3,067,466	13,131,673	75%	9,603,387
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	18,452	3,460,007	671,922	106,720	778,642	23%	516,089
302	PARK MAINTENANCE	54,212	1,650,000	543,817	-	543,817	33%	977,185
303	LOCAL DRAINAGE	19,147	10,931,065	5,569,493	540,230	6,109,723	56%	3,020,905
304	LOCAL DRAIN. NON-AB1600	3,650	505,176	80,035	290,930	370,965	73%	172,710
306	AGRICULTURE & OPEN SPACE PRESERVATI(K	10,680	128,157	106,797	-	106,797	83%	81,333
308	STREET CIP	14,316	4,992,517	3,851,468	1,001,459	4,852,927	97%	4,715,952
309	TRAFFIC IMPACT	71,965	4,593,527	3,341,903	387,371	3,729,274	81%	1,087,505
315	PUBLIC SAFETY FACILITIES IMPACT	141,572	8,993,315	5,847,475	2,448,189	8,295,663	92%	3,508,917
346	PUBLIC FAC.NON AB1600	334,389	1,652,085	398,781	197,372	596,154	36%	1,035,810
347	PUBLIC FACILITIES IMPACT	5,219	1,444,333	370,039	1,010,368	1,380,407	96%	126,998
348	LIBRARY IMPACT	17,801	2,713,615	178,013	-	178,013	7%	185,291
350	UNDERGROUNDING	103	401,505	128,250	-	128,250	32%	139,242
360	COMM/REC CENTER IMPACT	45,012	1,430,662	381,179	386,675	767,855	54%	236,512
375	QUIMBY FEE	30,791	6,807,980	1,340,668	2,496,208	3,836,876	56%	270,412
TOTAL CAPITAL PROJECTS FUNDS		767,309	49,703,945	22,809,840	8,865,522	31,675,362	64%	16,102,865
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	284	291,714	244,075	-	244,075	84%	240,068
441	POLICE FACILITY BOND DEBT	375	385,093	331,009	-	331,009	86%	325,576
TOTAL DEBT SERVICE FUNDS		659	676,807	575,084	-	575,084	85%	565,645



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2024-25
 For the Month Ended April 30, 2025
 83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	WASTEWATER OPERATIONS	1,367,642	16,796,487	13,666,560	20,806	13,687,366	81%	11,873,693
641	WASTEWATER CAPITAL EXPANSION	550,737	7,897,156	5,077,447	773,708	5,851,155	74%	8,949,868
642	WASTEWATER RATE STABILIZATION	164	1,966	1,638	-	1,638	83%	1,560
643	WASTEWATER CAPITAL PROJECTS	29,594	11,224,791	2,192,064	3,798,586	5,990,650	53%	3,394,577
TOTAL SEWER FUND(S)		1,948,137	35,920,399	20,937,708	4,593,100	25,530,809	71%	24,219,698
WATER								
	Water Operations	1,097,598	19,715,654	14,453,111	360,987	14,814,097	75%	14,161,775
	Utility Billing	121,373	1,502,560	1,113,744	31,119	1,144,863	76%	992,534
	Water Conservation	10,868	416,169	245,899	19,288	265,187	64%	289,773
650	WATER OPERATIONS	1,229,838	21,634,383	15,812,754	411,394	16,224,147	75%	15,444,082
651	WATER CAPITAL EXPANSION	263,906	4,406,112	1,133,822	2,699,864	3,833,686	87%	671,072
652	WATER RATE STABILIZATION	123	1,473	1,227	-	1,227	83%	1,169
653	WATER-CAPITAL PROJECTS	511,250	19,944,363	2,239,578	7,780,486	10,020,064	50%	1,668,697
TOTAL WATER FUND(S)		2,005,117	45,986,331	19,187,381	10,891,744	30,079,125	65%	17,785,020
TOTAL ENTERPRISE FUNDS		3,953,254	81,906,730	40,125,090	15,484,844	55,609,934	68%	42,004,718
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	237,340	2,961,976	1,998,363	101,164	2,099,527	71%	2,123,926
740	BUILDING MAINTENANCE	81,116	1,506,259	969,197	74,393	1,043,590	69%	820,352
741	BUILDING REPLACEMENT	52,768	3,059,856	1,211,881	562,767	1,774,648	58%	194,958
745	CIP ADMINISTRATION	209,225	2,584,581	1,965,007	3,655	1,968,662	76%	1,558,762
760	UNEMPLOYMENT	-	15,000	6,205	-	6,205	41%	11,826
770	WORKERS COMPENSATION	(50,930)	946,245	1,021,856	-	1,021,856	108%	796,598
790	EQUIPMENT REPLACEMENT	17,287	1,400,191	862,131	134,686	996,817	71%	658,878
791	EMPLOYEE BENEFITS FUND	37,529	1,000,000	693,007	-	693,007	69%	594,940
795	GEN. LIABILITY INSURANCE	129,517	2,411,618	2,267,778	-	2,267,778	94%	2,519,930
TOTAL INTERNAL SERVICE FUNDS		713,852	15,885,726	10,995,424	876,666	11,872,090	75%	9,280,170
REPORT TOTAL		\$ 10,713,164	\$ 230,280,227	\$ 132,276,072	\$ 30,839,182	\$ 163,115,253	71%	\$ 122,781,686



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended April 30, 2025
83% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-24	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 31,073,823	\$ 38,929,630	69%	\$ 47,706,427	74%	\$ (8,776,797)	\$ 2,544,684	\$ 19,752,342
TOTAL GENERAL FUND		\$ 31,073,823	\$ 38,929,630	69%	\$ 47,706,427	74%	\$ (8,776,797)	\$ 2,544,684	\$ 19,752,342
202	STREET MAINTENANCE	72,734	\$ 657,192	77%	\$ 657,192	74%	\$ 0	\$ -	\$ 72,734
205	PUBLIC SAFETY/SUPPL. LAW	415,174	207,383	184%	101,128	77%	106,255	-	521,429
206	DEVELOPMENT SERVICES	(1,144,436)	5,336,408	90%	4,850,178	76%	486,231	313,824	(972,030)
207	LONG RANGE PLANNING	1,306,215	994,613	57%	956,231	31%	38,382	748,029	596,568
215 / 216	CDBG	32,500	1,978	170%	73	83%	1,906	-	34,406
225	ASSET SEIZURE	104,495	3,010	107%	684	83%	2,326	-	106,821
229	LIGHTING AND LANDSCAPE	216,005	117,132	57%	155,041	73%	(37,909)	13,735	164,361
230	COMMUNITY FACILITIES DISTRICT	162,519	19,276	67%	20,340	87%	(1,064)	-	161,455
232	ENVIRONMENTAL PROGRAMS	488,875	421,281	84%	334,329	74%	86,952	2,023	573,804
234	MOBILE HOME PK RENT STAB.	81,475	5,884	205%	793	83%	5,090	-	86,565
235	SENIOR HOUSING	245,426	-	n/a	-	n/a	-	-	245,426
236	HOUSING MITIGATION	7,932,027	2,013,543	73%	960,988	43%	1,052,554	755,518	8,229,063
240	EMPLOYEE ASSISTANCE	62,481	6,050	466%	4,328	21%	1,722	-	64,203
246	COUNTYWIDE SOLID WASTE	323,153	1,727,426	n/a	1,046,776	40%	680,650	1,196,212	(192,409)
255	HOUSING SUCCESSOR AGENCY	3,818,193	395,454	85%	965,883	73%	(570,429)	38,125	3,209,639
260	PUBLIC ART	48,471	580	41%	10,243	63%	(9,663)	-	38,808
TOTAL SPECIAL REVENUE FUNDS		\$ 14,165,307	\$ 11,907,211	80%	\$ 10,064,207	58%	\$ 1,843,004	\$ 3,067,466	\$ 12,940,845
301	PARK DEV. IMPACT FUND	\$ 2,008,148	\$ 1,968,039	98%	\$ 671,922	19%	\$ 1,296,117	\$ 106,720	\$ 3,197,545
302	PARK MAINTENANCE	2,489,205	69,261	447%	543,817	33%	(474,556)	-	2,014,649
303	LOCAL DRAINAGE	9,621,788	429,813	30%	5,569,493	51%	(5,139,680)	540,230	3,941,878
304	LOCAL DRAINAGE/NON-AB1600	1,233,420	293,552	117%	80,035	16%	213,517	290,930	1,156,007
306	AG. AND OPEN SPACE PRESERVATION	672,578	1,046,634	5670%	106,797	83%	939,836	-	1,612,414
308	STREET CIP	4,287,249	3,757,988	97%	3,851,468	77%	(93,480)	1,001,459	3,192,311
309	TRAFFIC IMPACT FUND	3,808,198	2,100,319	44%	3,341,903	73%	(1,241,584)	387,371	2,179,243
315	PUBLIC SAFETY FACILITIES IMPACT	(1,553,435)	6,330,668	52%	5,847,475	65%	483,194	2,448,189	(3,518,430)
346	PUBLIC FACILITIES NON-AB1600	2,184,388	187,331	99%	398,781	24%	(211,450)	197,372	1,775,566
347	PUBLIC FACILITIES IMPACT FUND	1,328,671	358,076	79%	370,039	26%	(11,962)	1,010,368	306,340
348	LIBRARY IMPACT FUND	2,254,117	1,388,640	98%	178,013	7%	1,210,628	-	3,464,745
350	UNDERGROUNDING	1,768,551	83,392	112%	128,250	32%	(44,858)	-	1,723,693
360	COMM/REC CTR IMPACT FUND	2,297,534	2,539,146	102%	381,179	27%	2,157,967	386,675	4,068,825
375	QUIMBY FEE	3,984,952	2,054,661	78%	1,340,668	20%	713,993	2,496,208	2,202,738
TOTAL CAPITAL PROJECT FUNDS		\$ 36,385,364	\$ 22,607,522	71%	\$ 22,809,840	46%	\$ (202,318)	\$ 8,865,522	\$ 27,317,524
420	CIVIC CENTER DEBT	\$ 183,038	\$ 249,995	83%	\$ 244,075	84%	\$ 5,920	\$ 249,367	\$ (60,410)
441	POLICE FACILITY BOND DEBT	163,896	321,156	82%	331,009	86%	(9,853)	317,377	(163,333)
TOTAL DEBT SERVICE FUNDS		\$ 346,934	\$ 571,151	83%	\$ 575,084	85%	\$ (3,933)	\$ 566,743	\$ (223,743)
640	WASTEWATER OPERATIONS	\$ 3,983,038	\$ 13,336,463	80%	\$ 13,666,560	81%	\$ (330,096)	20,806	3,632,135
641	WASTEWATER IMPACT FUND*	18,629,828	10,155,926	86%	5,077,447	64%	5,078,480	773,708	22,934,600
642	WASTEWATER RATE STABILIZATION	3,121,932	92,383	85%	1,638	83%	90,745	-	3,212,677
643	WASTEWATER CAPITAL PROJECTS	17,703,049	5,661,521	92%	2,192,064	20%	3,469,457	3,798,586	17,373,920
650	WATER OPERATIONS	4,083,455	15,472,490	72%	15,812,754	73%	(340,264)	411,394	3,331,798
651	WATER IMPACT FUND*	3,852,318	3,459,659	88%	1,133,822	26%	2,325,837	2,699,864	3,478,291
652	WATER RATE STABILIZATION	3,337,806	99,479	86%	1,227	83%	98,252	-	3,436,058
653	WATER -CAPITAL PROJECT	18,694,610	5,563,319	54%	2,239,578	11%	3,323,740	7,780,486	14,237,864
TOTAL ENTERPRISE FUNDS		\$ 73,406,036	\$ 53,841,242	76%	\$ 40,125,090	49%	\$ 13,716,152	\$ 15,484,844	\$ 71,637,344
730	INFORMATION SERVICES	\$ 656,565	\$ 2,407,443	83%	\$ 1,998,363	67%	\$ 409,080	\$ 101,164	\$ 964,481
740	BUILDING MAINTENANCE	94,619	1,188,679	84%	969,197	64%	219,482	74,393	239,708
741	BUILDING REPLACEMENT	5,083,004	877,734	84%	1,211,881	40%	(334,147)	562,767	4,186,090
745	CIP ENGINEERING	8,329	1,571,078	61%	1,965,007	76%	(393,929)	3,655	(389,255)
760	UNEMPLOYMENT	284,229	7,973	78%	6,205	41%	1,768	-	285,997
770	WORKERS COMPENSATION	2,381,319	767,349	66%	1,021,856	108%	(254,507)	30,000	2,096,812
790	EQUIPMENT REPLACEMENT	8,727,549	1,540,783	90%	862,131	62%	678,652	134,686	9,271,515
791	EMPLOYEE BENEFITS FUNDS	26,248	955,113	81%	693,007	69%	262,106	-	288,354
795	GEN. LIABILITY INSURANCE	984,307	2,092,710	83%	2,267,778	94%	(175,068)	-	809,239
TOTAL INTERNAL SERVICE FUNDS		\$ 18,246,169	\$ 11,408,861	79%	\$ 10,995,424	69%	\$ 413,437	\$ 906,666	\$ 17,752,940



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended April 30, 2025
83% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-24	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 31,073,823	\$ 38,929,630	69%	\$ 47,706,427	74%	\$ (8,776,797)	\$ 2,544,684	\$ 19,752,342
SPECIAL REVENUE GROUP	14,165,307	11,907,211	80%	10,064,207	58%	1,843,004	3,067,466	12,940,845
DEBT SERVICE GROUP	346,934	571,151	83%	575,084	85%	(3,933)	566,743	(223,743)
CAPITAL PROJECTS GROUP	36,385,364	22,607,522	71%	22,809,840	46%	(202,318)	8,865,522	27,317,524
ENTERPRISE GROUP	73,406,036	53,841,242	76%	40,125,090	49%	13,716,152	15,484,844	71,637,344
INTERNAL SERVICE GROUP	18,246,169	11,408,861	79%	10,995,424	69%	413,437	906,666	17,752,940
TOTAL ALL GROUPS	\$ 173,623,633	\$ 139,265,615	74%	\$ 132,276,072	57%	\$ 6,989,544	\$ 31,435,925	\$ 149,177,251

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Michael Horta, Human Resources Director

APPROVED BY: City Manager

RECEIVE A REPORT ON CITY OF MORGAN HILL VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS

RECOMMENDATION(S)

Receive the informational report on City of Morgan Hill Vacancies, and Recruitment and Retention Efforts Pursuant to Government Code Section 3502.3 (AB 2561).

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Fiscal Sustainability

Community Engagement

REPORT NARRATIVE:

Assembly Bill ("AB") 2561, codified in Government Code Section 3502.3, passed in 2024 with a January 1, 2025, effective date, and requires public agencies to hold a public hearing to address the status of job vacancies annually prior to the adoption of the final budget. During this public hearing, the City must present information on the status of job vacancies and the City's recruitment and retention efforts. If necessary, the City will identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. The City's employee bargaining units have been informed of the June 4, 2025, public hearing and are entitled to make a presentation at the hearing related to vacancies within their respective bargaining unit. This report is for informational purposes only as required by law.

In compliance with the new legal obligation, the City is required to present the following information at the public hearing:

1. The status of vacancies at the City of Morgan Hill.
2. Information on the City's recruitment and retention efforts.
3. Obstacles in the City's policies, procedures, and recruitment activities that may create challenges in the hiring process.

If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the staff presentation will also include the following information:

1. The total number of job vacancies within the bargaining unit.
2. The total number of applicants for vacant positions within the bargaining unit.
3. The average number of days to complete the hiring process from when a position is posted.
4. Opportunities to improve compensation and other working conditions.

Vacancies:

As of April 30, 2025, there are no bargaining units with a vacancy rate exceeding 20%.

Bargaining Unit	Vacancy Rate <i>As of 4/30/2025</i>
American Federation of State, County, and Municipal Employees (AFSCME)	6.32%
Community Services Officers' Association (CSOA)	0.0%
Police Officers' Association (POA)	6.82%
Management, Professional, and Confidential Employees	4.15%
Total	5.85%

Recruitment and Retention Efforts:

The Human Resources (HR) Team has implemented a variety of programs and initiatives aimed at enhancing efficiency, improving effectiveness, and delivering exceptional service throughout the recruitment and selection process. Key efforts include:

- **Review of Job Classifications:** Before beginning any recruitment process, HR partners with the hiring manager to review the job description, ensuring that the duties and requirements are accurate and up to date. When updates are necessary, HR facilitates the revision process and routes the changes for proper approval. This proactive approach helps Morgan Hill stay competitive in attracting top talent.
- **Streamlined Application Process:** HR utilizes NeoGov Insight, a comprehensive platform that streamlines the recruitment process. It allows HR to review applications, schedule candidates, and send notifications regarding applicant status. To provide flexibility and broaden access, departments have the option of conducting initial oral board interviews via Zoom. This not only accommodates candidates' schedules but also makes it easier for HR to coordinate with raters and assemble diverse interview panels

for a well-rounded assessment.

- **Advertising & Outreach:** All City job postings are automatically published on our website through NeoGov Insight and advertised on GovernmentJobs.com. In addition, the HR team collaborates with our Communications and Engagement Coordinator to promote opportunities through social media and printed brochures. For more difficult to fill positions, ads are posted in career-specific forums. To further expand our outreach, HR also actively participates in local career fairs to connect directly with potential candidates.

- **Competitive Wages & Benefits:** Through our collective bargaining process, Morgan Hill is committed to offering competitive salaries and comprehensive benefits designed to attract and retain high-quality employees who support our mission and values.

- **Retention:** Employees are encouraged to participate in career development sessions, leadership classes and academies. The City sends participants to Leadership Morgan Hill and Santa Clara County Leadership Academy. In an effort to ensure easy access to the classes and academies, the City often hosts these events. We provide and encourage our employees to take advantage of coaching, growth opportunities, and assignments within their departments.

- **Positive Work Environment and Quality of Life:** At Morgan Hill, we pride ourselves on exceptional customer service and strong teamwork, so much so that we refer to our employees as *teammates*. The HR team plays a vital role in supporting this culture by bridging the gap between departments and people. We do this through in-person onboarding, personalized welcome emails for new hires, and warm introductions during the Oath of Office and the City Manager's quarterly report. We also offer alternative work schedules for those positions that qualify.

Our W.O.W. (Work on Wellness) Committee keeps our culture vibrant by organizing fun and healthy events and challenges throughout the year, such as *The Biggest Loser* competition and our annual bowling event. The goal is to have employees build strong relationships in a social and professional setting along with focusing on the health of their mind and body.

Each year, the HR team also hosts a Health and Wellness Fair, which offers updates on employee benefits, opportunities to connect with local health and wellness providers, and recognition through our annual Service Awards.

Obstacles:

Even with all that the City is doing, there is always more that can be done to recruit and retain great employees. Competition for qualified applicants is always a challenge, especially in more specialized positions. Many government agencies are experiencing challenges in attracting interest in public sector careers. It is important that the City continues to engage with professionals of all ages so they are aware of the opportunities. That is why efforts around positive work environments are so important. Human Resources prides itself on the relationships it has built with all the departments

and ensures employees have a positive on-boarding experience. The City strives to maintain well-qualified and engaged employees.

COMMUNITY ENGAGEMENT:

Inform

This report serves to inform the public of the required vacancy information.

ALTERNATIVE ACTIONS:

No alternative actions as this report is a new requirement.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been no prior City Council actions on this item, as AB 2561, codified in Government Code Section 3502.3, was recently passed in 2024 and took effect on January 1, 2025.

FISCAL AND RESOURCE IMPACT:

No fiscal or resource impact in providing this report.

CEQA (California Environmental Quality Act):

Not a project



AB 2561 City of Morgan Hill Vacancies, and Recruitment and Retention Efforts

Public Hearing

City Council Meeting
June 4, 2025



What is AB2561?

Assembly Bill 2561 requires that, on an annual basis, public agencies assess and address vacancy rates.

1. The status of vacancies at the City of Morgan Hill.
2. Information on the City's recruitment and retention efforts.
3. Obstacles in the City's policies, procedures, and recruitment activities.

Additional obligation may apply if the vacancy rate in a bargaining unit exceeds 20%

City of Morgan Hill Bargaining Units

Bargaining Unit	Represented Classifications
American Federation of State, County, and Municipal Employees (AFSCME)	Professional, Paraprofessional, Technical, Clerical, Maintenance and Utility positions
Community Services Officers' Association (CSOA)	Public Safety Dispatchers, Records, Animal Control and Property and Evidence positions
Police Officers' Association (POA)	Multi Service Officer, Police Officer, Corporal and Sergeant positions
Management, Professional, and Confidential Employees	Management positions including Human Resources and Payroll excluding City Manager and City Attorney

Vacancy Rate by Bargaining Units

Bargaining Unit	Vacancy Rate <i>As of 4/30/2025</i>
American Federation of State, County, and Municipal Employees (AFSCME)	6.32%
Community Services Officers' Association (CSOA)	0.0%
Police Officers' Association (POA)	6.82%
Management, Professional, and Confidential Employees	4.15%
Total	5.85%

Recruitment and Retention Efforts

- Review of job classifications
- Streamline application process
- Advertising and outreach
- Competitive wages and benefits
- Retention
- Positive work environment and quality of life

Obstacles

- Competition for qualified candidates
- Attracting interest in public sector careers
- Commitment to public sector

Questions?

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT OR DO NOT ADOPT A RESOLUTION AUTHORIZING THE DISPLAY OF THE JUNETEENTH FLAG

RECOMMENDATION(S)

Adopt or do not adopt a resolution authorizing the display of the Juneteenth Flag for the week of June 16-20, 2025.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

REPORT NARRATIVE:

The City has received a request from community member, Robert Frank Aguirre, to display the Juneteenth Flag for the week of June 16-20, 2025 at City Hall, in support of the Juneteenth Federal holiday. Juneteenth, observed on June 19, commemorates the end of slavery in the United States and marks the day in 1865 when the last enslaved people in Texas were informed of their freedom. It is a time to honor African American history, culture, and resilience through reflection, education, and community celebration. The request is included as Attachment 1.

On September 27, 2017, the City Council adopted a policy regarding flag raising (CP17-02). Per the City Council's Flag Raising Policy, "the City's flag poles are not intended to serve as a forum for free expression by the public, but rather for the display of the Flags of the United States and the State of California. The flag poles located at City Hall, the CCC, and the CRC may also be used to display the flags of the City of Morgan Hill, Sister Cities, and any Commemorative Flags as may be authorized by the City Council as an expression of the City's official sentiments."

Under the policy, a commemorative flag "means a flag that identifies with a specific date, historical event, cause, nation or group of people, whereby the City honors or commemorates the date, event, cause, nation or people by flying the flag. Commemorative Flags shall be displayed at City facilities only upon City Council direction, consistent with the City's vision, mission, and ongoing and strategic priorities, incorporating themes of diversity, equity, social justice, and inclusion."

Commemorative flags may only be hung at City Hall, the CCC, and/or the CRC.

According to the policy, commemorative flags may be hung for no longer than 30 days. Authorization of commemorative flags requires approval by City Council resolution.

City staff believe that displaying the proposed flag may meet the criteria of a "cause consistent with the Council's vision, mission, and ongoing strategic priorities." Still, the Council should make the final decision. It should be noted that flag display by the City has been limited in the past, with only a handful of flag display approvals granted since the policy's implementation in 2017.

Historically, we have only had one flag fly below the state flag, although we can host two flags. There is nothing that precludes more than one as long as the flags meet proper etiquette regarding size and placement.

If approved, staff recommends that the Juneteenth Flag be displayed below the California State Flag and the Pride Flag, in accordance with flagpole etiquette, as it is requested to be up for a shorter amount of time than the Pride Flag.

COMMUNITY ENGAGEMENT:

Inform

This request has come directly to the Council from a community member. Should this request be approved the City would share information on the flag display with the Community.

ALTERNATIVE ACTIONS:

The Council may choose to just support a proclamation for Juneteenth as an alternative to displaying the flag. The Council may also choose to approve flying the flag and supporting a proclamation.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 27, 2017 the Council adopted a City Council policy on Flag Raising (CP-17-02).

FISCAL AND RESOURCE IMPACT:

There is no significant fiscal impact related to the flag display.

CEQA (California Environmental Quality Act):

Not a Project.

Organizational or administrative activity of governments that will not result in direct or indirect physical changes in the environment.

I respectfully request that the Juneteenth flag be flown at City Hall during the week of June 16–20. I will provide the flag, and no flag-raising event is needed. This request is made independently, without support from an organization or group.

Juneteenth is the oldest nationally celebrated commemoration of the end of slavery in the United States. The date holds historical significance, including its connection to the Poor People’s March organized by Dr. Martin Luther King Jr., which was intentionally planned to coincide with Juneteenth. On June 17, 2021, Juneteenth was officially recognized as a federal holiday with the signing of the Juneteenth National Independence Day Act.

Robert Frank Aguirre

RESOLUTION NO. 25-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL IN SUPPORT OF RAISING THE JUNETEENTH FLAG

WHEREAS, Juneteenth, observed annually on June 19, commemorates the emancipation of the last enslaved African Americans in the United States and stands as a powerful symbol of freedom, resilience, and the ongoing pursuit of equity; and

WHEREAS, the City of Morgan Hill recognizes Juneteenth as a day of reflection and celebration of African American history, culture, and contributions to our community and nation; and

WHEREAS, the City's Flag Raising Policy (CP-17-02) allows for commemorative flags to be displayed at City facilities to recognize community-wide events or national commemorations of significance to the City of Morgan Hill and its residents; and

WHEREAS, the City's policy states that such flags may be flown to support public awareness and expressions of unity, and the Juneteenth flag serves as a meaningful symbol of both remembrance and solidarity; and

WHEREAS, raising the Juneteenth flag at City Hall aligns with the values of inclusion, dignity, and respect that guide the City's work and reflects our commitment to building a community where every individual is seen, heard, and valued; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill supports the commemoration of Juneteenth by displaying the Juneteenth flag at City Hall on the week of June 16-20, 2025.

PASSED AND ADOPTED by the City Council of Morgan Hill on this 4th day of June 2025 by the following vote:

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

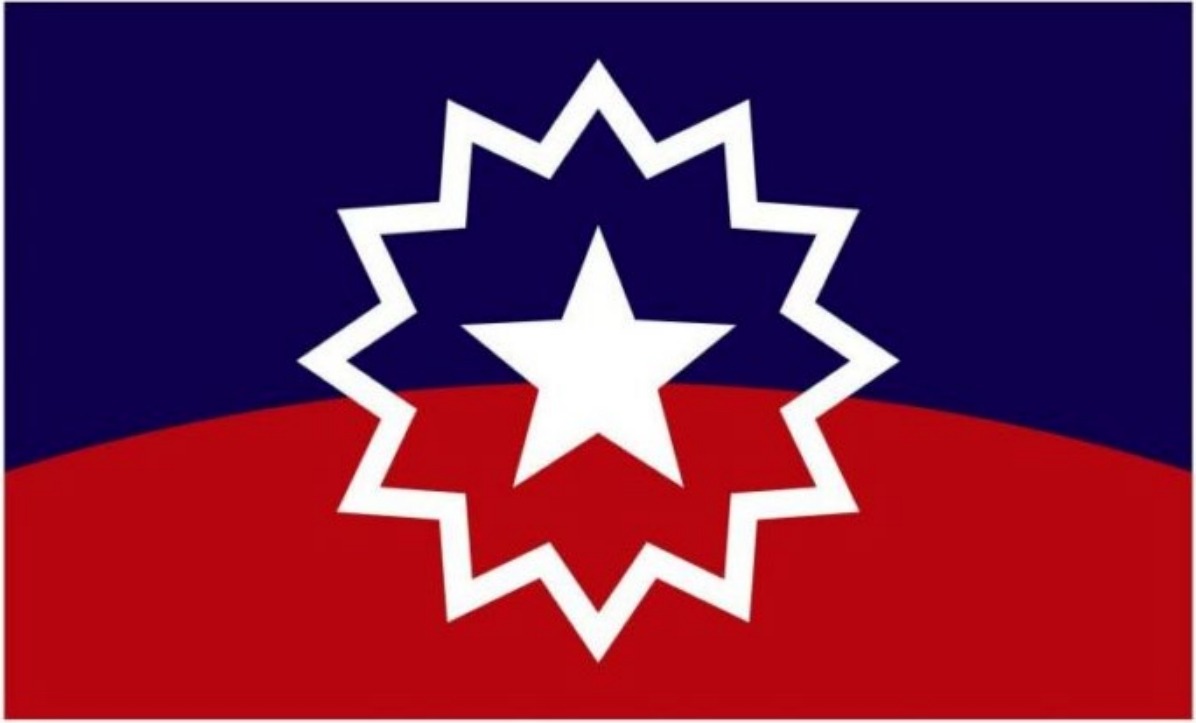
CERTIFICATION

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 25-XXX, adopted by the City Council at its meeting held on June 4, 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Michelle Bigelow, City Clerk



CITY OF MORGAN HILL

COUNCIL POLICIES AND PROCEDURES

CP-17-02

SUBJECT: FLAG RAISING

EFFECTIVE DATE SEPTEMBER 27, 2017

ORIGINATING DEPARTMENT: CITY ATTORNEY'S OFFICE

BACKGROUND

The City of Morgan Hill displays the flags of the State of California and of the United States of America on poles located at facilities throughout Morgan Hill. City flag poles are not a public forum, but from time to time the City Council will authorize the display of ceremonial flags consistent with the City's ongoing and strategic priorities.

PURPOSE

Establish guidelines for the City Council to approve the display of flags other than those of the City of Morgan Hill, the State of California or the United States of America.

POLICY

It is the policy of the City of Morgan Hill that the City's flag poles are not intended to serve as a forum for free expression by the public, but rather for the display of the Flags of the United States and the State of California. The flag poles located at City Hall, the Community and Cultural Center and Centennial Recreation Center may also be used to display the flags of the City of Morgan Hill, Sister Cities, and any Commemorative Flags as may be authorized by the City Council as an expression of the City's official sentiments.

A Commemorative Flag under this policy means a flag that identifies with a specific date, historical event, cause, nation or group of people, whereby the City honors or commemorates the date, event, cause, nation or people by flying the flag. Commemorative Flags shall be displayed at City facilities only upon City Council direction, consistent with the City's vision, mission, and ongoing and strategic priorities, incorporating themes of diversity, equity, social justice, and inclusion.

PROCEDURE

In addition to the flags of the State of California and the United States of America, the City Council may, by resolution, direct City staff to display any Commemorative Flag on the flag poles of City Hall, the Community and Cultural Center and/or the Centennial Recreation Center as an expression of the City's official sentiments, for those dates and times and on those terms and conditions as set forth in the resolution. Commemorative Flags shall be displayed for a period of time that is reasonable or customary for the subject that is to be commemorated, but no longer than 30 continuous days.

This Policy shall remain in effect until modified by the City Council.

APPROVED:



STEVE TATE, MAYOR

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Monica Delgado, Budget Manager

APPROVED BY: City Manager

ADOPT FISCAL YEARS (FY) 2024-25 AND 2025-26 MID-CYCLE BUDGET AMENDMENTS; APPROVE THE FY 2025-26 COMMUNITY FUNDING; AUTHORIZE THE CITY MANAGER TO ENTER INTO THE AGREEMENTS WITH THE COUNTY OF SANTA CLARA FOR ANIMAL SHELTERING SERVICES AND EMERGENCY MEDICAL DISPATCH SERVICES; AMEND THE FISCAL POLICY TO ELIMINATE THE ALLOCATION OF GENERAL FUND BUDGET SAVINGS TO THE OPEB SECTION 115 TRUST; DELEGATE THE AUTHORITY TO THE CITY MANAGER TO RENEW SOFTWARE LICENSES IF THEY ARE INCLUDED IN THE ADOPTED BUDGET; AND REVIEW POTENTIAL BUDGET ACTIONS AND DIRECT STAFF TO CONTINUE COMMUNITY ENGAGEMENT EFFORTS FOCUSED ON SERVICE PRIORITIZATION AND OR A REVENUE ENHANCEMENT MEASURE

RECOMMENDATION(S)

1. Adopt a resolution amending the Adopted Fiscal Year (FY) 2024-25 and 2025–26 budgets;
2. Approve the FY 2025-26 Community Funding;
3. Authorize the City Manager to enter into agreements with the County of Santa Clara for Animal Sheltering Services and Emergency Medical Dispatch Services;
4. Amend the Fiscal Policy to eliminate the allocation of General Fund Budget Savings to the OPEB Section 115 Trust;
5. Delegate the authority to the City Manager to renew software licenses if they are included in the Adopted Budget; and
6. Review potential Budget actions and direct staff to continue Community Engagement efforts focused on service prioritization and/or a Revenue Enhancement Measure.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community
 Fostering a Positive Organizational Culture
 Preserving and Cultivating Public Trust
 Preserving our Community History
 Enhancing Diversity and Inclusiveness
 Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities

Fiscal Sustainability
 Affordable Housing and Homelessness
 Community Engagement
 Economic Development and Tourism
 Healthy Community

Guiding Documents

Bikeways, Trails, and Recreation Master Plan
 Climate Action Plan
 Communications, Outreach, and Engagement Plan
 Economic Blueprint
 Fire Services Standards of Coverage
 GIS Strategic Plan
 Morgan Hill 2035 General Plan
 Public Safety Master Plan
 Storm Drain Master Plan
 Vision Zero
 Water System Master Plan
 Wastewater System Master Plan

REPORT NARRATIVE:

On June 19, 2024, the City Council of the City of Morgan Hill approved the biennial Operating Budget for Fiscal Year (FY) 2024-25 and 2025-26 and the Capital Improvement Program (CIP) for FY 2024-25 through 2029-30. The budget was subsequently amended via budget adjustments, including carry-over of encumbrances and re-appropriation of funds for unpaid obligations and unfinished projects, from time to time, throughout the year.

The implementation of a biennial budget, which is a 24-month operating budget with appropriations allocated for each year, demonstrates a commitment to improving the City's long-range and strategic planning efforts. It also provides efficiencies in the second year of the budget by reducing the time dedicated to budget production, thus allowing more time for validation efforts.

FY 2024-25 Budget Update and Amendment

Staff does not recommend any budget amendments to the FY 2024-25 budget except for the amendment to the Workers' Compensation Fund discussed below. The other items below will not have a net impact to the FY 2024-25 budget.

General Fund

Sales Tax

Based on the latest projection from HdL, the City's sales tax consultant, sales tax revenue before rebates for the current fiscal year is projected to be approximately \$12.0 million, \$0.9 million lower than budget.

Transient Occupancy Tax (TOT)

The City anticipates a \$200,000 reduction in Transient Occupancy Tax (TOT) revenue, attributed to lower-than-expected hotel occupancy and room rates as the industry continues to recover from the pandemic.

Interest Income

Interest income from investments is expected to be \$300,000 more than budgeted, primarily due to higher interest rates.

Recreation Services

The Division's year-end net impact is anticipated to perform better than budget. Net impact was budgeted for FY 2024-25 at \$1.8 million and current projections show a year-end net impact of \$1.2 million. This is primarily due to higher than anticipated rental revenue at the Community and Cultural Center, where staff have aggressively booked room and facility rentals, coupled with conservative spending on staffing at recreation facilities.

Dispatch Operations Remodel/Refresh

Dispatch operations is seeking additional funding of \$150,000 for improvements to communication systems, technology, and workspace to support efficient emergency response and coordination. This initiative is part of a broader effort to enhance public safety infrastructure and ensure the Department can effectively serve the Community's needs. No additional appropriation is needed as there are sufficient savings available from the FY 2024-25 budget to pay for this project.

Public Safety Enhancement

Staff is proposing the purchase of new cameras for the Downtown area. These new cameras will provide monitoring and recording of video for use by the Police Department. The purchase of new flock cameras would be jointly funded by the Downtown Property and Business Improvement District (PBID) covering 50% of the costs. The annual costs for the City's share is anticipated to be \$23,750. No additional appropriation is needed as there are sufficient savings available from FY 2024-25 budget to pay for this project.

Workers' Compensation Fund

Workers' compensation costs have exceeded initial projections due to a notable increase in claim payouts. This uptick is driven by a higher volume of claims filed, as well as an increase in settlement and medical costs associated with each case. As a result, our overall expenditures in this area have risen significantly, impacting the budget by an additional \$300,000. We will continue to work with our Workers'

Compensation Consultant to identify potential strategies for managing future risk and reducing costs.

FY 2025-26 Budget Update and Amendment

In total, the proposed amendments below for FY 2025-26 include the following:

- For the General Fund, a net reduction in revenue of \$206,491 and additional appropriations of \$389,948.
- For the Non-General Funds, a net increase in revenue of \$615,976 and additional appropriations of \$1,165,725.

General Fund

Property Tax

For FY 2025-26, property tax is expected to come in higher than budget by roughly \$0.6 million, all attributed to expected higher receipts of excess Educational Revenue Augmentation Fund (ERAF). According to the County, the increase in the preliminary FY 2025-26 projection is primarily due to a reduced funding requirement for schools and State special education programs, attributable to lower average daily attendance and a low cost-of-living factor adopted by the State.

Interest Income

Interest income from investments is expected to be \$300,000 more than budgeted, primarily due to higher interest rates.

Sales Tax

Sales tax revenue is projected to decline by approximately \$1.2 million in FY 2025-26. This decrease is primarily driven by a sustained downturn in key economic sectors, including autos and transportation, which have seen reduced consumer demand for five consecutive quarters.

Transient Occupancy Tax (TOT)

The City anticipates a \$300,000 reduction in Transient Occupancy Tax (TOT) revenue, attributed to lower-than-expected hotel occupancy and room rates.

Silicon Valley Clean Energy (SVCE) Grant Funds

Staff recommends accepting a \$100,000 grant from SVCE to support operations over two years. The City will recognize \$50,000 in grant revenue in each of FY 2025–26 and FY 2026–27, and appropriate \$50,000 annually to increase funding for other supplies and part-time temporary staffing in Environmental Programs.

Santa Clara County District Attorney's Office (SCCDAO) Grant Funds

The City is one of the key partners in the South County Youth Task Force (SCYTF) with the City of Gilroy, Gilroy and Morgan Hill Unified School Districts, and Santa Clara County. One of the major funding entities of the SCYTF is the SCCDAO. In past years, the SCCDAO has provided the City of Gilroy with funding to contract with community

organizations to provide support services in the South County to support the SCYTF. City of Morgan Hill staff are highly appreciative of the City of Gilroy for taking this task on, but are now recommending that the City of Morgan Hill directly administer grant funding provided through the SCCDAO. Staff believe this will allow programming from the community organizations to better meet the different and unique needs of Morgan Hill, while still meeting the goals for the funding. The City will receive \$100,000 in funding in FY 2025-26, which will be used to grant funding to community organizations to support the work of the SCYTF aimed at preventing youth violence, addressing health equity and neighborhood disparity issues, reducing juvenile delinquent behaviors and the recruitment of youth into gangs, and supporting parent's leadership and capacity-building within South Santa Clara County.

Staff recommends accepting a grant from SCCDAO in the amount of \$100,000 and appropriate \$100,000 to community organizations.

Enhancement of Fire Services

The City's current fire services include two engine companies, a squad, and cost-sharing for a fourth unit (Engine 67). With the dissolution of the South Santa Clara County Fire Protection District (District), the City of Morgan Hill will no longer share the cost of staffing Engine 67 after this month, which is currently deployed from the Morgan Hill CALFIRE headquarters.

Through a strong partnership with CALFIRE, Engine 67 will be replaced by a paramedic squad staffed by CALFIRE, effectively expanding fire protection services for Morgan Hill residents with no additional fiscal impact to the City at this time, while taking into account operational savings. Fire services will be further enhanced when the Butterfield Fire Station is fully opened and staffed in the coming months.

The Squad Crew functions similarly to a standard engine company for most practical purposes. Although it carries less equipment than a conventional engine company, it is fully capable of responding to the majority of emergency calls, including traffic accidents and medical emergencies, which make up the bulk of service calls. During peak fire season, two Type III fire engines will be stationed out of CALFIRE headquarters.

Non-General Funds

Solid Waste Implementation Fees and Related Adjustments

Staff recommend an increase in revenue of \$263,142 to support solid waste and environmental program fees. This would be offset by additional appropriations for the Trash Capture Device Installation: \$159,481 (Fund 304 – Local Drainage) and Household Hazardous Waste (HHW) costs with the County & waste characterization study: \$98,111 (Fund 010 – General Fund). Remaining funds will cover the cost of the existing 1.0 FTE Maintenance Worker and 0.5 Environmental Services Coordinator.

Countywide Solid Waste Program Adjustments

Due to a reduction in available County funding, the following adjustments are proposed for the Countywide Solid Waste Program (Fund 246 – Countywide Solid Waste):

- Decrease projected revenue by \$793,505
- Reduce contract services expenditures by \$787,962
- Decrease the transfer from Countywide Solid Waste to the General Fund by \$19,633
- Adjust the Environmental Programs Coordinator position allocation funding from 15% to 7.5%, with no impact on the overall budget
- Reduce part-time temporary staffing expenditures by \$4,324
- The remaining balance will be paid from existing fund balance

Capital Project Implementation Fund

The City currently has three Public Works Inspectors but only two vehicles for use by these inspectors. The purchase of a third Public Works Inspection vehicle will allow continued inspection services necessary to support the City's increasing number of capital projects. The purchase cost is estimated at \$50,000 and would be paid through the Capital Project Implementation Fund.

SVCE-Funded Capital Project – Aquatics Energy Efficiency

The City has received a grant to replace and support electrification at the Aquatics Center (Center). Funding will be used to convert several heating systems to all electric systems and improve energy efficiency at the Center. This project will retrofit and rehabilitate much of the Center's infrastructure. The project will be funded through recognizing \$1 million in grant funding from SVCE and appropriating \$250,000 each from the Building Replacement Fund (741) and the Quimby Fund (375) for a new capital project in Fund 375.

Well Destruction Capital Improvement Project

Appropriate \$160,000 for the destruction of several older wells to comply with State requirements (Fund 653 – Water System Replacement)

FY 2025-26 Community Funding Recommendations

The City opened the FY 2025–26 Community Funding Request Application process in mid-February, notifying previous recipients and posting details on the City's website. Applications were due March 15. A total of 20 applications were received, requesting approximately \$392,000 in funding. All applications meet the eligibility criteria established by City Council policy.

The Adopted FY 2025–26 Budget includes \$180,000 for Community Funding. Notably, increased public safety costs have significantly raised funding requests for two large-scale events: Freedom Fest and the Holiday Lights Parade.

Staff is requesting City Council direction as to which funding option to include in the budget. Funding options are included in Attachment 2. The City Council may choose to adjust funding levels, utilizing the Council Funding Policy (Attachment 3) as guidance. Should the Council wish to increase overall funding above \$180,000, an additional

appropriation of funds would be required.

County of Santa Clara Agreements for Animal Sheltering Services and Emergency Medical Dispatch Services

Animal Sheltering Services

In 2022, the Police Department entered into an agreement with Santa Clara County for animal shelter services. As part of the Agreement, the Santa Clara County Animal Shelter provides the following services to the City:

1. Shelter abandoned, lost, or stray domestic animals located within the City's incorporated area.
2. Quarantine of impounded biting domestic animals.
3. Provision to reclaim abandoned, lost, or stray domestic animals during established business hours.
4. Euthanasia and disposal of abandoned, lost, impounded, or stray domestic animals unclaimed by their owners and deemed unfit for adoption, rescue, or return to the field.
5. Return-to-field of free-roaming cats after sterilization and vaccination.
6. Acceptance of owner-relinquished animals and confiscated animals on approval of the County Animal Services Program Manager after consideration of shelter population, space availability, and costs.
7. Veterinarian services during established business hours to treat and provide veterinarian care to stray, injured, or sick dogs, cats, and other impounded domestic animals.
8. Monitor quarantined animals.
9. Access to low-cost or free spay/neuter services as provided to residents of the unincorporated areas of the County of Santa Clara.

The County has prepared the attached Agreement (Attachment 4) for a one-year term with an additional one-year option for a not to exceed amount of \$142,592. The terms of the contract would be as follows:

- FY 2025-26: \$69,557
- FY 2026-27: \$73,035

Staff recommends continuing our partnership with the Santa Clara County Animal Shelter to provide animal and shelter services to our Community, despite the cost of these services nearly doubling (a 94% increase) from the current year, from \$35,822 in FY 2024–25 to \$69,557 in FY 2025–26. The County informed staff of this potential increase last year, and staff has budgeted accordingly, allocating \$71,644 for FY 2025–26.

Emergency Medical Dispatch Services

In 2023, the City entered into a one-year agreement which was subsequently amended to extend an additional one-year as well as an option for an additional three-year term with Santa Clara County for emergency medical dispatch services (EMD). As part of the Agreement, the County will provide the City with continuous (24 hours per day, 7 days per week) EMD services.

The cost for the first year of the agreement (FY 2023-24) was \$58,110. For the second year, the cost was increased to \$73,260. In the proposed amendment for FY 2025-26, the County proposed to increase it to \$79,753. This represents an approximately 9% increase from the current year. The County originally proposed to increase it to \$242,908 or 232% increase from the current year, which they believe is the City's share of full cost recovery. After consultation, the County revised its original proposal to phase in the increase over the years of the current contract (Attachment 5). As such, by FY 2027-28, the City would need to pay for the full cost, which is currently estimated at \$242,908. While the latest proposed price increase from the County will be implemented incrementally over the three-year contract term, it still represents a staggering increase of over 230%.

The City has written to the County to express our concern regarding the recent proposal to increase the City's contract for Emergency Medical Dispatching (EMD) services from \$73,000 to over \$243,000 annually. This proposed 232% increase represents a significant and disproportionate financial burden on the City and its residents as Morgan Hill residents already pay taxes to the County, which fund essential County services, including Emergency Medical Services (EMS) and Emergency Medical Dispatching (EMD). By increasing the cost of the EMD contract in this way, the County is effectively charging Morgan Hill residents twice for a service that is funded by Morgan Hill residents' taxes, a situation that is both unfair and inequitable.

Staff will continue to engage with the County to address concerns before finalizing the agreement. Staff recommends that City Council authorize the City Manager to continue to engage with the County to address concerns and execute the related agreement for EMD services, in addition to exploring long-term alternatives as well as funding sources for this vital service.

Fiscal Policy Change

In 2021, the City amended its fiscal policy to allocate 20% of the annual General Fund budget savings to the Section 115 Trusts for Other Post-Employment Benefits (OPEB) and PERS Rate Stabilization Funds. Combined with the annual contributions since 2016 and investment gains, the City's OPEB Section 115 Trust has a balance of approximately \$6.4 million as of March 31, 2025.

The latest OPEB Plan Valuation Report, completed last year with a valuation date of June 30, 2023, shows the City's total liability at \$6.1 million. This indicates that the City's OPEB assets now exceed its liabilities. Although the valuation date is from June 2023, staff believe the City's OPEB Plan is currently well-funded and no longer requires additional contributions. Therefore, staff recommend that further funding be

discontinued and that future savings be redirected to the General Fund Reserve to address more pressing needs.

Additionally, staff recommends that the \$400,000 appropriated for the current fiscal year for the OPEB Section 115 Trust, of which approximately two-thirds is from the General Fund, be returned to the General Fund Reserve.

Software License Renewals

As part of the City Council's effort to streamline meetings, the Council directed staff to identify potential agenda items that could be handled administratively. Staff have identified that software license renewals previously approved by the City Council and included in departmental adopted budgets can be processed administratively. Currently, staff are still required to agendaize and seek City Council approval for renewals, even when the software is already in use and there are no viable alternatives (e.g., GIS, Microsoft Office, Adobe, Tyler Munis, etc.).

Staff recommends that the City Council delegate authority to the City Manager to approve all future software license renewals for software currently in use and included in the department's adopted budget, provided the purchases comply with the City's purchasing policy and do not require additional appropriations.

Continuing Community Engagement efforts focused on service prioritization and/or exploring a Revenue Enhancement Measure

As we reach the midpoint of our budget cycle, several critical trends continue to shape our fiscal outlook and demand strategic attention:

Increased Economic Uncertainty: The odds of a recession or period of stagflation have risen notably, driven by persistent inflation, slowing economic growth, and uncertain labor markets. Additionally, growing uncertainty around federal tariff policy adds further volatility, with potential downstream impacts on consumer prices, supply chains, and local economic activity.

Structural Budget Imbalance: The City's revenues are not keeping pace with the rising costs of providing services to our residents. Despite efforts to control expenditures, this structural gap highlights a growing concern about long-term fiscal sustainability.

Limited Revenue Tools Compared to Peers: Unlike most cities in the county, our City does not have the additional local revenue measures such as a Utility Users Tax or a local Sales Tax. This places us at a comparative disadvantage when it comes to funding essential services and maintaining infrastructure.

To maintain current service levels and preserve a sufficient General Fund reserve, an additional annual revenue stream of approximately \$4 million is needed. Without this additional revenue, service reductions will be unavoidable.

While actions like a targeted hiring freeze may provide limited savings with a gradual impact on the Community, more immediate and disruptive measures, such as workforce reductions or eliminating programs like Recreation, Parks Maintenance, Economic Development, Animal Services, and Street Maintenance and Rehabilitation, would have far-reaching detrimental effects. These options would require both Community input and a clear understanding of the consequences.

Staff recommends that the City Council direct staff to continue Community Engagement efforts focused on service prioritization and/or exploring a Revenue Enhancement measure.

COMMUNITY ENGAGEMENT:

Involve

The biennial budget was adopted on June 19, 2024, following a budget workshop and public hearing.

- May 3, 2024 Recommended Budget Released to the Community and City Council
- May 10, 2024 City Booth at Open Streets
- May 15, 2024 Recommended Budget Presented to the City Council
- May 22, 2024 Budget Workshop
- June 13, 2024 Recommended Budget Presented to the Economic Development Committee of the Chamber of Commerce

ALTERNATIVE ACTIONS:

City Council could choose not to approve budget amendments or propose alternative budget amendments.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 19, 2024, the City Council of the City of Morgan Hill approved the biennial Operating Budget for FY 2024-25 and 2025-26 and the Capital Improvement Program (CIP) for FY 2024-25 through 2029-30.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

RESOLUTION NO. 25-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AMENDMENTS TO THE CITY'S FISCAL YEAR 2024-2025 AND 2025-2026 BUDGETS

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California (“City”), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting this Resolution are set forth in detail in that certain City Council Staff Report entitled “Adopt Fiscal Years (FY) 2024-25 and 2025-26 Mid-Cycle Budget Amendments; Approve FY 2025-26 Community Funding; Authorize the City Manager to Enter Into Agreements With the County of Santa Clara for Animal Sheltering Services and Emergency Medical Dispatch Services; Amend Fiscal Policy to Eliminate the Allocation of General Fund Budget Savings to the OPEB Section 115 Trust; Delegate Authority to the City Manager to Renew Software Licenses if They Are Included in the Adopted Budget; and Review Potential Budget Actions and Direct Staff to Continue Community Engagement Efforts Focused on Service Prioritization and or a Revenue Enhancement Measure” submitted for City Council consideration at its meeting of June 4, 2025, submitted to the City Council by the City Manager (the “Staff Report”), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City’s previously adopted Annual Budgets for Fiscal Years 2024-2025 and 2025-2026 as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City’s previously adopted Fiscal Years 2024-2025 and 2025-2026 Budgets, as the same has been amended to date, are hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City’s Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Years 2024-2025 and 2025-2026 Budgets of the City of Morgan Hill.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 4th day of June 2025 by the following vote:

AYES: COUNCIL MEMBERS: None
NOES: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: None

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 24-____ adopted by the City Council at the meeting held on the 4th day of June 2025.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBITA				
FY 2024-25 BUDGET AMENDMENT				
FUND	ACCOUNT	REVENUE	EXPENSE	DESCRIPTION
Workers' Compensation	770.8220.42545		300,000	Additional Funds for WC Claims
WC Fund - Total		\$ -	\$ 300,000	
FY 2024-25 TOTAL		\$ -	\$ 300,000	
FY 2025-26 BUDGET AMENDMENT				
FUND	ACCOUNT	REVENUE	EXPENSE	DESCRIPTION
General Fund	010.37106	600,000		Property Tax
General Fund	010.37110	(1,200,000)		Sales Tax
General Fund	010.37113	(300,000)		TOT
General Fund	010.37401	300,000		Interest Income
General Fund	010.37701	263,142		Solid Waste Implementation Fund
General Fund	010.1900.49236		159,481	Solid Waste Implementation Fund
General Fund	010.5800.42231		83,111	Solid Waste Implementation Fund
General Fund	010.5800.42231		15,000	Solid Waste Implementation Fund
General Fund	010.37579	50,000		SVCE Grant Funds
General Fund	010.5800.41271		40,425	SVCE Grant Funds
General Fund	010.5800.42248		9,575	SVCE Grant Funds
General Fund	010.37586	100,000		SCDDAO Grant Funds
General Fund	010.2180.41271		100,000	SCDDAO Grant Funds
General Fund	010.39205	(19,633)		County Solid Waste Program Adjustments
General Fund	010.5815.41100		(13,320)	County Solid Waste Program Adjustments
General Fund	010.5815.41271		(4,324)	County Solid Waste Program Adjustments
General Fund - Total		\$ (206,491)	\$ 389,948	
Local Drainage	304.39210	159,481		Solid Waste Implementation Fund
Countywide Solid Waste	246.37695	(793,505)		County Solid Waste Program Adjustments
Countywide Solid Waste	246.5820.42231		(787,962)	County Solid Waste Program Adjustments
Countywide Solid Waste	246.5820.49210		(19,633)	County Solid Waste Program Adjustments
Water Conservation	650.5760.41100		13,320	County Solid Waste Program Adjustments
Capital Project Implementation	745.8280.43830		50,000	Vehicle for CIP Inspectors
Quimby Fee	375.8051.86360		250,000	SVCE Grants Funded Capital Project
Building Replacement	741.37586	1,000,000		SVCE Grants Funded Capital Project
Building Replacement	741.39343	250,000		SVCE Grants Funded Capital Project
Building Replacement	741.8500.49242		1,500,000	SVCE Grants Funded Capital Project
Water System Replacement	653.8120.86360		160,000	Well Destruction CIP
Non-General Funds - Total		\$ 615,976	\$ 1,165,725	
FY 2025-26 TOTAL		\$ 409,485	\$ 1,555,673	

FY25-26 Community Funding Requests and Funding Options

Organization Name	Event/Program Name (Hyperlink to Event)	Event Date	How will funds be used?	FY 25-26 Request	FY 24-25 Allocation	Option 1: Past Events	Option 2: Long Term Events Only	Option 3: Funding to Meet FY 25-26 Budget
Chabad Jewish Center	Morgan Hill Chanukah Celebration	12/14/2025	Funds will be used to assist with paying the city fees and permits, band, entertainer, crafts, and food	5,000	2,500	2,500	0	0
Morgan Hill Chamber of Commerce	Friday Night Music Series	Summer 2025	Fee's for the use of the Amphitheater and Madrone Room	25,260	25,000	25,000	25,000	20,000
Circle of Giving Seva Foundation	Back to School Drive	7/19/2025	The Foundation will organize a Back to School drive providing back packs and supplies to those in need	9,500	2,000	2,000	0	0
Envision Your Pathway	EYPowerment Day	7/15/2025	Funding for event expenses, rental costs for the CCC, workshops materials, and food/drinks for attendees	7,500	0	0	0	0
Sentinel Soccer/Grumaza	2025 Fiestas Patrias	9/14/2025	For park rental, insurance, stage rental , portable restrooms, entertainment, and event advertising	4,500	3,500	3,500	0	0
Healthier Kids Foundation	VisionFirst, HearingFirst, DentalFirst	Ongoing	Funding will be used for vision, dental, and hearing; as well as the care coordination for children	42,000	26,000	26,000	0	0
Indian Association of South Santa Clara County	Diwali Gala	Nov-25	Stage & Decor Rental, Tables/Chairs Rental, Table Cloths rental, Trophies for participating children	5,000	2,500	2,500	0	0
Independence Day Celebration (IDC)	Freedom Fest, Morgan Hill July 4th	7/3 and 7/4/2025	Funding will be used to help pay for police safety requirements for the Freedom Fest events	143,000	70,000	143,000	143,000	114,000
Morgan Hill Kiwanis	Holiday Lights Parade & City's Holiday Tree Lighting	11/29/2025	Expenses for permit, police, city maintenance, road closure, sound system, security & medical support	41,000	27,500	41,000	41,000	32,800
LATI	LATI	10/11/2025	Amphitheater and Room Rentals	3,480	3,480	3,480	0	0
Morgan Hill Community Foundation	Philanthropy Night Awards Gala	11/14/2025	Funds will be used to cover rental expenses for the event facility and security guards	4,528	4,528	4,528	0	0
Morgan Hill Downtown Association	Safe Trick or Treat	10/31/2025	Funds will pay for street closures, portable restrooms, security/police, candy, posters	9,000	14,000	9,000	9,000	7,200
Morgan Hill Downtown Association	Holiday Tree	Estimated 12/1/25	Funds will pay vendor (Pacific Display) for installation and breakdown of the holiday tree	6,000	6,800	6,000	6,000	6,000
Morgan Hill Historical Society	Founders Dinner	9/19/2025	Funds will cover space rental, caterer, printing and mailing expenses for the event	5,000	2,624	2,624	0	0
Morgan Hill Historical Society	History Makers Film	12/14/2025	Playhouse and security costs, reception and beverage/light bites, media ad, publicity, and printing	1,354	504	504	0	0
Mushroom Mardi Gras Inc	Morgan Hill Mushroom Festival	5/23/26 and 5/24/26	Facility rental fees at the CCC - 15,000	15,000	8,025	11,500	0	0
Mushroom Mardi Gras Inc	Morgan Hill Mushroom Festival	6/6/26 and 6/7/26	Facility rental fees at the OSC - 50,000 **** Not considered at OSC for FY25/26****	50,000	0	0	0	0
Morgan Hill Community Foundation	Morgan Hill Open Studios	10/25/25 and 10/26/25	Design and print of brochures	2,500	1,250	1,250	0	0
Poppy Jasper International Film Festival	Poppy Jasper International Film Festival	4/9/26-4/16/26	Playhouse rental and banners for DT	7,500	3,700	3,700	0	0
South Valley Civic Theater	SVCT Summer Camp	7/6/25-7/18/25	Rental fee of facility and royalty fees, food, supplies	5,000	3,000	3,000	0	0
				392,122	206,911	291,086	224,000	180,000
			Delta from \$180,00 Budget	162,122		111,086	44,000	0

FY25-26 Community Funding Requests and Funding Options

Organization Name	Event/Program Name (Hyperlink to Event)	Event Date	How will funds be used?	Primary Funding Type	New Event Y/N
Chabad Jewish Center	Morgan Hill Chanukah Celebration	12/14/2025	Funds will be used to assist with paying the city fees and permits, band, entertainer, crafts, and food	Fee Waiver/ Funding	No
Morgan Hill Chamber of Commerce	Friday Night Music Series	Summer 2025	Fee's for the use of the Amphitheater and Madrone Room	Fee Waiver	No
Circle of Giving Seva Foundation	Back to School Drive	7/19/2025	The Foundation will organize a Back to School drive providing back packs and supplies to those in need	Funding	No
Envision Your Pathway	EYPowerment Day	7/15/2025	Funding for event expenses, rental costs for the CCC, workshops materials, and food/drinks for attendees	Fee Waiver/ Funding	Yes
Sentinel Soccer/Grumaza	2025 Fiestas Patrias	9/14/2025	For park rental, insurance, stage rental, portable restrooms, entertainment, and event advertising	Funding/ Fee Waiver	No
Healthier Kids Foundation	VisionFirst, HearingFirst, DentalFirst	Ongoing	Funding will be used for vision, dental, and hearing; as well as the care coordination for children	Funding	No
Indian Association of South Santa Clara County	Diwali Gala	Nov-25	Stage & Decor Rental, Tables/Chairs Rental, Table Cloths rental, Trophies for participating children	Fee Waiver/ Funding	No
Independence Day Celebration (IDC)	Freedom Fest, Morgan Hill July 4th	7/3 and 7/4/2025	Funding will be used to help pay for police safety requirements for the Freedom Fest events	Funding	No
Morgan Hill Kiwanis	Holiday Lights Parade & City's Holiday Tree Lighting	11/29/2025	Expenses for permit, police, city maintenance, road closure, sound system, security & medical support	Funding	No
LATI	LATI	10/11/2025	Amphitheater and Room Rentals	Fee Waiver	No
Morgan Hill Community Foundation	Philanthropy Night Awards Gala	11/14/2025	Funds will be used to cover rental expenses for the event facility and security guards	Fee Waiver	No
Morgan Hill Downtown Association	Safe Trick or Treat	10/31/2025	Funds will pay for street closures, portable restrooms, security/police, candy, posters	Funding	No
Morgan Hill Downtown Association	Holiday Tree	Estimated 12/1/25	Funds will pay vendor (Pacific Display) for installation and breakdown of the holiday tree	Funding	No
Morgan Hill Historical Society	Founders Dinner	9/19/2025	Funds will cover space rental, caterer, printing and mailing expenses for the event	Fee Waiver/ Funding	No
Morgan Hill Historical Society	History Makers Film	12/14/2025	Playhouse and security costs, reception and beverage/light bites, media ad, publicity, and printing	Fee Waiver/ Funding	No
Mushroom Mardi Gras Inc	Morgan Hill Mushroom Festival	5/23/26 and 5/24/26	Facility rental fees at the CCC - 15,000	Fee Waiver	No
Mushroom Mardi Gras Inc	Morgan Hill Mushroom Festival	6/6/26 and 6/7/26	Facility rental fees at the OSC - 50,000 **** Not considered at OSC for FY25/26****	Funding	No
Morgan Hill Community Foundation	Morgan Hill Open Studios	10/25/25 and 10/26/25	Design and print of brochures	Funding	No
Poppy Jasper International Film Festival	Poppy Jasper International Film Festival	4/9/26-4/16/26	Playhouse rental and banners for DT	Fee Waiver/ Funding	No
South Valley Civic Theater	SVCT Summer Camp	7/6/25-7/18/25	Rental fee of facility and royalty fees, food, supplies	Funding	No
			Delta from \$180,00 Budget		

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-21-02

SUBJECT: CITY COUNCIL FUNDING REQUESTS

EFFECTIVE DATE: NOVEMBER 3, 2021

REVISED DATE: NA

ORIGINATING DEPARTMENT: COMMUNITY SERVICES DEPARTMENT

Purpose

The purpose of this policy is to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from the City Council. The policy is intended to allow the City Council to fully evaluate all funding requests at one time along with budget appropriation.


Policy

1. Applicant Criteria
 - a. The organization requesting funding must be a nonprofit.
 - b. The program, event, or activity provides a direct benefit to the Morgan Hill community.
 - c. Programs in alignment with the City Council’s Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
 - d. Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
 - e. Existing programs and events may be given priority.
2. Application Availability and Deadline
 - a. Applications for the next Fiscal Year (July-June) will be available on the City’s website annually in February.
 - b. Completed applications will be due annually in March.
3. Review and Approval Process
 - a. Applications will be reviewed by the City staff.
 - b. Funding applications and details will be included annually in the Budget Development or Mid-Cycle Budget Review process.
 - c. The City Manager will make recommendations on funding to the City Council based on established Council priorities and funding constraints.
 - d. The City Council shall award and include final funding within the Budget.
4. Reporting Requirements

- a. Within thirty days following the conclusion of the funded activity, the organization must submit a report to the City reporting out pertinent information related to the activity. For ongoing activities, an annual report must be submitted by July 30 for the prior fiscal year.
 - b. The report shall include a record of the use of City funds and statistics and information that provides details on the activity's impact to the community.
5. Late Requests
- a. Requests received after the deadline shall not be accepted by City staff.
6. Council Member Initiated Event and Fee Waiver Requests
- a. A member of the City Council may request a fee waiver or funding be provided for an event by applying with the above application process by the March deadline.
 - b. All Council Member initiated requests occurring after the March deadline must be provided to the City Manager 90 days in advance of the event to allow sufficient time to bring to City Council for approval.
 - c. The City Staff shall prepare a report for the City Council for approval of any Council Member initiated requests.

This policy shall remain in effect until modified by the City Council.

APPROVED:

DocuSigned by:

02EAE5B057884E7

RICH CONSTANTINE, MAYOR

**AGREEMENT BETWEEN THE
COUNTY OF SANTA CLARA AND THE CITY OF MORGAN HILL
FOR ANIMAL SHELTERING SERVICES**

The County of Santa Clara (“COUNTY”), and the City of Morgan Hill, a municipal corporation (“CITY”) (together, “PARTIES”) enter into this Animal Sheltering Services (“Agreement”) as of _____, 2025.

RECITALS

WHEREAS, CITY desires to secure Animal Sheltering Services for domestic animals found within the incorporated area of Morgan Hill, and

WHEREAS, COUNTY has the necessary facilities, expertise and skill to perform those services and COUNTY’s proposal can best meet CITY’s needs,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between CITY and COUNTY shall consist of:

This Agreement;
Exhibit A – Scope of Services; and
Exhibit B – Compensation

If any discrepancies or inconsistencies between the provisions of this Agreement and any of the above-referenced Exhibits arise, the provisions of this Agreement prevail.

This Agreement and the Exhibits set forth above contain all of the agreements, representations, and understandings of the PARTIES hereto, and supersede and replace any previous understanding, commitments, or agreements, whether oral or written.

2. SCOPE OF SERVICES

COUNTY shall perform those services specified in detail in the attached Exhibit A, entitled “Scope of Services”.

3. TERM OF AGREEMENT

This Agreement is effective from July 1, 2025 through June 30, 2027, unless otherwise terminated under Section 5 (TERMINATION) below.

4. COMPENSATION

CITY shall pay COUNTY for the costs of animal sheltering services under this Agreement. The terms, rate, and schedule of payment are set forth in the attached Exhibit B, entitled "Compensation".

5. TERMINATION

5.1 Termination Without Cause

Either PARTY may terminate this Agreement, without cause, by giving not less than thirty (30) days written notice.

5.2 Termination for Material Breach

Either PARTY may terminate the Agreement in the event of breach of material obligations under this Agreement immediately upon written notice.

5.3 Termination Authority

The Chief of Police of the CITY is empowered to terminate this Agreement on behalf of CITY.

The COUNTY Director of Procurement, or authorized designee, may terminate this Agreement on behalf of the County.

5.4 Consequences of Termination

In the event of termination, COUNTY shall make reasonable and good faith efforts to deliver to CITY records for animals sheltered by COUNTY under this Agreement in a timely manner. COUNTY shall refund the CITY a prorated amount of funds based on the time remaining in the fiscal year.

6. INDEMNIFICATION

CITY shall indemnify, release, defend, and hold harmless, with counsel approved by COUNTY, the COUNTY, its officers, agents, and employees from any claim, demand, suit, judgment, liability, loss, injury, damage, or expense of any kind (including attorneys' fees and costs) arising out of, or in connection with, performance of this Agreement by CITY and/or its officers, agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole or active negligence or willful misconduct of personnel employed by the COUNTY. It is the intent of the Parties to this Agreement to provide the broadest possible coverage for the COUNTY as allowed by law. CITY shall reimburse the COUNTY for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation or process in which the CITY contests its obligation to indemnify, defend and/or hold harmless the COUNTY under this Agreement and does not prevail in that contest.

7. WAIVER

PARTIES agree that waiver of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any other provision or a waiver of any subsequent breach or violation of the same or any other provision.

8. INDEPENDENT CONTRACTOR

COUNTY, in the performance of this Agreement, is an independent contractor. COUNTY shall maintain complete control over all of COUNTY's employees, any subcontracting subcontractors, and COUNTY's operations. Neither COUNTY nor any person retained by COUNTY may represent, act, or purport to act as the agent, representative or employee of CITY. Neither COUNTY nor CITY is granted any right or authority to assume or create any obligation on behalf of the other.

9. COMPLIANCE WITH LAWS

PARTIES shall comply with all applicable laws, ordinances, codes and regulations (collectively, "laws") of the federal, state and local governments, including without limitation, any and all laws specified elsewhere in this Agreement.

10. CONFLICT OF INTEREST

PARTIES shall avoid all conflict of interest or the appearance of conflict of interest in performance of this Agreement.

11. NONDISCRIMINATION

PARTIES agree that it shall not discriminate against, or segregate, any person, on account of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, national origin, marital status, or family status, in connection with or related to the performance of this Agreement.

12. CALIFORNIA PUBLIC RECORDS ACT

The COUNTY is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If CITY's proprietary information is contained in documents or information submitted to COUNTY, and CITY claims that such information falls within one or more CPRA exemptions, CITY must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the COUNTY will make best efforts to provide notice to CITY prior to such disclosure. If CITY contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara COUNTY before the COUNTY is required to respond to the CPRA

request. If CITY fails to obtain such remedy within the time the COUNTY is required to respond to the CPRA request, COUNTY may disclose the requested information.

CITY further agrees that it shall defend, indemnify and hold COUNTY harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and attorney's fees) that may result from denial by COUNTY of a CPRA request for information arising from any representation, or any action (or inaction), by the CITY

13. COUNTY'S RECORDS

13.1 Maintenance during Term

COUNTY shall maintain records, including any ledgers, books of account, invoices, vouchers, canceled checks, and other documents evidencing or relating to charges for services, or expenditures and disbursements charged to CITY for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to COUNTY pursuant to this Agreement.

13.2 Maintenance after Term

COUNTY shall maintain all documents which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

14. ASSIGNABILITY

The PARTIES agree that COUNTY's expertise and experience are material considerations for this Agreement. COUNTY may not assign the performance of any obligation or interest under this Agreement, except as authorized under Section 15 on "Subcontractors" below.

15. SUBCONTRACTORS

15.1 Authorized Subcontractors

Notwithstanding Section 14 (ASSIGNABILITY) above, COUNTY may use subcontractors in performing COUNTY's services. COUNTY shall be responsible for directing the work of the approved subcontractors and for any compensation due to subcontractors.

16. GOVERNING LAW

This Agreement must be construed, and its performance enforced under California law.

17. VENUE

In the event that either PARTY brings suit, the PARTIES agree that venue is vested in Santa Clara County Superior Court or United States District Court, Northern District of California, San José, California.

18. NOTICE

All notices and other communications required or permitted to be given under this Agreement must be in writing and must be personally served; mailed, postage prepaid via U.S. mail; or sent via courier service, addressed to the respective parties as follows:

CITY: Chief of Police
City of Morgan Hill
16200 Vineyard Boulevard
Morgan Hill, CA 95037

And

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

COUNTY: Program Manager
County of Santa Clara Animal Services
12425 Monterey Rd.
San Martin, CA 95046

Notice will be effective on the date personally delivered or if sent by courier service, on the date of receipt. If mailed, notice will be effective three (3) days after deposit in the mail. The PARTIES may change their respective addresses in accordance with the provisions of this Section.

19. MISCELLANEOUS

19.1 Survival of Provisions

If any part of this Agreement is for any reason found to be unenforceable, all other parts nevertheless shall remain enforceable.

19.2 Assignment

Subject to the provisions of Section 14 (ASSIGNABILITY), this Agreement binds and inures to the benefit of the PARTIES and their respective successors and assigns.

19.3 Headings

The headings of the sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and are not to be used in its construction.

20. CONTRACT EXECUTION

Unless otherwise prohibited by law or COUNTY policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the COUNTY.

WITNESS THE EXECUTION HEREOF on the day and year first written above.

CITY OF MORGAN HILL

APPROVED AS TO FORM:

CITY OF MORGAN HILL, a municipal corporation

By: _____
DONALD LARKIN
City Attorney
City of Morgan Hill

By: _____
CHRISTINA J. TURNER
City Manager,
City of Morgan Hill

Date: _____

Date: _____

COUNTY OF SANTA CLARA

APPROVED:

APPROVED AS TO FORM AND LEGALITY:

By: _____
MATTHEW HADA
PROCUREMENT DIRECTOR

By: _____
WILLIE NGUYEN
DEPUTY COUNTY COUNSEL

Date: _____

Date: _____

EXHIBIT A SCOPE OF SERVICES

COUNTY shall provide the following services to the animals listed below that are from the incorporated area of the CITY:

1. Sheltering of abandoned, lost or stray domestic animals;
2. Quarantine of impounded biting domestic animals;
3. Provision for reclaim of abandoned, lost or stray domestic animals during established business hours;
4. Euthanasia and disposal of abandoned, lost, impounded, or stray domestic animals that are unclaimed by their owners and are deemed unfit for adoption, rescue or return-to-field;
5. Return-to-field of free-roaming cats after sterilization and vaccination; and
6. Acceptance of owner-relinquished animals and confiscated animals on approval of the COUNTY Animal Services Program Manager after consideration of shelter population, space availability, and costs.

As part of the Shelter Services, COUNTY shall provide the following veterinary services to the animals listed below that are from the incorporated area of the CITY:

1. Veterinarian services during established business hours to treat and provide veterinarian care to stray, injured, or sick dogs, cats, and other impounded domestic animals;
2. Monitor quarantined animals; and
3. Low-cost spay/neuter services as provided to residents of the unincorporated areas of the County of Santa Clara.

COUNTY shall provide sheltering and veterinary care of domestic animals during normally staffed hours, which are Monday through Friday from 8:00 am through 6:00 pm and Saturday and Sunday from 8:00 am through 5:00 pm. Services will not be available on COUNTY holidays, however, CITY will have access to “night drop” kennels based on availability. Only dogs that appear to be free of injury may be left in the “night drop” kennels by authorized CITY staff. Dogs that are not bright, alert and active, have open wounds, broken limbs or have been hit by a car must be taken to an emergency veterinarian at the CITY’S expense, but may be transported to the shelter by the CITY

Animals taken into custody by CITY that are to be impounded by COUNTY are to be transported promptly and humanely, and shall be made available for owner redemption as required by law. Animals requiring a quarantine hold will be made available following the quarantine period. Whenever an animal is impounded with identification, COUNTY will make reasonable attempt to notify owners of the animal’s impoundment. Under any other circumstance which CITY requests that an animal not be made available for reclaim, adoption, rescue, or return-to-field, such request must be approved by the Animal Services Program Manager prior to impoundment. COUNTY will require an address (in the case of cats) or a street and cross street (in the case of all other animals) where each animal was found from both CITY and its residents, prior to accepting an animal for impound.

COUNTY may collect fees from the public in connection with a portion of the Animal Sheltering Services provided under this Agreement and as consistent with the County Ordinance, including but not limited to impound, boarding, and quarantine fees. These fees shall be at the rates established by COUNTY.

DRAFT

**EXHIBIT B
COMPENSATION**

Invoicing and Payment

1. Payment to COUNTY

For Animal Sheltering Services provided by COUNTY to the CITY under this Agreement, CITY shall pay COUNTY for the cost of animal shelter and other services for the period of July 1, 2025 through June 30, 2027 at the following rate and on the following schedule:

July 1, 2025 - June 30, 2026	\$69,556.84	Due July 11, 2025
July 1, 2026 - June 30, 2027	\$73,034.68	Due July 11, 2026

DRAFT

County of Santa Clara

Office of the County Executive

Communications Department
2700 Carol Drive
San Jose, California 95125-2032
(408) 977-3200 FAX 408-279-2666



MEMORANDUM

DATE: April 2, 2025

TO: Police Chief, City of Morgan Hill
Fire Chief, City of Morgan Hill

FROM: Trisha Adcock, Director of Communications *TA*

SUBJECT: EMD Estimate Charges for Dispatch Services

Several weeks ago, County Communications informed the city of the departments cost allocation methodology changes for EMD and impact to the City's cost.

We have received feedback concerning this increase and recognize the concerns. As a result, County Communications will maintain the 5% EMD cost of medical dispatching for Fiscal Year 2025-26. The increase in cost will be phased in, incrementally over the years of the contract until the County can achieve full cost recovery.

This is the revise estimate for Fiscal Year 25-26:

\$769,331	Total EMD cost 3 years average based on 5% of total medical cost
X 10.37%	City of Morgan Hill Share of EMD Activity based on 2,760 events divided by 26,261 total EMD medical activity
<hr/>	
\$79,753	EMD cost for FY 25-26

Language will be added to the City's agreement stating the phase in of EMD cost increase and we will provide you with that information shortly. If you or your staff have questions or would like more details, please reach out to the department or myself.

Thank you.

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN THE
COUNTY OF SANTA CLARA AND THE CITY OF MORGAN HILL
FOR EMERGENCY MEDICAL DISPATCH SERVICES**

This is the Second Amendment to the Agreement (“Agreement”) by and between the County of Santa Clara (“COUNTY”) and the City of Morgan Hill (“CITY”) originally entered into on July 1, 2023, for the provision of Emergency Medical Dispatch services to the CITY.

This Agreement is hereby amended as follows, effective July 1, 2025:

1. Article 3.1(a) regarding the Term of Agreement, is revised to read:
 - (a) This Agreement is effective for five (5) years, from July 1, 2023, through June 30, 2028, unless terminated earlier in accordance with Section 3.2.
2. Article 3.1(b) regarding the Term of Agreement is hereby deleted in its entirety.
3. Article 6.16 regarding the Levine Act Compliance, is revised to read:

CITY will comply and will ensure that its agents (as that term is defined under 2 Cal. Code Regs. § 18438.3(a)) and its subcontractors (“Subcontractors”) comply, with California Government Code section 84308 (“Levine Act”) and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8), which (1) require a party to a proceeding involving a contract to disclose on the record of the proceeding any contribution, as defined by Government Code section 84308(a)(6), of more than \$500 that the party or their agent has made within the prior 12 months, and (2) prohibit a party to a proceeding involving a contract from making a contribution, as defined by Government Code section 84308(a)(6), of more than \$500 to any County officer during the proceeding and for 12 months following the final decision in the proceeding. CITY agrees to submit disclosures required to be made under the Levine Act at the Office of the Clerk of the Board of Supervisors website at <http://www.sccgov.org/levineact>, and CITY shall require Subcontractors to do the same. If this Agreement is to be considered or voted upon by the County’s Board of Supervisors, CITY shall complete the Levine Act Contractor Form: Identification of Subcontractors and Agents, and if applicable, shall ensure that any Subcontractor completes the Levine Act Subcontractor Form: Identification of Agents, and CITY must submit all such forms to the County as a prerequisite to execution of the Agreement.

4. Replace Exhibit B-1, Compensation for Services, with revised Exhibit B-2, attached hereto and incorporated herein by this reference.

All other provisions of the Agreement remain in full force and effect. In the event of a conflict between the original Agreement or First Amendment and this Second Amendment, this Second Amendment controls. The Agreement as amended constitutes the entire agreement of the parties

concerning the subject matter herein and supersedes all prior oral and written agreements, representations and understandings concerning such subject matter.

IN WITNESS WHEREOF, the COUNTY and the CITY have caused this Amendment to the Agreement to be executed by their duly authorized representatives effective July 1, 2025.

SIGNATURES:

COUNTY OF SANTA CLARA

CITY OF MORGAN HILL

OTTO LEE, PRESIDENT Date
Board of Supervisors

CHRISTINA TURNER Date
City Manager

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:

ATTEST:

MICHELLE BIGELOW, MMC, CPMC
City Clerk

CURTIS BOONE
Acting Clerk of the Board of
Supervisors

APPROVED AS TO FORM AND LEGALITY:

APPROVED AS TO FORM:

STEPHANIE M. JACKSON
Deputy County Counsel

DONALD LARKIN
City Attorney

Exhibit to this Amendment:
Exhibit B-2 – Compensation for Services

EXHIBIT B-2

COMPENSATION FOR SERVICES

Emergency Medical Dispatching (EMD) Cost and Billing Methodology

1. The total COUNTY costs for providing dispatching services are allocated to four service areas (law enforcement, medical, fire and local government), based on the most recent three-year average number of events. In the month of March, the annual cost for the upcoming fiscal year (FY) will be estimated using the process described in this cost methodology.
2. Following is the computation for estimated costs for dispatching services to be provided by COUNTY to the CITY in FY 2025-2026:
 - a. COUNTY will classify costs as follows:
 - i. Direct Costs: salaries, benefits, and supplies related to Dispatch line staff.
 - ii. Operations Indirect Costs: costs associated with Dispatch management staff.
 - iii. Department Indirect Costs: costs associated with executive management and administrative support staff.
 - iv. County Indirect Costs: costs associated with County Administration.
 - b. COUNTY allocates salaries and benefits, other operating expenses, and indirect County overhead as follows:
 - i. Salaries & Benefits

Direct	\$ 20,499,280
Operations Indirect	\$ 2,769,076
Department Indirect	\$ 2,483,270
 - ii. Other Operating Expenses (Supplies, county radio infrastructure maintenance, etc.)

Direct	\$ 7,757,229
Operations Indirect	\$ 718,757
Department Indirect	\$ 904,350
Indirect County Overhead	\$ 5,491,713
 - iii. Total Dispatch Cost \$ 40,623,677
 - c. COUNTY allocates all costs to four service areas based on the number of events, averaged over the most recent three fiscal years, for services provided in each service area.

Service Area	# of Events	% of Total Support	Total Cost
Law Enforcement	146,730	40.7%	\$ 16,550,943
Medical	177,607	49.2%	\$ 20,003,943
Fire	28,605	7.9%	\$ 3,190,137
Local Government	7,705	2.1%	\$ 878,654
Total Dispatch	360,647	100.0%	\$ 40,623,677

- d. COUNTY allocates EMD medical costs to agencies/departments based on the number of events, averaged over the most recent three fiscal years (FY2022-FY2024) for services provided. Remove County Overhead and General Admin for cities covered by Government Code 51350.

Medical Agency	# of Events	% of Medical Support	Operating Cost	County Overhead	Total Medical Area Cost
Morgan Hill EMD	2,760	1.6%	\$268,830	\$41,993	\$ 310,822
Cost Adjustment/Reduction			(25,922)	(\$41,993)	(\$67,915)
Morgan Hill Cost			\$242,908		\$242,908
Contract reduction					(163,155)
Morgan Hill Adjusted Cost					\$79,753
All Other Agencies	174,847	98.4%	\$17,032,544	\$2,660,577	\$19,693,121
Total Medical	177,607	100.0%	\$17,301,373	\$2,702,570	\$20,003,943

- e. FY 2025-2026 the CITY's adjusted estimate is based on 5% of total medical cost based on the CITY's average number of EMD events. A contract reduction is added to this Cost Compensation exhibit to reduce the actual cost. Beginning with fiscal year 2026-2027 the COUNTY will phase in cost increases in increments of 2.5% of medical cost for the following fiscal years of the agreements. For example:

CITY EMD Cost	Percent	
\$ 79,753	5%	
\$ 134,516	7.5%	FY 26-27 Estimate

- During the fiscal year, COUNTY shall bill the CITY for EMD dispatching services quarterly based on the estimated cost. The COUNTY shall notify the CITY of any adjustment prior to billing the CITY's final fourth quarterly installment. Billing questions may be directed by email to Accounts Payable at Accounts.Payable@911.sccgov.org.
- In the first quarter of the following fiscal year, actual costs will be computed using the methodology used for cost estimates and update using the previous year's event count. Any difference in an increase or decrease cost adjustment will not exceed 5% above or below the previously billed amount.

From: [Christina Turner](#)
To: [CityClerk](#)
Subject: FW: [EXTERNAL] comment City Council June 4 #14 FY 2024-26 mid-cycle budget amendments
Date: Wednesday, June 4, 2025 6:45:10 AM

Please supplement.

From: Christina Turner
Sent: Wednesday, June 4, 2025 6:45 AM
To: D. Muirhead <doug.muirhead@stanfordalumni.org>
Cc: Dat Nguyen <Dat.Nguyen@morganhill.ca.gov>; Monica Delgado <Monica.Delgado@morganhill.ca.gov>
Subject: RE: [EXTERNAL] comment City Council June 4 #14 FY 2024-26 mid-cycle budget amendments

Hi Doug – thank you for reaching out and expressing your concerns regarding the current budget process. I would like to start by clarifying an important distinction that may help address your concerns. We are currently in the mid-cycle update phase of our two-year budget cycle. This phase is not a full budget adoption, but rather an opportunity to make adjustments, as needed, to the previously adopted budgets for FY 24-25 and FY 25-26. The focus is on refining our year-to-date revenues and expenditures, updating appropriations, and responding to changes or priorities that may have arisen since the original budget adoption in June 2024.

Your point about community engagement is heard. We recognize its importance and plan to continue these efforts in the months ahead, particularly around service prioritization and the possibility of a future revenue measure, should the Council choose to pursue that direction.

Regards,
Christina

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Tuesday, June 3, 2025 11:41 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: [EXTERNAL] comment City Council June 4 #14 FY 2024-26 mid-cycle budget amendments

Hello Morgan Hill City Council,
A comment on your June 4 meeting
agenda item #14 FY 2024-26 mid-cycle budget amendments

I object to the Administration claiming that it wants to CONTINUE Community Engagement efforts. The Staff Report states
COMMUNITY ENGAGEMENT: Involve

History: May 22, 2024 Budget Workshop

I am unaware of any other Community Engagement about budgets since then. You did not even follow your own policy CP-06-02 City Council Meeting Schedule: The Council will hold its annual Budget Workshop during the month of May.

I agree strongly with the Administration claim that "several critical trends continue to shape our fiscal outlook and demand strategic attention" and "more immediate and disruptive measures ... would have far-reaching detrimental effects."

Given the focus by both our County and State governments on reduced services in the coming year, I cannot understand why our City Council and City Manager have been silent. Several residents voiced their concerns in letters and at a Mayor coffee event about lack of public engagement in April and May. Contrast this with City Administrator Forbis in Gilroy who held multiple strategic planning sessions with his City Council both to educate the new members and to get priority suggestions from Council members and City residents.

A little history for those of you becoming active in City government more recently. Back in 2019, the City formed an Engage Morgan Hill Community Advisory Group. This year-long effort concluded in June 2020. From the City Council Staff Report July 22, 2020:

The focus of this process was both educating and engaging the community regarding what services the City provides, how City services are provided, and the funding sources/options for services as we look toward the future. The intent was that the members of the group would take their deeper understand out into the community in preparation of a revenue ballot measure. When the City Council decided that there was insufficient support for a ballot measure, the Advisory Group was terminated.

I am quite disappointed in this Council and Administration.
Doug Muirhead, opinionated resident since 2005

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credit card numbers, bank routing numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.



Mid-Cycle Budget Update

June 4, 2025

Item # 14

AGENDA DATE: 06/04/2025

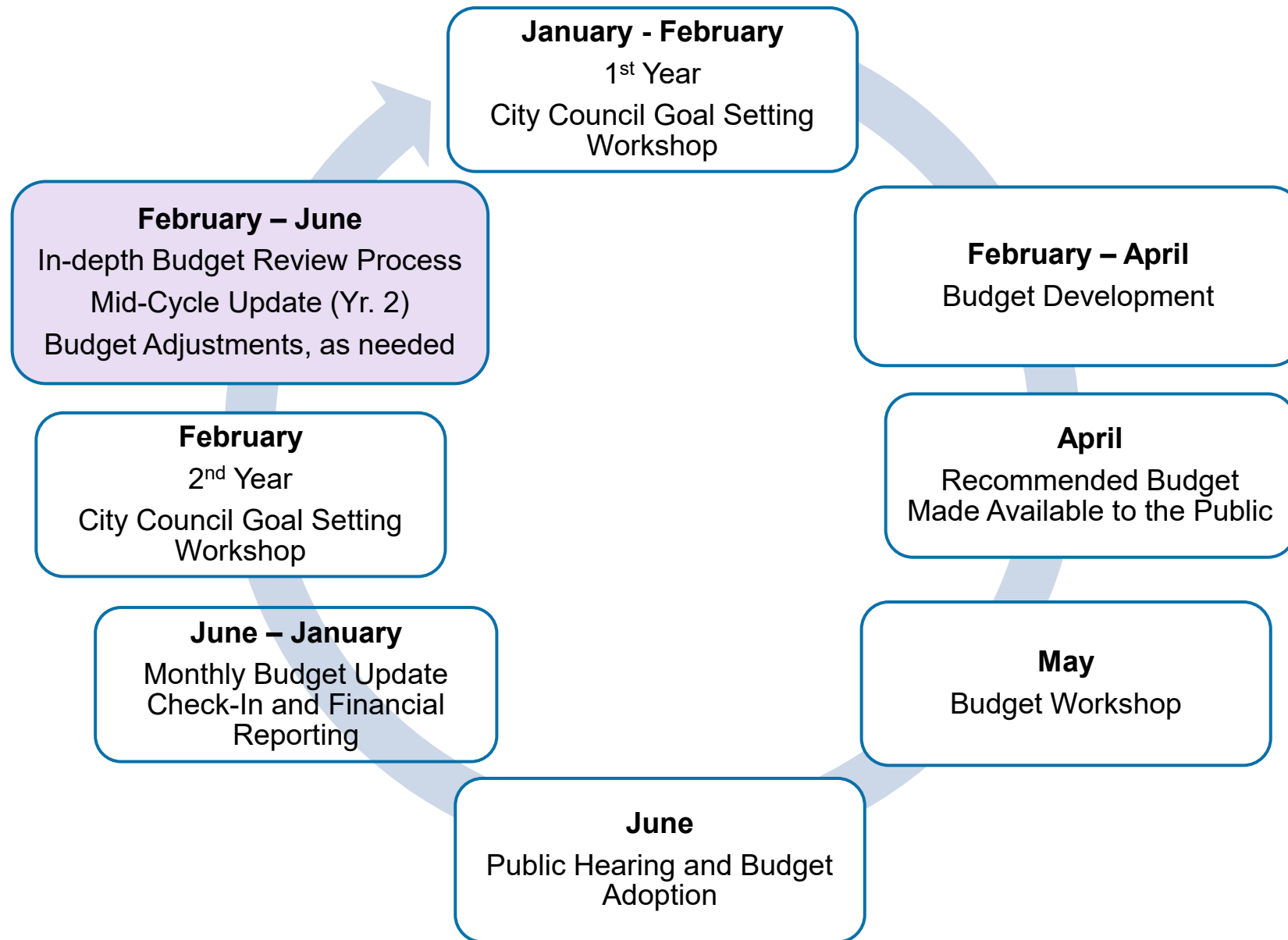
PRESENTATION



Overview

- Biennial Budget Process
- Mid-Cycle Budget Update
- Community Funding
- Policy Actions to Consider
- Recommendations

Biennial Budget Process



Mid-Cycle Budget Update

FY 2024-25

- Sales Tax – \$0.9 million lower
- TOT – \$0.2 million lower
- Interest Income – \$0.3 million higher
- Recreation – \$0.6 million lower net impact
- Dispatch Operations – \$150K for remodel/refresh
- Public Safety Enhancement - \$24K/annual for Downtown flock cameras
- Workers' Compensation – Additional appropriation \$300K

Mid-Cycle Budget Update FY 2024-25 (cont'd)

Budget Amendment:

- Workers' Compensation – \$300K

Mid-Cycle Budget Update FY 2025-26

Total Budget Amendments:

- General Funds – \$206K reduction in revenue; \$390K additional appropriations
- Non-General Funds - \$616K increase in revenue; \$1.2 million additional appropriations

Mid-Cycle Budget Update FY 2025-26 (cont'd)

- Property tax – \$0.6 million higher
- Interest Income – \$0.3 million higher
- Sales tax – \$1.2 million lower
- TOT – \$0.3 million lower

Mid-Cycle Budget Update

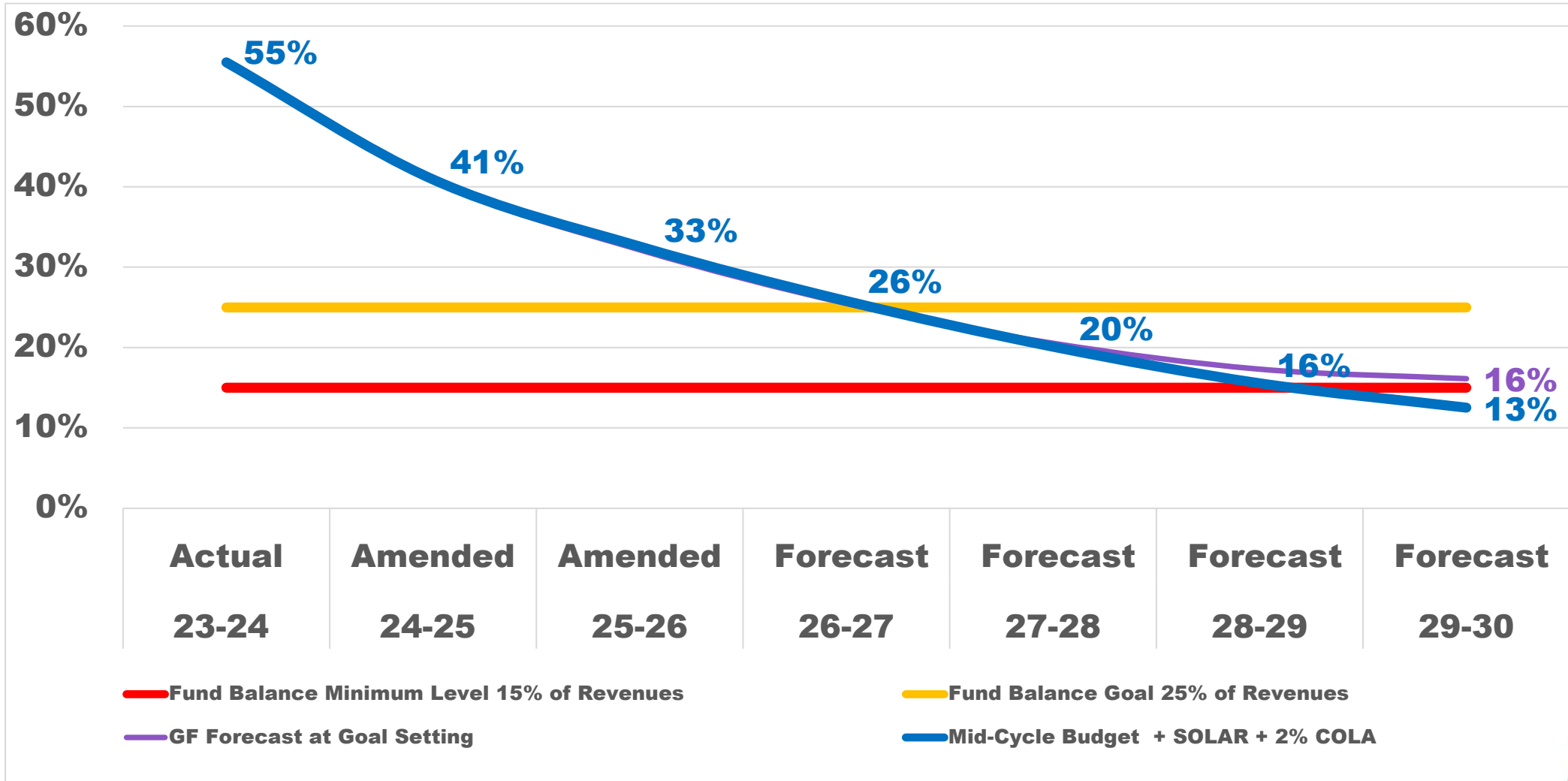
FY 2025-26 (cont'd)

- SVCE Grant - \$100K over two years for Environmental Programs
- SCCDAO Grant – \$100K to support SCYTF
- Enhancement of Fire Services – No additional cost to the City
- Solid Waste Implementation Funds – Additional \$263K to support solid waste and environmental programs

Mid-Cycle Budget Update FY 2025-26 (cont'd)

- County Solid Waste Program – \$794K lower from County funding
- CIP Fund - \$50K for PW Inspectors vehicle
- SCVE CIP Grant - \$1.0 million grant to fund \$1.5 million aquatics energy efficiency project
- Well Destruction - \$160K to comply with State requirements

Updated General Fund Forecast





Community Funding

Mid-Cycle Budget Update

Community Funding

- 20 applications from 15 organizations
- Total funding requested: \$392,122 (\$180,000 budgeted)
- Funding options:
 - Option 1 – Long term events and recently supported events, additional \$111K needed
 - Option 2 – Long term events only, additional \$44K needed
 - Option 3 – Funding to meet budget
 - Option 4 – Full funding, additional \$162K needed
 - Option 5 – Fund specific requests as designated by the Council



Next Steps

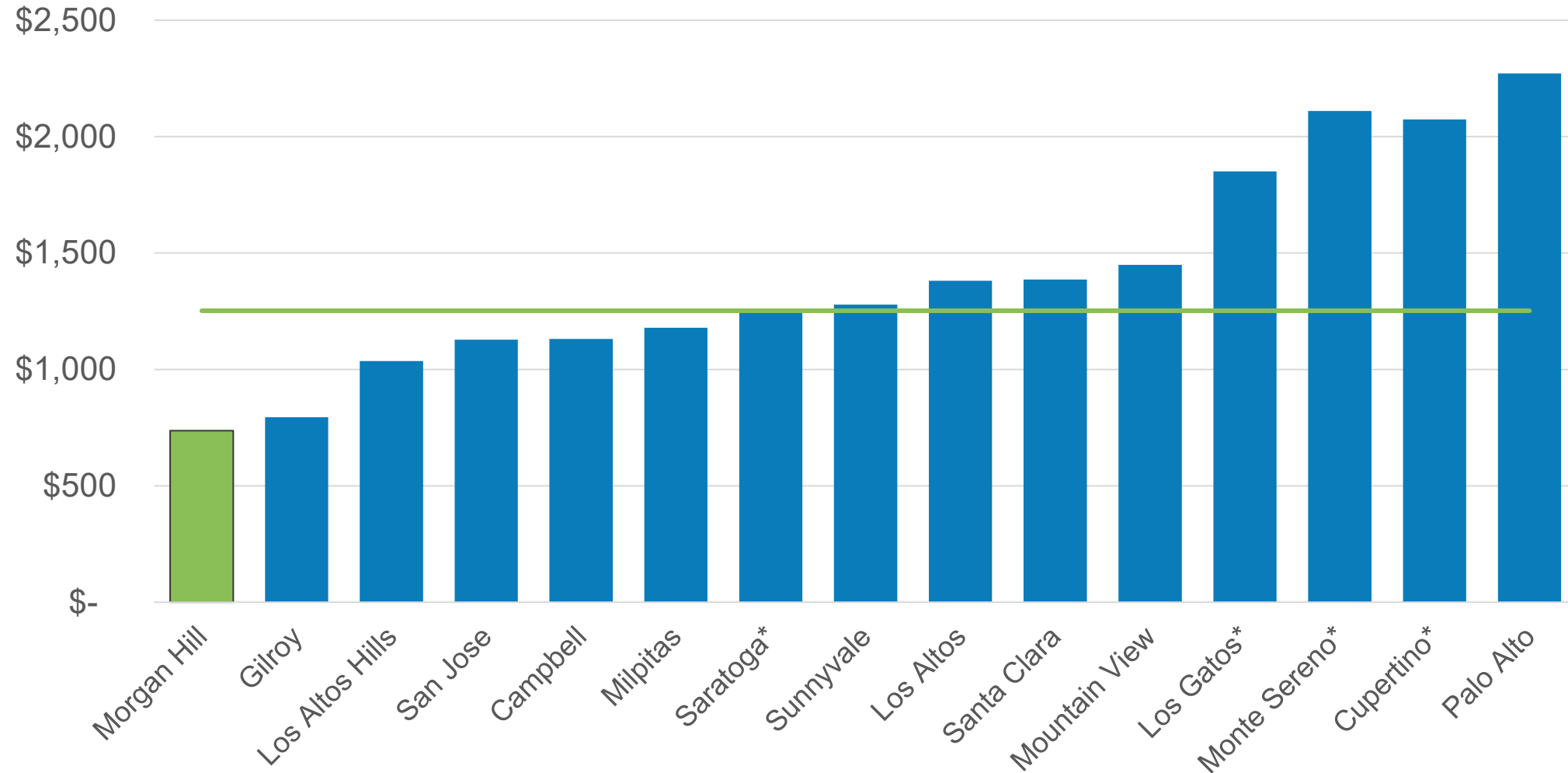
Next Steps

- Critical trends continue to shape fiscal outlook and demand strategic attention:
 - Increased economic uncertainty
 - Structural budget imbalance
 - Limited revenue tools compared to peers
- To maintain current service levels and preserve a sufficient General Fund reserve, an additional annual revenue stream of approximately \$4 million is needed

Next Steps (cont'd)

- Without this additional revenue, service reductions will be unavoidable
- Staff recommends City Council direction to continue Community Engagement efforts focused on service prioritization and/or exploring a Revenue Enhancement measure

Tax Revenue Per Capita FY 2023-24



*Property tax amount includes Santa Clara County Central Fire District FY24-25

Why are we the lowest?!?!

Additional local taxes:

- Utility User Tax
 - Gilroy, San Jose, Cupertino, Sunnyvale, Los Altos, Mountain View, and Palo Alto
- Sales Tax
 - San Jose, Campbell, Milpitas, and Los Gatos
- Low Property Tax (Prop 13 Base Year)

Utility User Tax (UUT)

- General Tax, 50% + 1 majority approval
- Potential Rate: 5%, Phase-In
- About 150 cities in CA have UUT
- Projected additional annual revenue: \$5.2 million

City	Tax Rate	Revenue
Sunnyvale	2.0%	\$10.8M
Cupertino	2.4%	\$3.9M
Mountain View	3.0%	\$7.6M
Los Altos	3.5%	\$3.2M
Gilroy	5.0%	\$6.6M
Palo Alto	5.0%	\$19.0M
San Jose	5.0%	\$152.1M

Transaction and Use Tax (TUT)

- General Tax, 50% + 1 majority approval
- High volatility, economy dependent
- Rate: 0.25%
- Projected additional annual revenue: \$2.9 million

City	Add'l Rate	Revenue
Campbell	0.75%	\$10.5M
Los Gatos	0.125%	\$0.8M
Milpitas	0.25%	\$7.0M
San Jose	0.25%	\$38.0M

Business License Tax

- General Tax, 50% + 1 majority approval
- Projected additional annual revenue: depending on structure
- 100% increase from existing structure would only raise additional \$200K/year

Recent Tax Measures in the County

2020

- Santa Clara – TOT
 - Raised rate from 9.5% to 13.5%, expect to raise \$7 million

2022

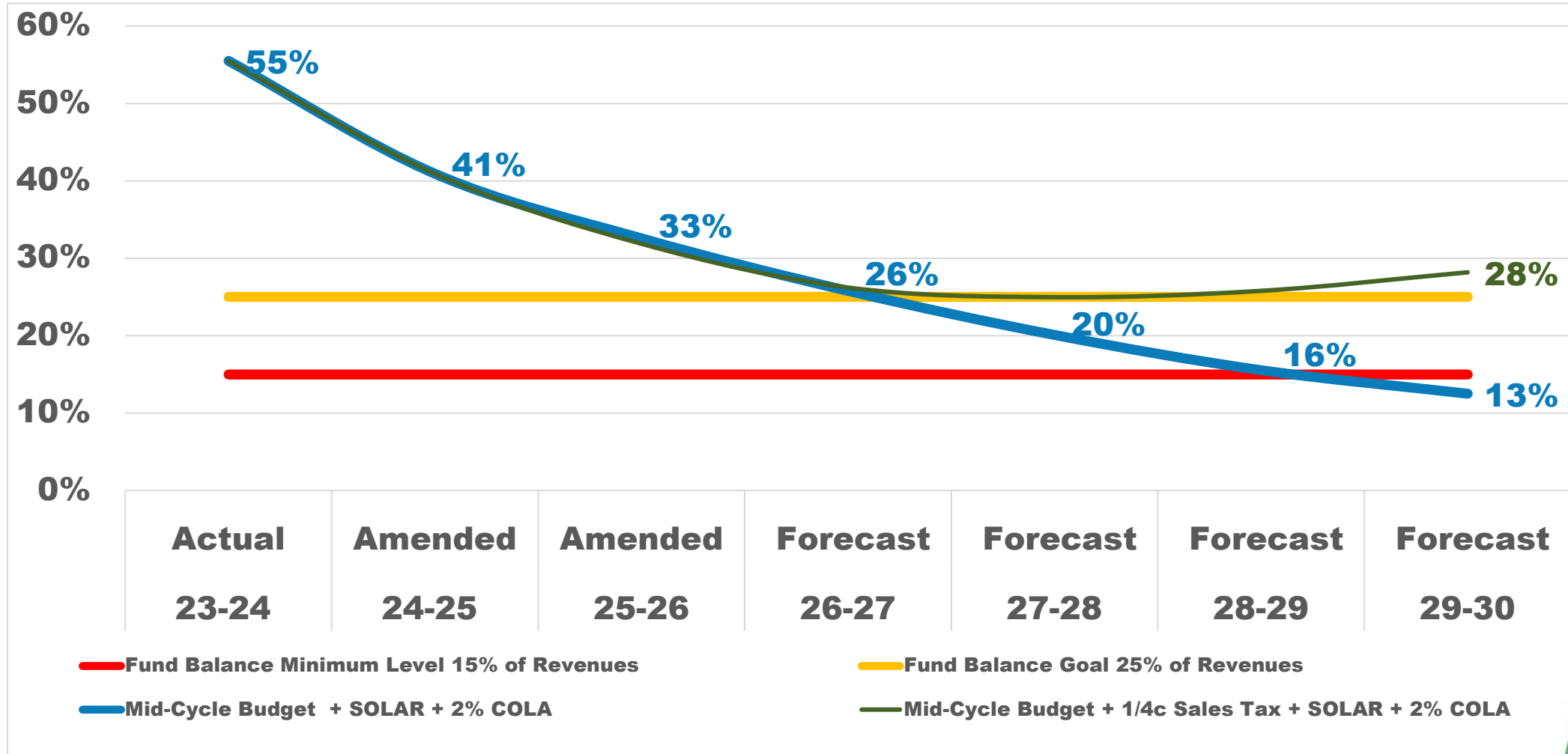
- Santa Clara – Business License Tax
 - Raising \$6 million
- Los Gatos – Business License Tax
 - Raising \$1.1 million
- Palo Alto – Business License Tax
 - Raising \$9.6 million

Recent Tax Measures in the County (cont'd)

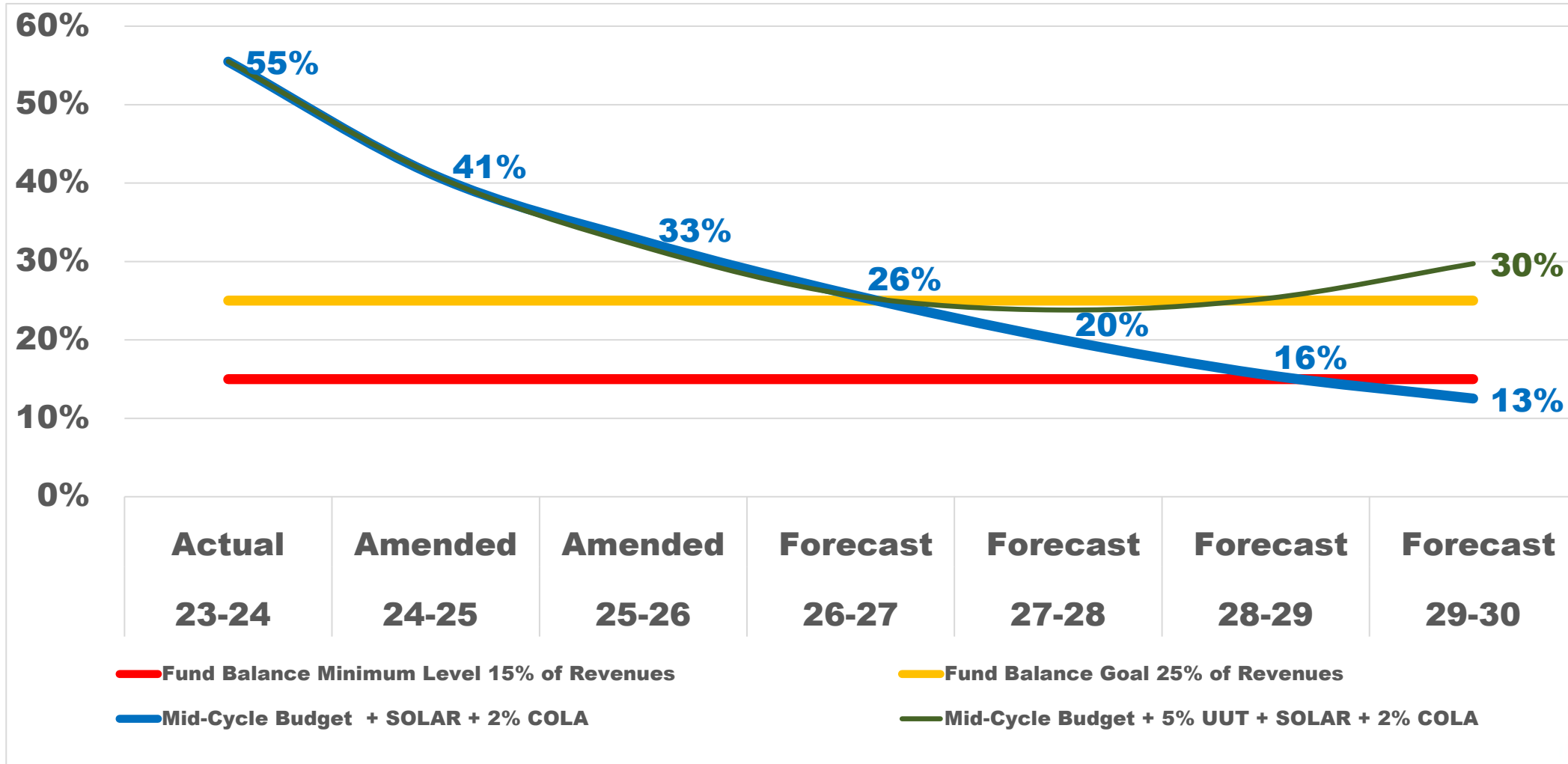
2024

- Santa Clara – Infrastructure Bond
 - \$19 per \$100K AV, issuance of \$400 million bond
- Mountain View – Property Transfer Tax
 - \$15 per \$1,000 for those >\$6 million, expect to raise \$9.6 million
- Milpitas – Sales Tax Renewal
 - Renew ¼ cent (2020) for 8 years, expect to provide \$7 million
- Campbell – Sales Tax Increase
 - Additional ½ cent, expect to raise \$7 million
 - Total 0.75%

General Fund Forecast with TUT



General Fund Forecast with UUT*



* 3-Year Phase-In



Recommendations

Recommendations

1. Adopt resolution amending the adopted FY 2024-25 and FY 2025-26 budgets
2. Approve the FY 2025-26 Community Funding
3. Authorize the City Manager to further negotiate and enter into the related agreements with the County for Animal Sheltering Services and Emergency Medical Dispatch Services

Recommendations (cont'd)

4. Amend the City's Fiscal Policy A.9 to discontinue the allocation of GF Budget Savings to the OPEB Section 115 Trust
5. Delegate the authority to the City Manager to renew software licenses if they are included in the Adopted Budget
6. Direct staff to continue Community Engagement efforts on service prioritization and/or a Revenue Enhancement Measure

Questions?

CITY COUNCIL STAFF REPORT

MEETING DATE: June 4, 2025

PREPARED BY:

Christina Turner, City Manager

APPROVED BY: City Manager

PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

RECOMMENDATION(S)

Determine if the majority of the City Council wants the following item agendized at a future meeting for discussion:

Create a policy on the regularity of City Council meetings.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Community Engagement

REPORT NARRATIVE:

Section 4.2 of City Council Policy 97-01 (Attachment 1) allows members of the City Council to request items be added to an upcoming City Council agenda by requesting an item during the "Future Council Initiated Agenda Items" section of the agenda. A City Council report will then be placed on an upcoming agenda for Council discussion and consideration.

Below is a brief description of the item proposed on May 21, 2025, for Council consideration.

Create a policy on the regularity of City Council meetings (requested by Council Member Martinez Beltran, Attachment 2)

In recent months, certain City Council meetings have been canceled at the discretion of the City Manager and Mayor, as deemed appropriate. Council Member Martinez Beltran raised concerns about the length of time between meetings not being conducive to conducting the City's or the public's business. City Council Policy 06-02 (Attachment 3) establishes the meeting schedule for the City Council and would be the appropriate policy to amend based on the outcome of Council action.

Staff is seeking direction on whether the City Council would like this item agendized for a formal discussion.

The estimated staff time to prepare a full City Council Staff Report on this topic is approximately 2 hours.

COMMUNITY ENGAGEMENT:

This report seeks direction from the City Council on whether or not to further agendize this topic for Council consideration.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 21, 2025, a Council Member requested this item be brought back for Council consideration.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with seeking direction from the Council on this item.

CEQA (California Environmental Quality Act):

Not a Project.

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-97-01

SUBJECT: **RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS, PLACEMENT OF ITEMS ON THE AGENDA, AND MATTERS TO BE RECONSIDERED**

EFFECTIVE DATE: **May 7, 1997**

REVISED DATE: **March 15, 2023, August 23, 2023, June 19, 2024**

ORIGINATING DEPARTMENT: **CITY MANAGER**

SECTION 1 - SCOPE

- 1.1** These rules shall establish the procedures for the conduct of all meetings of the City Council of the City of Morgan Hill. The purpose of these rules is to provide procedures consistent with the Ralph M. Brown Act, establish procedures which will be convenient for the public, be fair to all members of the City Council, and contribute to the orderly conduct of City business.

SECTION 2 - MEETINGS

- 2.1** Open to Public: All meetings of the City Council, whether regular or special, shall be open to the public, unless a closed session is scheduled as authorized by law.
- 2.2** Regular Meetings: The City Council shall conduct its regular meetings at the time and place established by ordinance, if specified in the ordinance or resolution.
- 2.3** Review Status of Agenda at 9:00 p.m.: The City Council may review the agenda at 9:00 p.m. to determine if it will be able to conclude its business by 10:00 p.m. If, at 10:00 p.m., the City Council has not concluded its business, before continuing the meeting it shall review and discuss the status of the remaining agenda items and determine by majority vote whether to continue any remaining items to a future regular or special meeting, adjourn the meeting to another date and time, or extend the meeting beyond 10:00 p.m. as needed. The meeting may be extended beyond 10:00 p.m. one time. Additional extensions of time will be at the Mayor's discretion.
- 2.4** Special Meetings/Workshops: A special meeting and/or workshop may be called at any time by the Mayor or Presiding Officer of the City Council or by three members of the City Council. Written notice of any such meeting must specify the purpose of the meeting. Notice of the meeting must be made in accordance with the law.
- 2.5** Closed Sessions: The City Council may hold closed sessions during a regular or special meeting, or at any time authorized by law, to consider or hear any matter which is authorized by law. At times, Closed Sessions may have to be held in an order different than presented due to the timeliness of the matter, to save the City money when an outside attorney has been retained or due to the need for extra time to discuss and deliberate an

important closed session item. Closed session items may be continued to the conclusion of the agenda.

- 2.6 Quorum:** Three (3) members of the City Council shall constitute a quorum and shall be sufficient to transact business. If less than three Council members appear at a regular meeting, the Mayor, Mayor Pro Tempore in the absence of the Mayor, any member of the City Council, or in the absence of all Council members, the City Clerk or Deputy City Clerk shall adjourn the meeting to a stated day and hour.
- 2.7 Adjourned Meetings:** The City Council may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment and permitted by law.

SECTION 3 - POSTING NOTICE AND AGENDA

- 3.1 Posting of Notice and Agenda:** For every regular or special meeting, the City Clerk or other authorized person, shall post a notice of the meeting specifying the time and place at which the meeting will be held and an agenda containing a brief description of all items of business to be discussed at the meeting. The notice and agenda may be combined in a single document.
- a. Posting for Regular Meetings:** For any regular meeting of the City Council, the notice and agenda shall be posted no later than seventy-two (72) hours prior to the time set for the meeting consistent with all Brown Act requirements.
 - b. Posting for Special Meetings:** For any special meetings of the City Council, the notice and agenda shall be posted no later than twenty-four (24) hours prior to the time set for the meeting consistent with all Brown Act requirements.
- 3.2 Location of Posting:** The notice and agenda shall be posted on the City's website and in a place to which the public has unrestricted access during at least normal business hours and where the notice and agenda are not likely to be removed or obscured by other posted materials.
- 3.3 Availability of the Agenda to the Public:** The agenda for any regular or special meeting shall be made available to the public as soon as is practical after delivery to the members of the City Council.

SECTION 4 - AGENDA CONTENTS

- 4.1 Description of Matters:** All items of business to be discussed at a meeting of the City Council shall be briefly described on the agenda. The description of the item and the proposed action to be considered should be set forth as clearly as practical so that members of the public will know the nature of the action under review and consideration.
- 4.2 Placement of items on the agenda:** The Mayor, City Manager, or City Attorney may place items on the agenda. Members of the City Council may request items to be added to an upcoming City Council agenda by requesting an item during the "Future Council Initiated Agenda Items" Section of the agenda. When a Future Council Initiated Agenda Item is requested, the Council Member making the request will send the City Manager a brief

summary outlining the request and any relevant background. If the requested item is not included in the current Strategic Priorities Workplan, the team will bring forward the item at a future Council Meeting within 30-45 days of the request via a brief staff report, including the brief summary provided by the requesting Council Member. At that meeting, the City Council will review the request and determine if the majority of the City Council wants the items agendaized at a future meeting for discussion.

- 4.3** Council shall not act or take a position on: Matters outside of the Morgan Hill City Council's subject matter jurisdiction, including foreign or international events. Appropriate subject matter jurisdiction includes agenda items directly related to Morgan Hill business, as well as County/regional items having a direct impact on the City (i.e. countywide emergency services or transportation).
- 4.4** Limitation to Act on Only Items on the Agenda: No action shall be taken by the City Council on any item not on the posted agenda, subject only to the exceptions listed below:
- a. Upon a majority determination that an "emergency situation" (as defined by State Law) exists; and
 - b. Upon a determination by a 4/5 vote of the City Council that there is a need to take immediate action and that the need to take the action came to the attention of City officials subsequent to posting of the agenda.
- 4.5** Change in Order of Business: The Mayor or Presiding Officer may decide to take matters listed on the agenda out of the prescribed order unless a majority of members present object to this variation.
- 4.6** City Council Reports: On an alternating basis, at each Regular City Council meeting, with a time limit of three minutes, a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.
- 4.7** City Manager Report: These are updates on current City activities, reports on issues raised at previous Council meetings, or recognitions. These are non-action items.
- 4.8** City Attorney Report: These are updates on current City activities, reports on issues raised at previous Council meetings, or reportable actions of the City Council in Closed Sessions and/or current litigation. These are non-action items.
- 4.9** Other Reports: These are pertinent updates or information on upcoming activities or events relevant to City business with a time limit of one minute. These are non-action items.
- 4.10** Public Comment for items not on the agenda: This refers to those matters not scheduled on the agenda where a member of the public wants to address a matter of importance to the City Council. Since the matter is not on the agenda, no action by Council can be taken. If a member of Council so desires, the matter can be placed on the agenda of a future Council meeting for review and consideration.
- 4.11** Consent Calendar: These are items of a routine or generally uncontested nature. Any member of the Council or member of the public may request to have an item pulled from the

consent calendar and acted on individually by the Council. Items pulled will be discussed after action is taken on the balance of the consent calendar. The Mayor shall decide if the items are heard before or after moving on to public hearing and other business items.

- 4.12 Public Hearings:** These are matters that are duly noticed and published in a newspaper of general circulation and where required by law, written notice is given to the affected residents who have the opportunity to speak in favor or against a matter or ask questions about the matter.
- 4.13 Other Business:** These are other matters of City business which are not appropriately placed on the consent calendar and do not require published notices and require Council action and direction.
- 4.14 Future Business:** These are items that members of the City Council wish to discuss to potentially take action on or have placed on future agendas.

SECTION 5. ORDER OF BUSINESS

- 5.1** The order of business at meetings of the City Council shall be as follows:
- a.** CALL TO ORDER
 - b.** ROLL CALL ATTENDANCE
 - c.** DECLARATION OF POSTING AGENDA
 - d.** WORKSHOP (if needed; 5:00-6:00 p.m., or as deemed appropriate)
 - e.** CLOSED SESSION (if needed; 5:00-6:00 p.m., or as deemed appropriate)
 - f.** SILENT INVOCATION
 - g.** PLEDGE OF ALLEGIANCE
 - h.** PRESENTATIONS
 - i.** PROCLAMATIONS
 - j.** RECOGNITIONS
 - k.** CITY COUNCIL REPORTS
 - l.** CITY MANAGER’S REPORT
 - m.** CITY ATTORNEY’S REPORT
 - n.** OTHER REPORTS
 - o.** PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA
 - p.** ADOPTION OF AGENDA
 - q.** CONSENT CALENDAR

- r. PUBLIC HEARINGS
- s. OTHER BUSINESS
- t. FUTURE COUNCIL INITIATED AGENDA ITEMS
- u. CLOSED SESSION
- v. ADJOURNMENT

SECTION 6. PUBLIC COMMENT

- 6.1** Public Comment: Persons present at meetings of the City Council may comment on individual items on the agenda at the time the items are scheduled to be heard. In addition, comments may be offered on items not on the agenda under that portion of the agenda. In accordance with State law, matters not scheduled on the agenda cannot be acted upon by the City Council, but items raised by the public during public comment may be referred to a future City Council agenda at the request of the Mayor or City Council.
- 6.2** Limitations: The public comment period may be 3 minutes for items on the agenda or items not listed on the agenda. Speakers are called in the order the speaker cards are submitted. Project applicants or appellants will be allowed more than the designated 3 minutes in accordance with City Council Policy 03-01. Consistent with this policy, the Mayor or Presiding Officer may recall an applicant or appellant to address questions after the public comment is heard. In addition, applicants will be given time at the end of the public hearing to address any questions or comments.

The Mayor or Presiding Officer may allow speakers who wish to speak under public comment for items not on the agenda to concede a portion of their time, specifically, one speaker may concede a portion of their time to one other speaker. For all other business items, the Mayor or Presiding Officer may allow speakers more time and/or allow speakers to concede a portion of their time to a designated speaker of a group, specifically up to two speakers may concede their time to one speaker, unless a majority of the City Council objects. Speakers that wish to designate a group speaker shall notify the City Clerk before discussion on the item begins. Additionally, any speaker that concedes their time must be present at that City Council meeting. Speaker who would like to share documents or presentations may do so by submitting said document to the City Clerk by noon on the day of the City Council Meeting. Speaker may not share videos or presentations with videos embedded within them.

- 6.3** Procedure: To address the City Council, each speaker is requested to fill out a Speaker Card and turn it in to the City Clerk before discussion on the agenda item begins. The speaker is requested to provide their name, contact information, and the subject(s) upon which the speaker wishes to address the City Council. Speakers who do not wish to provide their name should provide an alternative designation so that they can be called to speak by the City Clerk.

Public comment may be provided in writing for items on the agenda, as well as for items not on the agenda. Public comment in writing may be submitted via email to ccpubliccomment@morganhill.ca.gov or by mail to the City Clerk at 17575 Peak Avenue,

Morgan Hill, CA 95037. Please email your comments to the City Clerk no later than 3:00 p.m. on Tuesday (the day before the City Council meeting) for your comments to be submitted to the members of the City Council with sufficient time to review the comments. You may continue to provide written comments up to noon on Wednesday (the day of the meeting although Council Members may not have sufficient time to review them. Public comments submitted to the City Clerk after noon the day of the meeting will be provided to the City Council as time allows.

Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website, so do not include any personal information you do not want to be posted on the web.

SECTION 7. PROCEDURES FOR THE CONDUCT OF MEETINGS

7.1 Role of the Mayor/Presiding Officer:

- a.** The Presiding Officer of the City Council, who shall be the Mayor or in the Mayor's absence shall be the Mayor Pro Tempore, or in their absence any other designated member of the City Council, shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Presiding Officer to ensure that the rules of operation and decorum contained herein are observed. The Presiding Officer shall maintain control of communication between Council Members and between the Council, staff, and public.
- b.** Communication with Council Members:
 - 1.** Council Members should request the floor from the Presiding Officer before speaking.
 - 2.** When one member of the Council has the floor and is speaking, other Council Members shall not interrupt or otherwise disturb the speaker.
 - 3.** During both questions, when one Council Member has the floor, they are limited to 5 minutes. During discussion, the Mayor and Council Members as a whole are limited to 15 minutes. The time limit may be extended at the Mayor's discretion.
 - 4.** With the concurrence of the Mayor, a Council Member holding the floor may address a question to another Council Member. The Council Member being questioned may or may not respond while the floor is still held by the Council Member asking the question. The reply shall be limited to the question asked.
- c.** The Mayor or Presiding Officer may declare that an item within the meeting will be conducted in "workshop" format, which means that the procedures described in section 7.1B do not strictly apply. This is to allow for a more open discussion without strict formalities. The Mayor or Presiding Officer may end the workshop format for the item at his/her discretion.
- d.** Communication with Members of the Public Addressing the Council

1. The Mayor or Presiding Officer shall open the floor for public testimony as appropriate.
 2. After a witness or subject matter expert has addressed the City Council during public comment, Council members may only ask questions of witnesses or subject matter experts. Such questions should be directed to the person through the Presiding Officer unless the Presiding Officer grants the Council Member permission to directly question the person.
 3. Staff members, through the City Manager, shall be a resource to the City Council to answer questions arising during discussions between Council Members and between Council Members and members of the public. Communications in this regard shall be through the Presiding Officer.
 4. Members of the public shall direct their questions and comments through the Presiding Officer.
- 7.2 Rules of Order:** The City Council adopts no specific rules of order except those listed herein. The City Council shall refer to Rosenberg's Rules of Order (available at <https://www.cacities.org/UploadedFiles/LeagueInternet/77/77d4ee2b-c0bc-4ec2-881b-42ccdbbe73c9.pdf>) as a guide for the conduct of meetings. The guideline regarding not requiring seconds for governmental bodies' motions, resolutions or ordinances is not adopted as the rule in the City. The Mayor or Presiding Officer has the discretion to impose reasonable rules at any particular meeting based upon facts and circumstances found at any particular meeting. These latter rules will be followed unless objected to by a majority of the City Council members present.
- 7.3 Motions:** The Mayor or any member of the City Council may bring a matter of business on the agenda before the Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the Presiding Officer shall open the matter for full debate offering the first opportunity to debate to the moving party and, thereafter, to any Council Member recognized by the Mayor or Presiding Officer. Debate shall be closed upon consent of a majority of the Council.
- 7.4 Reconsideration:** Immediately after a vote on a matter, any member of the City Council may request to have his/her vote changed on a matter before the Council moves on to the next item. Such a request will be granted by the Mayor or Presiding Officer unless a majority of the Council objects.

A matter may be reconsidered by the City Council if a member on the prevailing side of the vote requests reconsideration. Such a motion may be made at a meeting where such action is taken or at a subsequent meeting of the Council, however, nothing in this policy precludes the majority of members of the City Council from requesting reconsideration of any item.

- 7.5 Debate:**
- a. The discussions and deliberations at meetings of the City Council are to secure the informed judgement of Council members on proposals submitted for decision. This

purpose is best served by the exchange of thought through discussion and debate.

Debate is regulated by these rules in order to assure every member a reasonable and equal opportunity to be heard.

b. Obtaining the Floor for Debate:

As soon as a debatable motion has been stated to the Council by the Mayor or Presiding Officer, any member of the Council has a right to discuss it after obtaining the floor. The member obtains the floor by seeking recognition from the Mayor or Presiding Officer. A member who has been recognized is entitled to be heard so long as he/she observes the rules of debate.

c. Speaking More Than Once:

To encourage the full participation of all members of the Council, no member or members shall be permitted to monopolize the discussion of the question. If a Council member has already spoken and other members wish to speak, the latter members should be recognized in preference to the member who has already spoken. However, if no other members seek recognition, the Mayor or Presiding Officer may recognize the member who has already spoken.

d. Relevancy of Debate:

All discussion must be relevant to the motion before the City Council. A member is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. The Mayor or Presiding Officer should then direct the speaker to limit discussion to the question before the City Council.

A motion-its nature or consequences-may be attacked vigorously. But it is never permissible to attack the motives, character, or personality of a member either directly or by innuendo or implication. It is the duty of the Mayor or Presiding Officer instantly to stop any member who engages in personal attacks. It is the motion, not its proposer, that is the subject of debate. Meetings must discuss measures and ideas, not people.

Arguments, for or against a measure, should be stated as concisely as possible.

Debate must be fundamentally impersonal. All discussion is addressed to the Mayor or Presiding Officer and must never be directed to any individual.

e. Mayor's Duties During Debate:

The Mayor or Presiding Officer has the responsibility of controlling and expediting debate. A Council member who has been recognized to speak on a question has a right to the undivided attention of the Council.

It is the duty of the Mayor or Presiding Officer to keep the subject clearly before the members, to rule out irrelevant discussion, and to restate the question whenever necessary.

SECTION 8. DECORUM

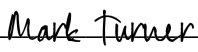
- 8.1 Council Members:** Members of the City Council value and recognize the importance of the trust invested to them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the City Council.
- 8.2 City Employees:** Members of City staff shall observe the same rules of order and decorum applicable to the City Council. City staff shall act at all times in a business and professional manner towards Council Members and members of the public.
- 8.3 Public:** Members of the public attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council.
- 8.4 Noise in the Chamber:** Noise emanating from the audience within the Council Chamber or lobby area, which disrupts City Council meetings, shall not be permitted.
- 8.5 Sergeant-at-Arms:** The Chief of Police, or his/her designated representative shall be ex-officio Sergeant-at-Arms of the City Council.

SECTION 9. VIOLATIONS OF PROCEDURES

- 9.1** Nothing in these policies and procedures shall invalidate a properly noticed and acted upon action of the City Council in accordance with State Law.

This policy shall remain in effect until modified by the City Council.

APPROVED:

DocuSigned by:

9581D1D2BBAF481...
MARK TURNER, MAYOR

From: Yvonne Martinez Beltran <yvonne.martinezbeltran@morganhill.ca.gov>

Sent: Wednesday, May 28, 2025 3:38 PM

To: Christina Turner <Christina.Turner@morganhill.ca.gov>

Subject: Agenda request- Council Meetings

Dear City Manager,

I would like for us to create a policy on the regularity of our City Council Meetings. We have had council meetings cancelled for 6 weeks, twice in the past year. While having time free up and time off is always appreciated, it is not conducive to conducting City or the Public's Business.

I am requesting the agenda item be added promptly to the June 4th meeting.

In Community,

Yvonne Martínez Beltrán

Mayor Pro Tem

City of Morgan Hill

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-06-02

SUBJECT: CITY COUNCIL MEETING SCHEDULE

EFFECTIVE DATE: April 1, 2023

ORIGINATING DEPT: City Clerk

The City Council has ordained that regular meetings are to be held on the first, third, and fourth Wednesdays of every month at 6:00 p.m. In the event of a legal holiday occurring on a regular City Council meeting day, the meeting(s) will be canceled. Should the Mayor and City Manager determine that the third meeting of the month is not necessary, they shall have the authority to cancel the meeting.

The City Council desires to take official legislative recesses, at various times, to accommodate community and civic commitments, vacations, and the City's operations schedule. As such, the following meeting schedule will apply for the months of January, July, September, October, November and December of every year:

- For the month of January, should the City furlough its employees the last week in December, the first meeting in January shall be canceled.
- The Council will hold its annual Goal Setting retreat the first Friday and Saturday of February.
- The Council will hold its annual Budget Workshop during the month of May.
- For the month of July, all meetings are to be canceled for summer recess.
- For the months of September and October, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the meeting date falls on Rosh Hashanah or Yom Kippur. In which case, said meeting will be canceled.
- For the month of November, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the Wednesday meeting date falls the day before the Thanksgiving Holiday. In which case, said meeting will be canceled.
- For the month of December, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 6:00 p.m.; unless the Wednesday meeting date(s) fall on the Christmas Holiday and/or during the Holiday furlough. In which case, said meeting(s) will be canceled.

The City Council shall have the ability to adjust and/or add other meeting dates, as deemed appropriate.

This policy shall remain in effect until modified by the City Council respectively.

APPROVED:

DocuSigned by:

Mark Turner

MARK TURNER, Mayor

From: [D. Muirhead](#)
To: [CC Public Comment](#)
Subject: [EXTERNAL] comment City Council June 4 #15 Council meeting regularity
Date: Wednesday, June 4, 2025 9:19:35 AM

Hello Morgan Hill City Council,
A comment for your meeting June 04 2025
Item #15: Regularity of City Council meetings

Before you discuss frequency and content of City Council meetings, I would like each Council member to state their position on whether a Council meeting is just YOUR business meeting or is OUR opportunity to participate in OUR governance.

If you select "business meeting", then lack of predictable/regular meetings is not an issue. The City Administration can continue to publish agenda packets using the minimum Brown Act 72-hour schedule as a ceiling rather than a floor, continue to keep the rolling forecast of when agenda items will be presented not available to the public, and cancel meetings at the discretion of the City Manager and Mayor as they deem appropriate.

On the other hand, if you see Council meetings as opportunities for our residents to participate in our governance, then you will support regular engagement, visibility of proposed future topics, and adequate time to read, research, reflect and respond for issues being presented. If staff is unable to produce content for a meeting, consider using the time to have study sessions or other topical discussions.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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Item # 15

AGENDA DATE: 06/04/2025

SUPPLEMENT # 2

From: Christina Turner

To: Michelle Bigelow

Subject: Wednesday, June 4, 2025 City Council Meeting Questions

Supplement for Item 15 - PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

Date: Wednesday, June 4, 2025

Question: What is the protocol for cancellation of a meeting?

Response: The City Council meeting schedule is adopted annually by resolution. A scheduled meeting can be canceled by the Mayor, City Manager, or a majority of the City Council. Cancellations typically occur when there are no pressing agenda items or due to holidays or other conflicts.

Question: How many items need to be on the agenda?

Response: There is no set minimum number of agenda items required to hold a meeting. However, staff generally aim to ensure there is enough business to warrant the time and cost of convening the meeting. A light agenda may still be appropriate if the items are time-sensitive or required by law.

Question: What is the cost of a regular meeting?

Response: While exact figures can vary, a typical regular Council meeting costs an estimated \$3,500 to \$5,000, accounting for:

- Staff time to prepare, review, and present reports (City Manager's Office, City Clerk's Office, City Attorney, Finance, Department Directors, etc.)
- Meeting setup and breakdown (A/V and facilities)
- Administrative support before, during, and after the meeting

When staff, including Department Directors, the City Attorney, and the City Manager, are preparing for meetings, they are often pulled away from other important operational or strategic work. The workload includes prepping reports, reviewing materials for legal and budget compliance, public noticing, and more.

Question: What is the cost for additional police or EMS presence?

Response: The presence of public safety personnel at Council meetings is not always required. However, when requested or deemed necessary, the estimated cost for an officer is approximately \$200 to \$300 per hour, depending on the staffing level, plus overtime, if applicable. EMS costs are uncommon unless a special event is involved.

Question: What city staff gets paid additional compensation to attend the meeting?

Response: Non-exempt teammates receive overtime or comp time if the meeting extends beyond their regular shift. This typically includes:

- A/V teammates
- Deputy City Clerk
- Planners, Engineers

Exempt employees (Managers and Directors) do not receive additional pay for attending meetings outside regular work hours.

Question: How many hours does it take for staff to set up meetings?

Response: Setting up for a Council meeting takes a minimum of 10 hours. Typically, the workload is spread across multiple teammates as follows:

- 2–4 hours for A/V, tech checks, and facility setup
- 6–10+ hours for agenda compilation
- 3-10+ hours per staff report for budget compliance, legal review, completeness, and overall coordination
- Additional time for follow-up actions after the meeting
 - Archiving agendas
 - Processing resolutions and ordinances
 - Recording documents
 - Minutes and more

These estimates represent a typical meeting. Special meetings, workshops, or those with controversial or complex items can require significantly more time.

From: [D. Muirhead](#)
To: [CC Public Comment](#)
Subject: [EXTERNAL] comment #2 City Council June 4 #15 Council meeting regularity
Date: Wednesday, June 4, 2025 8:56:39 PM

Hello Morgan Hill City Council,
An additional comment for your meeting June 04 2025
Item #15: Regularity of City Council meetings

The Staff Report states
In recent months, certain City Council meetings have been canceled
at the discretion of the City Manager and Mayor, as deemed appropriate.

Your Policy CP-06-02 only allows the Mayor and City Manager to cancel
the third meeting of the month if it is not necessary.

Your Policy CP-06-02 gives the City Council the ability to adjust
and/or add other meeting dates, as deemed appropriate.

Regards, DougM

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