



City Council

Special/Regular Meeting Agenda

<i>Mark Turner</i>	-	<i>Mayor</i>
<i>Marilyn Librers</i>	-	<i>Mayor Pro Tem</i>
<i>Soraida Iwanaga</i>	-	<i>Council Member</i>
<i>Yvonne Martínez Beltrán</i>	-	<i>Council Member</i>
<i>Miriam Vega</i>	-	<i>Council Member</i>

Wednesday, September 16, 2026

Closed Session 5:30 p.m.
Regular Session 6:00 p.m.

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

Morgan Hill City Council meetings are held in person. Members of the public may attend in person or participate remotely through Zoom or by telephone. Information about how to observe and participate in the meeting is provided below.

MEETING PARTICIPATION

Language Interpretation / Interpretación de idiomas

Live digital language interpretation is available. To access the interpretation during the meeting, go to:

<https://live.pocketalk.com/guest/S71BBUiWwiqXh3sPBf9Bfs2Ey4OYY9zgv8vZB5>

or scan the QR code below:

Tenemos Interpretación digital en vivo. Para usar la interpretación durante la reunión, visite:

<https://live.pocketalk.com/guest/S71BBUiWwiqXh3sPBf9Bfs2Ey4OYY9zgv8vZB5>

o escanee el código QR a continuación:



You can use a headset on your phone for audio or read the transcript on your device. Tablets and disposable headphones will be provided in person during the meeting to those who do not have their own devices.

Puede usar audífonos en su celular para escuchar el audio o leer la transcripción. Durante la reunión, se prestarán tabletas y audífonos desechables para las personas que no tengan su propio aparato.

Members of the public who need interpretation services or plan to bring an interpreter may request assistance from the City. Assistance may include coordinating interpretation services, arranging space for an interpreter, allowing additional time for interpretation, or accommodating personal interpretation equipment or services. Contact the City Clerk's Office at (408) 779-7259 or by email at cityclerk@morganhill.ca.gov at least 72 hours before the meeting. Requests received with less than 72 hours' notice will be accommodated when reasonably possible, but assistance cannot be guaranteed.

Las personas que necesiten servicios de interpretación o que piensen traer a un intérprete pueden pedir ayuda a la Ciudad. La ayuda puede incluir coordinar servicios de interpretación, preparar un espacio para el intérprete, permitir más tiempo para la interpretación o permitir el uso de equipos o servicios personales de interpretación. Comuníquese con la Oficina de la Secretaria Municipal al (408) 779-7259 o a cityclerk@morganhill.ca.gov por lo menos 72 horas antes de la reunión. Las solicitudes recibidas con menos de 72 horas de anticipación se atenderán cuando sea posible, pero no se puede garantizar la ayuda.

Remote Participation

Members of the public may attend, observe, and participate in the meeting remotely through Zoom or by telephone. Meetings are also livestreamed on the City's YouTube page. Automatic captions will be enabled in Zoom.

If a disruption of the City-provided remote access service prevents members of the public from attending or observing the meeting remotely, the City will follow its adopted disruption policy and the Ralph M. Brown Act. The City is not responsible for technical difficulties caused by a participant's equipment, internet connection, telephone service, or other circumstances outside the City's control.

To participate through Zoom, use the following link:
<https://bit.ly/MHCityCouncilMeeting>

Zoom participants should use the latest version of Zoom. Participants may be required to update Zoom before joining the meeting.

To participate by telephone, call (669) 900-9128 and enter webinar ID 873 3200 8380#. Dial *9 to raise your hand. When called upon, dial *6 to unmute. Speakers may have up to three minutes.

PUBLIC COMMENT

Members of the public may provide oral public comment in person or remotely during the meeting. Written comments may be submitted before the meeting. Remote participants will receive the same speaking time as in-person participants.

Each speaker may have up to three minutes per item. If many people wish to speak about an item, the Mayor may reduce the speaking time for each speaker to accommodate additional speakers and maintain the orderly flow of the meeting.

Public comment will first be heard from participants attending in person who submitted speaker cards. The City will then call on Zoom participants who have raised their hands. After all speakers have been heard, the public comment period for that item will close.

Remote participants may comment on all agenda items for which public comment is permitted. During regular meetings, remote participants may also comment during the general public comment period on matters within the City Council's jurisdiction that are not listed on the agenda.

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 comments no later than 3:00 p.m. the day before the meeting, so the City Council has time to review them. Comments may be submitted until noon on the day of the meeting, but Council Members may not have time to review them before the meeting. Comments received after noon on the day of the meeting will be provided to the City Council as time allows.

Written comments will not be read aloud during the meeting. They will be provided to the City Council, included in the meeting record, and posted on the City's website. Do not include personal information that you do not want published. Communications sent to the City Council are public records and may be disclosed under the California Public Records Act and the Ralph M. Brown Act unless exempt from disclosure under applicable law. Written comments will generally be posted as submitted.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, a person with a disability may request a disability-related modification, accommodation, auxiliary aid, or service needed to participate in the meeting. Contact the City Clerk's Office at (408) 779-7259 or by email at cityclerk@morganhill.ca.gov as early as possible, preferably at least two full business days before the meeting. Requests received with less notice will be accommodated when reasonably possible, but assistance cannot be guaranteed.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:30 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:30 p.m. Closed Session

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

CLOSED SESSION

Conference with Real Property Negotiators [Government Code § 54956.8]

Property: APN 817-06-002

Negotiating Parties: Bay Area Sports Financing; Christina Turner, City Manager; and Chris Ghione, Assistant City Manager/Public Services Director

Under Negotiation: Price and Terms of Payment

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT OUT

PROCLAMATIONS

Childhood Cancer Awareness Month

National Preparedness Month

CITY COUNCIL REPORTS

Council Member Martinez Beltran

OTHER REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

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. **ACCEPT ANNUAL EVALUATION REPORT FOR THE SANTA CLARA COUNTY MULTI-JURISDICTIONAL PROGRAM FOR PUBLIC INFORMATION (PPI) FOR FY 2025-26 (YEAR 5) RELATING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S NATIONAL FLOOD INSURANCE PROGRAM'S COMMUNITY RATING SYSTEM PROGRAM**

Recommendation:

Accept the Annual Evaluation Report for FY 2025-26 (Year 5) for the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information (PPI).

2. **ACCEPT THE 2025 ENCINO TANK REHAB PROJECT**

Recommendation:

1. Accept as complete the 2025 Encino Tank Rehab 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.

3. **ACCEPT THE CITYWIDE MULTI-SITE SOLAR SYSTEM PROJECT**

Recommendation:

1. Accept as complete the 2025 Citywide Multi-Site Solar System Project;
2. Authorize the Public Services Director to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

4. **APPROVE CHANGE ORDER FOR BUTTERFIELD FIRE STATION PROJECT IN THE AMOUNT OF \$25,825**

Recommendation:

Approve and authorize the City Manager to execute a Change Order with Larry S. Kent, Inc. DBA Kent Construction in the amount of \$25,825 for coordination, submittals, meetings, third-party electrical testing, validation, and securing the facility's commercial Permission to Operate (PTO) with Pacific Gas and Electric Company (PG&E) for the Butterfield Fire Station Project.

5. **APPROVE THE AUGUST 19, 2026 AND AUGUST 26, 2026 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the August 19, 2026 and August 26, 2026 City Council Meeting Minutes.

6. **APPROVE THIRD AMENDMENT TO THE SERVICE AGREEMENT WITH CARBONIC SERVICE, INC. FOR CARBON DIOXIDE (CO²) SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$100,000**

Recommendation:

1. Approve the Third Amendment to the Service Agreement with Carbonic Service, Inc. for an additional year of carbon dioxide (CO²) services for \$25,000, for a total agreement amount of \$100,000; and
2. Authorize the City Manager to execute and administer the Service Agreement.

7. **APPROVE PACIFIC GAS AND ELECTRIC COMPANY (PG&E) AGREEMENT FOR UNDERGROUNDING DRY UTILITIES FOR THE UPPER LLAGAS**

CREEK FLOOD CONTROL PHASE 2B PROJECT BETWEEN WRIGHT AND MAIN AVENUES IN AN AMOUNT OF \$388,390.48

Recommendation:

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities on Hale Avenue between Main Avenue and Wright Avenue for \$388,390.48.

8. AUTHORIZE CITY MANAGER TO EXECUTE FIRST AMENDMENT TO PROPERTY USE AGREEMENT WITH NEW CINGULAR WIRELESS PCS FOR CELL SITE AT 2275 ROLLING HILL DRIVE

Recommendation:

Authorize the City Manager to execute the First Amendment to New Cingular Wireless PCS's Property Use Agreement.

9. RATIFY CITY POSITION ON PENDING LEGISLATION

Recommendation:

Ratify the City's position supporting pending legislation Assembly Bill 1821 (Pacheco) California Public Records Act: agency response time.

10. RECEIVE MONTHLY BUDGET UPDATE AND AUGUST 2026 FINANCIAL AND INVESTMENT REPORTS

Recommendation:

Receive and file reports.

OTHER BUSINESS

11. CONSIDERATION OF A FORMAL CENSURE OF COUNCIL MEMBER YVONNE MARTINEZ BELTRAN

Recommendation:

1. Receive Presentation of Censure Resolution from Outside Special Counsel (7 minutes);
2. Receive Response from Council Member Martinez Beltran (7 minutes);
3. Receive Rebuttal Comments from Outside Special Counsel (2 minutes);
4. Receive Public Comment;
5. Receive Council Comments; and
6. Consider adoption of Resolution entitled "A Resolution of the City Council of the City of Morgan Hill, California, Approving Censure of Council Member Yvonne Martinez Beltran."

PUBLIC HEARINGS

**12. CONSIDERATION OF ADOPTION OF AN INTERIM ORDINANCE
INSTITUTING A TEMPORARY 45-DAY MORATORIUM TO PROHIBIT
PROCESSING AND APPROVAL OF NEW LAND USE APPLICATIONS FOR
FREE STANDING DATA CENTERS AND GRID-SCALE BATTERY ENERGY
STORAGE SYSTEMS (BESS) WITHIN CITY LIMITS**

Recommendation:

1. Determine the adoption of this Interim Ordinance is exempt from California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3);
2. Introduce by title only, adopt, and waive further reading of Interim Ordinance, imposing a 45-day moratorium prohibiting processing and approval of new land use applications for Free Standing Data Center or Grid-Scale Battery Storage Systems;
3. Direct staff to develop policy and regulations relating to free standing data center and grid-scale battery energy storage systems; and
4. Direct the Planning Commission to review draft policies and regulations and make recommendations to City Council in accordance with the Morgan Hill Municipal Code.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

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 2026-2027

- Fiscal Sustainability
- Public Safety
- Affordable Housing and Homelessness
- Economic Development and Tourism
- Transportation
- Economic Mobility

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
- Promoting a Healthy Community

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Maria Angeles, Senior Civil Engineer

APPROVED BY: City Manager

ACCEPT ANNUAL EVALUATION REPORT FOR THE SANTA CLARA COUNTY MULT-JURISDICTIONAL PROGRAM FOR PUBLIC INFORMATION (PPI) FOR FY 2025-26 (YEAR 5) RELATING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S NATIONAL FLOOD INSURANCE PROGRAM'S COMMUNITY RATING SYSTEM PROGRAM

RECOMMENDATION(S)

Accept the Annual Evaluation Report for FY 2025-26 (Year 5) for the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information (PPI).

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life

Strategic Priorities 2026-2027

Public Safety

REPORT NARRATIVE:

On June 16, 2021, the City Council adopted the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information (2021 PPI). The Federal Emergency Management Agency (FEMA) requires that annual evaluation reports on the 5-year Multi-Jurisdictional PPI be shared with the elected bodies that approved them. The Annual Evaluation Reports for FY 2021-22 (Year 1), FY 2022-23 (Year 2), FY 2023-24 (Year 3), and FY 2024-25 (Year 4) were previously submitted to City Council at its meeting on October 19, 2022, August 23, 2023, August 28, 2024, and August 20, 2025, respectively. Attached is our submittal of the Annual Evaluation Report for FY 2025-26 (Year 5 - last report) (Attachment 1).

Community Rating System (CRS) Program and PPI Background

CRS is a voluntary program under FEMA's National Flood Insurance Program (NFIP) that allows communities to earn flood insurance premium discounts for their residents and businesses. Communities earn CRS points for activities that promote good flood risk reduction practices, including implementation of outreach activities under the PPI. Communities are assigned class ratings based on the points earned. CRS Class ratings

are assigned at 500-point increments, and each improvement in class rating nets an additional 5% discount for property owners who pay flood insurance premiums in participating communities.

The City of Morgan Hill has participated in the CRS Program since May 2003 and has a current CRS class rating of 7, which allows Morgan Hill residents and businesses a 15% discount on their flood insurance premiums. There is an average savings of \$150 per policy as a result of the City's CRS class 7 rating.

The Program for Public Information (PPI) was introduced into the CRS in 2013. The PPI encourages participating CRS communities to collaborate with local stakeholders in designing a community outreach program on flood risk reduction that meets local needs. The PPI must be developed by a committee comprised of both staff and non-governmental representatives/stakeholders from each of the participating agencies, known as the PPI Committee.

Valley Water led the development of the first five-year Multi-Jurisdictional PPI (2015 PPI), which was adopted in 2015 by the City and all other participating CRS communities in Santa Clara County. The 2015 PPI concluded in 2020.

The City Council adopted the subsequent Multi-Jurisdictional PPI, the 2021 Santa Clara County Multi-Jurisdictional PPI (2021 PPI), on June 16, 2021, after the conclusion of the 2015 PPI.

Each subsequent year after adopting the 2021 PPI, the PPI Committee must submit an Annual Evaluation Report to FEMA describing the PPI implementation for the prior fiscal year. The attached Annual Evaluation Report is the fifth and last report for the 2021 PPI. Overall, the PPI Committee successfully implemented and completed the 2021 PPI in FY 2025-26.

COMMUNITY ENGAGEMENT:

Inform

Under the 2021 Multi-Jurisdictional PPI, the City collaborates with Valley Water and local stakeholders to deliver targeted flood risk, safety, and insurance information to Morgan Hill residents and businesses. This outreach is conducted through direct mailings to flood-prone areas and electronic communications to the community. These coordinated efforts support property owners in understanding local flood hazards, maintain flood insurance, and adopt effective property protection measures.

ALTERNATIVE ACTIONS:

Not Applicable

Acceptance of a report only; no action required.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On August 20, 2025, the City Council received the Annual Evaluation Report for

FY 2024-25 (Year 4).

- On August 28, 2024, the City Council received the Annual Evaluation Report for FY 2023-24 (Year 3).
- On August 23, 2023, the City Council received the Annual Evaluation Report for FY 2022-23 (Year 2).
- On October 19, 2022, the City Council received the Annual Evaluation Report for FY 2021-22 (Year 1).
- On June 16, 2021, the City Council adopted the 2021 Santa Clara County Multi-Jurisdictional Program for Public Information (PPI).

FISCAL AND RESOURCE IMPACT:

The acceptance of this report has no fiscal impact. The City's current participation in the implementation of the PPI has been accommodated with the existing staff and operating budgets for the Floodplain Management Program within the Public Services Department. For the past five years, Valley Water incurred the cost to manage and coordinate the meetings and other tasks associated with the Multi-Jurisdictional PPI. It is currently unknown if the PPI Committee will decide to develop the next five-year Multi-Jurisdictional PPI and which agency(ies) will lead its management.

CEQA (California Environmental Quality Act):

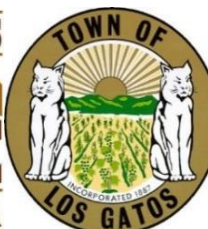
Not a Project

The acceptance of this report is considered "an organizational or administrative activity of a government that will not result in direct or indirect physical changes in the environment."

Santa Clara County Multi-Jurisdictional Program for Public Information 2021

FY26 Annual Evaluation Report

(Year 5: July 2025 to June 2026)



July 2026

Prepared by:

Santa Clara Valley Water District

and

Santa Clara County CRS communities

I. INTRODUCTION

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

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

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

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

CRS-creditable PPIs can be single or multi-jurisdictional. For the 2021 PPI, FEMA requires that each CRS community provide at least two representatives to the regional PPI Committee to meet the credit requirement, with at least half of the representatives from outside the local government. Additionally, at least half of the representatives must attend all the meetings of the regional PPI Committee.

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

The 2021 PPI Committee, the remaining non-CRS communities (City of Saratoga, Town of Los Gatos, Town of Los Altos Hills, and the County of Santa Clara), and other interested parties make up the Santa Clara County CRS Users Group.

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

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

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

Flood insurance premiums for CRS communities are reduced in 5% increments for every 500 CRS points earned. As of May 31, 2026, the total savings for Santa Clara County residents from CRS discounts are approximately \$2 million.

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

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

In 2013, Valley Water helped initiate and facilitate the effort to develop the first Multi-Jurisdictional PPI, enabling all Santa Clara County CRS communities to work together and benefit from the effort. Non-CRS communities were also invited to participate in developing the PPI. This work effort resulted in the 2015 Multi-Jurisdiction PPI (2015 PPI).

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

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

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

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

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

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

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

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

II. 2021 PPI DEVELOPMENT PROCESS

Valley Water, CRS, and non-CRS communities initiated the 2021 PPI process in February 2020. Discussions were postponed due to COVID-19; the process was reinitiated in October 2020. The Santa Clara County 2021 Multi-Jurisdictional Program for Public Information document was completed in April 2021 (*refer to Section I. Introduction for COVID-19-related delays*).

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

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

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

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

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

FEMA's ISO CRS Specialist and Technical Reviewers determine how many CRS points the 2021 PPI activities earn. The PPI Committee estimates that of the possible 350 points for Activity 330, each CRS community could earn up to 300+/- points for PPI efforts.

Once Valley Water approved the 2021 PPI (5-Year Plan), the final document was provided to the 2021 PPI Committee to present to their governing bodies for adoption and implementation.

Table 1. Dates of 2021 PPI Adoption shows each agency's 2021 PPI approval dates; all 11 CRS communities have adopted the 2021 PPI.

Table 1. Adoption Dates of the 2021 PPI

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

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

III. ANNUAL EVALUATION REPORTS

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

The evaluation will cover the following:

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

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

As required, annual evaluation reports for FY22 (Year 1 of the 2021 PPI) through FY26 (Year 5 of the 2021 PPI) were prepared, sent to each CRS community's governing body, and included in each community's respective annual recertifications or as part of a community's documentation for those that were cycled on any given year.

Section V. 2024 Santa Clara County CRS Users Group/PPI Committee Meetings – Monitoring and Evaluating the 2021 PPI of this annual evaluation report summarizes the meetings held to develop the FY26 Annual Evaluation Report (Year 5 of the 2021 PPI).

Table 2 below shows how each community expects to share the FY26 Annual Evaluation Report with its governing body.

Table 2. How the 2021 PPI FY26 (Year 5) Annual Evaluation Report will be shared with the Community's Governing Body

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

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

IV. 2021 PPI ACCOMPLISHMENTS FOR FY26

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

1. Governing bodies must adopt the 2021 PPI (*Table 1. Adoption dates of the 2021 PPI*). The 2021 PPI Committee must prepare an annual evaluation report and share it with its governing body as informational items (*Table 2. How the 2021 PPI Annual Evaluation Report for FY26, Year 5 will be shared with the Community's Governing Body*).
2. For each fiscal year (*July 1 - June 30*), the communities must implement and monitor the outreach/flood response projects identified in Appendix A, CRS Creditable Outreach and Flood Response Projects by CRS Community of the 2021 PPI (*Attachment 2*).
3. The PPI Committee must review and consider the 'New Initiatives' identified in the 2021 PPI (*page 66*) for advancing flood risk reduction efforts.

Governing Bodies Approval: All 11 CRS communities' governing bodies, including Valley Water, adopted the 2021 PPI. Each agency (Community) shows the approval dates in Table 1 noted above.

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

ISO assigns credit for Valley Water outreach/flood response projects to all Santa Clara County CRS communities' ratings. Some communities also choose to carry out and report on their own outreach/flood response projects, in addition to those of Valley Water. These projects are shown on the composite spreadsheet (*Attachment 2 - Appendix A from 2021 SC County Multi-Jurisdictional PPI noting FY26 Project Accomplishments*) and include input from each agency.

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

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

Summary of PPI Projects Accomplished in FY26

Attachment 2 of this annual evaluation report includes the complete outreach/flood response project list. It lists all projects proposed in the 2021 PPI, with a "Project Accomplishments" column noting actions taken during the fourth year, FY26 of the 2021 PPI.

Audiences	Projects Accomplished
Community at Large (CAL)	81 potential projects, 64 accomplished
Residents and Businesses in the Special Flood Hazard Area (SFHA)	18 potential projects, 16 accomplished
Messengers to Other Target Audiences (Organizations & Businesses Serving the Community)	10 potential projects, 10 were accomplished
*Total Accomplished Projects	90 of 109

** Note: All projects carried out by CRS communities were accomplished in FY26. Variance in the number of potential projects versus accomplished projects is due to no updates from non-CRS communities, which is not required for this annual evaluation report.*

These numbers go well beyond the minimum requirements of the CRS program for PPI credit under Activity 330. We anticipate all CRS communities will receive the maximum number of credits for our collective efforts in FY26.

Valley Water's Outreach/Flood Response Projects

The 2021 PPI Committee identified each community's outreach/flood response projects. The implementation of these projects is reflected in the 'FY26 (Year 5) of the 2021 PPI Project Accomplishments' column of Attachment 2.

FY26 Annual Flood Awareness Campaign

Valley Water's FY26 Flood Awareness Campaign (*Attachment 3 for more details*) effectively educated and engaged residents in Santa Clara County about the risks of flooding, emphasizing the importance of proactive preparation and access to vital safety resources. The campaign leveraged cutting-edge technologies like digital geo-targeting and multilingual outreach, blending traditional strategies with innovative solutions to connect with communities at risk of flooding.

Goals:

1. **Awareness:** Educate FEMA-designated Special Flood Hazard Areas (SFHAs) residents and businesses about their flood risks and mitigation strategies.
2. **Preparedness:** Empower residents to take preventative actions, including knowing their flood risk, signing up for emergency alerts, and knowing where to find free sandbags.
3. **Access:** Provide multilingual resources and technologies to connect diverse communities with flood safety information, including the innovative Valley Water's Surface Water Data Portal. When extreme weather strikes, residents can know if their home is at risk of flooding by visiting alert.valleywater.org for the latest information on local creeks and reservoir water levels.

Refer to Attachment 3 for more details on Valley Water's FY26 flood awareness campaign.

CRS Community Outreach/Flood Response Projects

Other Community Engagement Efforts

October 2025 officially kicked off the flood season.

On November 19, 2025, staff participated in a flood preparedness press conference held at Valley Water's Emergency Operations Center site in San José. The press conference was a joint news event with the City of San José, the County of Santa Clara, and the National Weather Service. The event featured speakers from Valley Water and participating agencies, a tour of Valley Water's Emergency Operations Center, and an emergency kit assembly table with flood-readiness materials.



Valley Water Education Outreach Program

Valley Water's Education Outreach includes flood awareness messaging in classroom lessons presented year-round. A dedicated flood-focused lesson is offered from October through April. Valley Water's role as a flood protection agency is introduced in all lessons so that participants in Education Outreach programs know that flood protection is one of Valley Water's core objectives in Santa Clara County.

The following are the Education Outreach efforts from July 2025 - June 2026.

Flood-Focused Programs

Education Outreach offers two lessons and one assembly focused on flood awareness and preparedness: The Three Little Pigs and the Bad Weather Wolf for transitional kindergarten through second grade, and Watershed Maps for second and third grades. The Three Little Pigs and the Bad Weather Wolf is also offered as a school assembly.

The results of the Flood-Focused Programs delivered between July 2025 and June 2026 are as follows:

- 101 flood-focused programs
- 2,645 students
- 124 educators

Flood Awareness Messaging

In addition to Flood-Focused Programs, Education Outreach provided additional flood awareness messaging in general classroom presentations, assemblies, libraries, and public events.

The results of the general flood protection messaging between July 2025 and June 2026 are as follows:

- 302 programs with general flood protection messaging
- 8,728 students messaging
- 374 educators
- 661 public youth in Santa Clara County

Community Events and Engagement

Booth Support at Events

Valley Water staff made a concerted effort to actively participate in community events, including community festivals and emergency preparedness affairs, particularly in communities and neighborhoods in or near flood zones. In FY26 (from September 2025 – May 2026), Valley Water and the communities' staff hosted 29 booths and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual FPM. Those events are listed below:

1. July 4, 2025 – San Jose Council District 8 Fourth of July Fireworks, San Jose
2. July 5, 2025 – Morgan Hill Chamber Night Music Series, Morgan Hill
3. July 16–17, 2025 – Mountain View Technology Showcase, Mountain View
4. July 24, 2025 – Happy Hollow Season of the Senior Safari, San Jose
5. August 2, 2025 – Asian Americans for Community Involvement Back-to-School Health Fair, San Jose
6. August 5, 2025 – San Martins Lions Club National Night Out, San Martin
7. August 5, 2025 – Morgan Hill National Night Out, Morgan Hill
8. August 15, 2025 – Morgan Hill Chamber Friday Night Music, Morgan Hill
9. August 16, 2025 – Cupertino Chamber Night Market, Cupertino
10. August 21, 2025 – San Jose Chamber BBQ, San Jose
11. August 28, 2025 – Happy Hollow Season of the Senior Safari, San Jose
12. August 30, 2025 – Santos Family Car Show, Alviso
13. August 30–31, 2025 – Silicon Valley Pride Parade and Festival, San Jose
14. September 6, 2025 – Capitol Park Goss Neighborhood Association National Night Out, San Jose
15. September 6–7, 2025 – Mountain View Art and Wine Festival Booth, Mountain View
16. September 13, 2025 – Rotary Club of Cupertino Silicon Valley Fall Festival, Cupertino
17. September 21–23, 2025 – WaterReuse California Conference, San Diego
18. September 26, 2025 – Assemblymember Ahrens' Inaugural Fall Harvest BBQ, Santa Clara
19. September 27, 2025 – Vovinam Viet Vo Dao 34th Annual Moon Festival, San Jose
20. September 28, 2025 – Stevens Creek Trail (FoSCT) Trailblazer Race, Mountain View
21. October 11, 2025 – Martial Cottle Park's Fall Festival 2025, San Jose
22. October 11, 2025 – Guadalupe River Park Conservancy Pumpkins in the Park, San Jose

23. October 11, 2025 – Cupertino Chamber Diwali Festival, Cupertino
24. October 18, 2025 – Valley Health Foundation Women's Leadership and Policy Summit, San Jose
25. October 25, 2025 – District 8 Fall Family Festival, San Jose
26. October 25, 2025 – Senator Cortese's 3rd Annual Picnic by the Lake, San Jose
27. November 12–15, 2025 – Cal-IPC Symposium, Ventura
28. December 6, 2025 – Santa Visits Alviso Foundation Drive, Alviso
29. February 13, 2026 – ASCE SJ Younger Member High School Day, San Jose
30. February 13, 2026 – City of San Jose D1 and D10 w/ NAACP, San Jose
31. March 28, 2026 – CEEF/CUSD Run for Great Schools 5K and Fun Run, Cupertino
32. March 28, 2026 – CERT 5K Family Fun Run (D10), San Jose
33. April 18, 2026 – City of Milpitas Earth Day, Milpitas
34. April 25, 2026 – Acterra Love Our Earth Festival / WaterPalooza, Palo Alto
35. April 25, 2026 – Morgan Hill Community Earth Day Festival, Morgan Hill
36. May 9, 2026 – Berryessa Art & Wine Festival, San Jose
37. May 23–24, 2026 – Morgan Hill Mushroom Mardi Gras, Morgan Hill
38. June 6–7, 2026 – 50th Annual Sunnyvale Wine & Art Festival, Sunnyvale
39. June 12, 2026 – WEPA Fest 2026, San Jose
40. June 13, 2026 – AACSA's 45th Annual Juneteenth Festival, San Jose
41. June 13, 2026 – Dia De Portugal, San Jose

Speakers Bureau Program

In FY26 (from July 2025 through June 2026), Valley Water's 'Managing our Precious Resource Speakers Bureau Program' reached the 11 organizations listed below. All general presentations mention flood protection and the need to 'Get Flood Ready' regardless of the county's drought status. They also include links to Valley Water's 'Flood Ready' information and resources webpage (ValleyWater.org/floodready), the hotline to call to report obstructions in creeks, and flood preparedness collateral available for all in-person events.

Valley Water's Speakers Bureau Program can customize presentations to update community groups on water-specific issues and provide updates on projects in their area. The FY26 presentations that included flood preparedness information are listed below.

1. July 28, 2025 – Cory Neighborhood Association, San Jose
2. August 12, 2025 – Los Altos Kiwanis Club
3. September 4, 2025 – West San Jose Kiwanis Club
4. January 28, 2026 – The Forum, Palo Alto
5. February 27, 2026 – Valley Water's Water Works Program (via Zoom)
6. April 2, 2026 – Valley Water's 101 Academy
7. April 9, 2026 – Santa Teresa Catholic Church, San Jose
8. June 4, 2026 – Coin Laundry Association
9. June 8, 2026 – LAFCO (AM presentation), Sunnyvale
10. June 8, 2026 – LAFCO (PM presentation), Morgan Hill
11. June 9, 2026 – LAFCO (PM presentation), San Jose

V. 2026 SANTA CLARA COUNTY CRS USERS GROUP/PPI COMMITTEE MEETINGS – MONITORING AND EVALUATING THE 2021 PPI

The FY26 Santa Clara County CRS Users Group/PPI Committee meeting was held on May 21, 2026. Attendance by CRS communities was high. Staff from some non-CRS communities, external stakeholders, and other interested parties were also in attendance. Agendas, meeting notes, and attendance sheets for each meeting are included (*Attachments 4-8*).

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

VI. MESSAGING – Other Initiatives

The multi-jurisdictional PPI Committee identified several possible opportunities in the 2021 PPI to expand on existing initiatives and may consider initiating newer ones as follows:

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

The messages the PPI Committee originally chose are still relevant to Santa Clara County. The committee will continue to increase its efforts to encourage people to prepare personal/family emergency plans and be flood-ready for the duration of the 2021 PPI. The PPI Committee will also continue coordinating efforts with Valley Water's Education Outreach Program to promote flood preparedness in local schools.

The PPI Committee recommends continuing to use social media for messaging for the duration of the 2021 PPI. Mobile usage among individuals has increased exponentially over the years, and online platforms are rapidly adjusting to mobile-friendly standards. This provides an excellent opportunity to modernize campaign ad efforts by utilizing social media and digital advertising to increase exposure and reach more residents in Santa Clara County. Furthermore, these modern advertising methods allow for specialized demographic targeting to reach a narrow and defined audience, improving the ability to reach vulnerable populations effectively.

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

The PPI Committee continues to promote the American Red Cross All-Hazard App, which monitors alerts for severe weather, including floods, and the Floodsmart.gov and Ready.gov websites. The communities will distribute American Red Cross Emergency Contact Cards at events throughout the county.

VII. CONCLUSION

Overall, the CRS Users Group/PPI Committee successfully implemented the 2021 PPI in FY26. The 2021 PPI allowed PPI Committee members to mutually decide which flood risk reduction messages are most appropriate for our residents and to identify how to deliver them effectively. Participating in the 2021 PPI aims to enhance the effectiveness of the flood risk messages to residents, reduce flood risks within Santa Clara County, and earn valuable CRS credit points when identified outreach projects are implemented.

The CRS Users Group/PPI Committee will continue its outreach efforts through FY26. The 2021 PPI will sunset in FY26.

Attachments for submission to Valley Water Board, City Councils/Managers, and FEMA, as required:

1. Members of the Santa Clara County Multi-Jurisdictional 2021 PPI Committee
2. Appendix A from 2021 SC County Multi-Jurisdictional PPI noting FY26 Outreach Project Accomplishments
3. Valley Water's FY26 Flood Awareness Campaign
4. May 21, 2026, SC County CRS Users Group/PPI Committee Meeting Agenda

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

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

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

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2026 (Year 5) Outreach Projects Accomplishments by CRS Communities							
Audience	Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #) SEARCH FOR YOUR COMMUNITY’S OP HERE	Assignment	Schedule	Stakeholder	FY 2026 (Year 5 of the 2021 PPI) Outreach Projects Accomplishments INPUT HERE ONLY
Community At Large (CAL) - Multilingual Communities - Groups with Special Evacuation Needs - New Residents, Visitors and Tourists	Topic 1: Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place Topic 3: Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C – Learn the best route to high ground Topic 4: Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood Topic 5: Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build Topic 6: Protect natural floodplain functions Message 6A -Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don’t pollute, dump, or drain anything in creeks Topic 7: Develop a Family Emergency Plan Message 7A: Develop an emergency plan Topic 8: Download disaster Apps Message 8A - Download disaster emergency apps Topic 9: Understand shallow flooding risks – don’t drive through standing water Message 9A - Understand shallow flooding risks - don’t drive through standing water FEMA’s message: “Turn Around Don’t Drown®.”	Educate our community on flood protection and preparedness measures	(VW OP #01) Multi-language Countywide Mailer (CWM) to every postal address in Santa Clara County (Topics 1-5 and 7, 8)	Valley Water Communications	Each late October or November	All Santa Clara County CRS Communities	Effective the FY25 flood season (starting in October 2024), Valley Water no longer produces a Countywide Mailer (CWM) that promotes flood messaging. On 1/14/25, during Valley Water’s CRS 5-year cycle visit, we informed our ISO CRS Specialist, Marlene Jacobs, of this change. We explained that in place of the CWM, Valley Water now sends out the following two additional targeted mailers to residents and businesses in the FEMA-designated Special Flood Hazard Area (SFHA). Hard and soft copies are provided to all Santa Clara County cities and the county. Flood Tips Postcard includes all 9 PPI Topic Messages: https://s3.us-west-1.amazonaws.com/valleywater.org.us-west-1/s3fs-public/VW-Flood%20Postcard-Vertical-bleed-CMYK-Outlined-Final.pdf Flood Trifold includes 5 PPI Topic Messages: https://online.flipbuilder.com/tkap/vbsr/ All Santa Clara County communities support and promote Valley Water’s outreach projects.

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2026 (Year 5) Outreach Projects Accomplishments by CRS Communities							
Audience	Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #) SEARCH FOR YOUR COMMUNITY’S OP HERE	Assignment	Schedule	Stakeholder	FY 2026 (Year 5 of the 2021 PPI) Outreach Projects Accomplishments INPUT HERE ONLY
			(VW OP #02) Distributes a soft copy of our Flood Safety Tips brochure for all SCC CRS communities' use (print hard copies to distribute at events and/or post of flood preparedness webpages) (Topics 1-9)	Valley Water Communications	Annually, November/December	All Santa Clara County CRS Communities	In January 2026, Valley Water mailed out the trifold guide titled “You Live in a Flood Zone: Beware, Be Ready, Be Flood Safe.” This multilingual resource outlines actions residents can take to protect their lives and property before, during, and after a flood. Additionally, it includes a QR code that directs readers to valleywater.org/floodready for more tips and tools on flood preparedness. Link to Trifold In mid-October 2025, Valley Water released the 'Be Flood Safe' Social Media Toolkit for the 2025-2026 Flood Awareness Outreach Partner. This toolkit was made available for download to all partnering agencies, including CRS communities. It featured digital and social media banners and animations highlighting key calls to action: know your risk, sign up for emergency alerts, and find sandbags. Additionally, the toolkit included multilingual graphics showcasing essential tips and provided an option to request co-branded bill inserts and postcards. The toolkit includes the following items which contained messages for all nine flood awareness tips (PPI CRS message topics) for all Santa Clara County communities to use: • Be Flood Safe • Know your flood risk • Sign up for emergency alerts • Get free sandbags • Flood zone cards and banners • Multilingual Flood Ready tips Cupertino distributes copies of Valley Water’s Flood Safety Tips at various fairs/events (i.e., Earth Day Festival) and provides additional copies for the public on display at City Hall. Cupertino also has a direct link to Valley Water’s annual mailer and Flood Ready webpage on the City’s “Floodplain Management” webpage. Los Altos distributes brochures available at City Hall, library, and community center. They are also distributed at community events (emergency training, wine stroll, etc.). Morgan Hill hosted 'National Night Out' on August 5, 2025. Flood preparedness information (flood safety brochures, red 'Get Flood Ready' tote bags with emergency supply list, and emergency first aid kits) was distributed. Valley Water’s flood safety brochures were also available at City Hall. Mountain View promotes and distributes Valley Water’s Flood Safety Tips and emergency kits at fairs (i.e., Earth Day Celebration, Community Summer Kick-Off Event). Valley Water’s flood safety brochures are available at city hall. Palo Alto promotes and distributes Valley Water’s Flood Safety Tip and emergency kits at fairs (i.e., Earth Day Festival) and provides as an informational item on Utility Inserts sent every year. Valley Water’s flood safety brochures are available at city hall. The City of Santa Clara has hard copy brochures available at city hall and central library. They are distributed at the yearly art & wine festivals as well. All Santa Clara County communities support and promote Valley Water’s outreach projects.
			(CUP OP #03) Flood notice in the local newsletter, “The Cupertino Scene” (Topics 1-9)	City of Cupertino	Each October or November issue	N/A	Cupertino changed the frequency of the local newsletter from monthly to quarterly. Therefore, the annual flood preparation article was published in the Fall 2025 edition of “The Cupertino Scene” (Aug-Nov).
			(LA OP #04) Two (2) newspapers ads, in the Los Altos Town Crier (Topics 1-5)	City of Los Altos	Each fall	N/A	Los Altos published two newspaper ads titled “Assess Your Flood Risk and Flood Insurance Availability” on 11/5/25 and on 11/12/25 in the Los Altos Town Crier.

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2026 (Year 5) Outreach Projects Accomplishments by CRS Communities							
Audience	Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #) SEARCH FOR YOUR COMMUNITY’S OP HERE	Assignment	Schedule	Stakeholder	FY 2026 (Year 5 of the 2021 PPI) Outreach Projects Accomplishments INPUT HERE ONLY
			(LAH OP #05) The town’s “Our Town” quarterly newsletter includes information on flood preparedness. The newsletter is mailed out town-wide and is also available online on the town’s website (Topics TBD during cycle visit)	Town of Los Altos Hills	Each fall	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.
			(LAH OP #06) The town distributes various flood preparedness and safety materials at events, including Valley Water’s annual floodplain mailer and promotional items (e.g., emergency starter kits, Get Flood Ready Emergency Supply Checklist tote bags, etc.), FEMA flood insurance information, ReadySCC, and American Red Cross Flood apps, AlertSCC, sandbag guidelines, flood protection project-specific notices, FEMA NFIP materials, and preparedness activity/coloring books, etc.) to the public	Town of Los Altos Hills	Annually, spring and late summer	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.
			(MIL OP #07) “Flood Public Advisory” brochure to the community at large (Topics 1-6)	City of Milpitas	Each December to January	N/A	Milpitas: Utility bill inserts was sent to every address in Milpitas in May 2026, and will be sent out within the fiscal year going forward. This was sent out in four languages (English, Vietnamese, Spanish, and Chinese).
			(MH OP #08) Sends a citywide “Flood Report” brochure (Topics 1-9)	City of Morgan Hill	Annually, close to or during the start of the rainy season	N/A	The City of Morgan Hill will mail out citywide the “2026 Flood Report” in August/September 2026.
			(MV OP #09) Sends “The View” citywide newsletter, Winter version, includes information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)	City of Mountain View	Fall newsletter edition	N/A	Mountain View sent out “The View” for Fall/Winter 2025 with information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)
			(MV OP #10) Mails a utility bill insert to all resident and businesses that contains information on flood risk, flood safety, and the importance of buying flood insurance (Topics 9)	City of Mountain View	Between July - September	N/A	Mountain View sent out Valley Water’s Get Flood Ready flier as a utility billing insert to every City utility customer in Winter 2025/2026.
			(PA OP #11) Sends the “Are You Ready for Winter Storms?” flier (aka utilities insert) to all residents and businesses in the City, along with their utility bills (Topics 1-9)	City of Palo Alto	Each Fall	N/A	Palo Alto sent “Are You Ready for Winter Storms?” fliers to all residents and businesses along with their utility bills in September 2025. The social media ad campaign (i.e. Facebook, Instagram, Nextdoor) was also included in the utility bills that went out in September 2025.
			(PA OP #12) Sends out utility announcement, “Anytime it can rain, it can flood. Don’t get caught off-guard” (Topics 1, 2,3, 4, 5, 6, 7, & 9 – will pursue adding other topic)	City of Palo Alto	Each March/April	N/A	Palo Alto sent a utility announcement as an informational announcement on utility bills went out in December 2025. Effective FY23, the City’s Public Works Department shifted from the March/April time frame of this announcement, to December each year.
			(PA OP #13) The city distributes various flood preparedness and safety documents, including FEMA NFIP materials for public/policyholders	City of Palo Alto	Year Round	N/A	Palo Alto distributed flood preparedness documents, including the emergency starters kit, during Earth Day Event on 4/19/26 and MSC Open House on 7/26/2025 and also makes informational materials available in our HQ lobby.
			(SC OP #14) Mails out a citywide newsletter for residents and businesses called “Inside Santa Clara” (Topics 1-9)	City of Santa Clara	Each fall	N/A	Santa Clara: The latest Inside Santa Clara issue was sent out in the biannual newsletter, with the flood information provided in the Fall/Winter 2025 Edition

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2026 (Year 5) Outreach Projects Accomplishments by CRS Communities							
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		Educate our community on flood protection and preparedness measures Increase in 'hits' on Valley Water and communities Flood Protection Resources webpage These website projects are credited under Activity 350 – Flood Protection Information, element c). Flood protection website (WEB), not credited under Activity 330 Note: To receive any WEB credit, the community's website must meet the following criteria: The community must check the website's links at least monthly, and fix those that are no longer accurate. At least annually, the community must review the content to ensure that it is still current and pertinent	(VW OP #15) Flood Ready webpage: Flood & Safety, Flood Protection Resources, includes floodplain and countywide mailers https://www.valleywater.org/bfloodready	Valley Water	Year Round	All Santa Clara County CRS Communities	Valley Water continues to maintain/update our Flood Ready landing page to ensure content is relevant and current and that there are no broken links. At the May 2025 CRS Users Group/PPI Committee Meetings, CRS communities were reminded to review/update their respective flood protection resources landing pages. At the 5/14/25 CRS Users Group/PPI Committee Meeting (agenda item 4), there was discussion regarding Valley Water's webpage redesign, including updates to our Flood Ready landing page. Cupertino's "Floodplain Management" webpage has a link that redirects to Valley Water's Flood Ready landing page. Gilroy's "Flood Management" and "Emergency Preparedness" web pages link to Valley Water's Flood ready landing page. Los Altos' "Floodplain Management Information" web page links to Valley Water's Flood Ready web page. Morgan Hill's "Floodplain Management" landing page redirects to Valley Water's Flood Ready landing page. Mountain View's "Flood Protection and Insurance Information" webpage links to Valley Water's Flood Ready web page. Palo Alto's "Flood Information and Winter Storm Preparedness" webpage redirects to Valley Water's Flood Ready landing page. City of Santa Clara's "Flood Protection Information" web page redirected to Valley Water's Flood Ready page. All Santa Clara County communities flood protection resource landing pages redirect to Valley Water's Flood Ready landing page.

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			(ALL OP #16) All communities' website flood protection resources webpage includes language that contains the three additional PPI priority messages noted below: 7. Develop an emergency plan 8. Download disaster apps 9. Understand shallow flooding risks—don't drive through standing water (Above-noted numbering are listed in order of the 2021 PPI).	All Santa Clara County Communities	Year Round	N/A	Valley Water's flood protection resources landing page includes the top 6 CRS priority topic messages, as well as the 3 additional messages identified in the 2021 PPI (page 45). Reminders to verify that the required language/links were on all community's websites were discussed at both the 3/26/24 and 5/29/24 CRS Users Group/PPI Meetings. Cupertino's "Floodplain Management" webpage has a link to Valley Water's annual mailer which includes the CRS 9 topics. Gilroy's "Emergency Preparedness" webpage redirects to Valley Water's Flood Ready landing page, '9 Essential Tips to Get Flood Ready.' Our Emergency Preparedness page also includes topics 7, 8, and 9. Morgan Hill's "Flood Information, Floodplain Management" webpage will include a link to the "2026 Flood Report" in August/September 2026. The "2026 Flood Report" will include the CRS 9 topics. Mountain View's "Flood Protection and Insurance Information" webpage has a link to Valley Water's annual mailer which includes the CRS 9 topics. Palo Alto's utility insert includes all three additional PPI priority messages, and the Flood Information and Winter Storm Preparedness website has a link to the utility insert which shows the three additional PPI. City of Santa Clara's "Flood Protection Information" web page includes resources for preparedness.
			(SCC OP #17) Hosts a "Storm and Flood Information and Resources" webpage available for all residents in the county, includes re-directing to www.floodsmart.gov https://www.sccgov.org/sites/opa/Pages/storm.aspx	Santa Clara County Office of Public Affairs	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #18) Hosts a "Flood Safety Information" webpage, includes re-directing to www.valleywater.org/floodready https://cpd.sccgov.org/flood-safety-information	Santa Clara County Consumer Protection Division	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #19) Hosts a "Be a Prepared Community Member" webpage that includes emergency preparedness information https://emergencymanagement.sccgov.org/be-prepared-community-member	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(SCC OP #20) Hosts a "People with Access and Functional Needs (AFN)" webpage https://emergencymanagement.sccgov.org/people-access-and-functional-needs-afn	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community

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			(CUP OP#21) Hosts a "Citizen Preparedness" webpage that includes emergency preparedness information, includes re-directing to Valley Water's www.valleywater.org/floodready webpage https://www.cupertino.org/residents/community-services-programs/emergency-services/citizen-preparedness	City of Cupertino Office of Emergency Services	Year Round	N/A	Cupertino has archived the "Citizen Preparedness" webpage and created a new "Floodplain Management" webpage: https://www.cupertino.gov/Your-City/Departments/Public-Works/Permitting-Development-Services/Floodplain-Management
			(GIL OP #22) The city hosts an "Emergency Preparedness" webpage Emergency Preparedness Gilroy, CA - Official Website (cityofgilroy.org) (listed in Appendix B)	City of Gilroy Fire Department	Year Round	N/A	Gilroy continues to maintain an "Emergency Preparedness" webpage, including a link that redirects to Valley Water's Flood Ready landing page, the National Weather Service webpage, Ready.gov, FloodSmart.gov, and the City's Flood Management webpage. The Emergency Preparedness webpage is reviewed once a month and updated as needed.
			(LA OP #23) The city's Public Works Department hosts a 'Flood Zone Information' webpage on its website (listed in Appendix B) https://www.losaltosca.gov/publicworks/page/flood-zone-information	City of Los Altos Public Works Department	Year Round	N/A	Los Altos' webpage is updated as needed. The webpage URL is: https://www.losaltosca.gov/422/Floodplain-Management-Information
			(LAH OP #24) The town hosts a "Flood Information" webpage on the town's website. This webpage includes information on the PPI nine topics, including a supporting message. The webpage redirects to the following key resource websites: www.valleywater.org/floodready, www.floodsmart.org, www.ready.gov, and www.weather.gov	Town of Los Altos Hills	Year Round	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.
			(LG OP #25) The town's website encourages residents and businesses to purchase flood insurance and redirects visitors to www.floodsmart.gov	Town of Los Gatos	Year Round	N/A	Town of Los Gatos: No update available - non-CRS participating community
			(MIL OP #26) The city's website has a "Flood Information" webpage that contains information on several of the PPI message topics; the webpage also redirects to Valley Water, FEMA, NOAA, www.floodsmart.gov, www.Ready.gov, and USGS webpages The city's website also has a "Important Flood Hazard Information" webpage that contains information on several of the PPI message topics; the webpage also redirects to Valley Water, FEMA, NOAA, www.floodsmart.gov (listed in Appendix B) https://www.ci.milpitas.ca.gov/milpitas/departments/engineering/flood-information/	City of Milpitas Engineering Department	Year Round	N/A	Milpitas: On-going. Link: https://www.milpitas.gov/280/Flood-Information

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			(MH OP #27) The city's website has a "Flood Information, Floodplain Management" webpage that contains city's flooding information which redirects to their Floodplain Management page and includes a link to the city's latest annual "Flood Report." The webpage redirects Valley Water's flood ready webpage and also contains FEMA flood information http://www.morgan-hill.ca.gov/747/Flood-Information-Floodplain Management City of Morgan Hill, CA - Official Website	City of Morgan Hill Engineering Land Development	Year Round	N/A	Morgan Hill's "Flood Information, Floodplain Management" webpage will include a link to the "2026 Flood Report" brochure which will be mailed out citywide in August/September 2026.
			(MH OP #28) The city's website has an "Emergency Preparedness" webpage (listed in Appendix B) http://www.morgan-hill.ca.gov/133/Emergency-Preparedness	City of Morgan Hill Police Department	Year Round	N/A	Morgan Hill continues to maintain its "Emergency Preparedness" landing page. The Emergency Preparedness landing page promotes "Do 1 Thing", a 12-month program with a goal of assisting the community to be better prepared for emergencies and disasters.
			(MV OP #29) Hosts a "Flood Protection and Insurance Information" webpage on its website (listed in Appendix B) www.mountainview.gov/depts/pw/flood_protection.asp	City of Mountain View Public Works Department	Year Round	N/A	City of Mountain View's "Flood Protection and Insurance Information" web page includes resources for preparedness and links to Valley Water's Floodplain Mailer.
			(PA OP #30) Hosts a "Floodplain Management" webpage (listed in Appendix B) https://www.cityofpaloalto.org/gov/depts/pwd/stormwater/floodzones.asp	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the "Floodplain Management" webpage that has all relevant information regarding flood plain management topics.
			(PA OP #31) Hosts a "Flood Safety Tips" webpage www.cityofpaloalto.org/storms; flood_safe_11-16.cdr (cityofpaloalto.org)	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the "Flood Information and Winter Storm Preparedness Webpage" which has links to the "Flood Safety Tips" flier under 'Before the Storm Additional Information.'
			(PA OP #32) Hosts a 'Creek Monitor' webpage (listed in Appendix B) https://www.cityofpaloalto.org/gov/depts/pwd/creek_monitor/default.asp	City of Palo Alto Public Works Department	Year Round	N/A	Palo Alto continues to host the real time creek monitor webpage that warns residents of imminent danger of flooding.
			(PA OP #33) Hosts a "Flood Information and Winter Storm Preparedness" web page which contains useful information for flood readiness (listed in Appendix B) https://www.cityofpaloalto.org/services/public_safety/flood_information_winter_storms/default.asp	City of Palo Alto Office of Emergency Services	Year Round	N/A	Palo Alto continues to host the "Flood Information and Winter Storm preparedness" website has useful information on flood preparedness for before storm, during storm and after storm.
			(SJ OP #34) The city's webpages includes a "Flood Hazard Zones" webpage which includes information of flood preparedness https://www.sanjoseca.gov/your-government/departments/public-works/development-services/floodplain-management	City of San Jose Public Works, Development Services	Year Round	N/A	San Jose: Website includes flood zone and flood smart information. Updated link: https://www.sanjoseca.gov/your-government/departments-offices/public-works/development-services/flood-hazard-zone
			(SC OP #35) The city's "Flood Protection Information" webpage contains valuable information on flood related topics https://www.santaclaraca.gov/our-city/departments-g-z/public-works/engineering/design-engineering/flood-protection (also listed in Appendix B)	City of Santa Clara	Year Round	N/A	Santa Clara: Website is updated and maintains flood topic information
			(SAR OP #36) The city's website encourages residents/businesses to purchase flood insurance and redirects visitors to www.floodsmart.gov	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community

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			(SAR OP #37) The city has a “Staying Safe, Winter Storms” webpage. They have also linked the city's Winter Storms webpage to Valley Water’s Flood Ready webpage https://www.saratoga.ca.us/218/Winter-Storms	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SUN OP #38) The city has a “Flood Protection” webpage Sunnyvale, CA - Flood Protection (listed in Appendix B)	City of Sunnyvale	Year Round	N/A	Sunnyvale: The City continues to maintain its flood protection website.
	Topics 1-9 and supporting messages Flood Awareness Media Campaign, including social media	Educate our community on flood protection and preparedness measures	(VW OP #39) Conducts a flood awareness media campaign, reaching the community at large, including our multilingual community. Many of the Santa Clara County CRS Communities recognize Valley Water’s Flood Awareness Campaign and link it on their community’s flood information web page and redirect to Valley Water’s Flood Ready webpage (Topics 1-9) Campaign features social media videos and postings on various platforms (i.e., Facebook, Twitter, Instagram, Nextdoor, etc.), digital banners, newspaper advertorials, radio ads, billboards, utility bill inserts for communities to use, communities redirect to ValleyWater.org/FloodReady and television/mobile ads targeting residents who live in flood-prone areas and multilingual ethnic communities	Valley Water Communications	Annually, for the duration of the rainy season, typically from November to April	All Santa Clara County CRS Communities	Valley Water's FY26 Flood Awareness Campaign centered around the theme, "You Live in a Flood Zone: Beware. Be Ready. Be Flood Safe." The outreach utilized digital geo-targeting technologies to effectively reach businesses and residents within the flood zone. The primary goals of the campaign were to raise awareness about flood risks, encourage residents to sign up for emergency alerts, and inform them on how to obtain sandbags. Additionally, the campaign highlighted our Surface Water Data Portal, where residents can access the latest information regarding local creek and reservoir levels. To enhance Valley Water’s community outreach efforts, an educational paid advertising campaign was implemented. Polling results from the previous winter campaign informed this advertising initiative, allowing us to better understand our target audiences and their levels of awareness. The Flood Awareness Campaign ran for six months, from October 2025 to February 2026, at a total cost of \$380.00. This campaign combined outdoor and digital geo-targeted advertising, supplemented by three direct multilingual mailings sent to approximately 48,154 homes and businesses located in or near high-risk flood areas, as designated by the FEMA Special Flood Hazard Area (SFHA). See Attachment 3 of the FY26 Annual Evaluation Report for flood awareness campaign and post campaign survey details. Los Altos included an insert provided by Valley Water to all residents and businesses via a refuse collection bill insert in November 2022 (non-residential) and January 2023 (residential). Morgan Hill's flood preparedness outreach efforts for FY26 are listed below: - August 5, 2025 - Hosted 'National Night Out.' Flood preparedness information (flood safety brochures and red 'Get Flood Ready' tote bags with emergency supply list), and emergency first aid kits were distributed to the public. - September 3, 2025 - Proclaimed September 2025 as National Preparedness Month. All Santa Clara County communities support and promote Valley Water’s outreach projects.

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			(VW OP #40) As part of the flood awareness campaign, a 'Get Flood Ready, Social Media and Web Resources Guide' is provided to all cities/county in Santa Clara County for their use as part of their outreach efforts	Valley Water	Upon the completion of the annual FPM	All Santa Clara County CRS Communities	In November 2025, Valley Water released the 'Be Flood Safe' Social Media Toolkit for the 2025-2026 Flood Awareness Outreach Partner. This toolkit was made available for download to all partnering agencies, including CRS communities. It featured digital and social media banners and animations highlighting key calls to action: know your risk, sign up for emergency alerts, and find sandbags. Additionally, the toolkit included multilingual graphics showcasing essential tips and provided an option to request co-branded bill inserts and postcards. See Attachment 3 of the FY26 Annual Evaluation Report for flood awareness campaign and post campaign survey details. Los Altos has included links to the flood awareness campaign web resources in electronic newsletters during the 2022/2023 flood season and on the city’s website. Morgan Hill’s Public Information utilizes Valley Water’s Get Flood Ready social media and resources in the City’s social media, City website, and City newsletters as they deem applicable on any given period. Mountain View’s “Flood Protection and Insurance Information” webpage has links to Valley Water’s Get Flood Ready webpage. Palo Alto has Valley Water’s Flood Awareness Campaign linked on the City’s Flood Information and Winter Storm Preparedness website. Santa Clara has Valley Water’s Flood Awareness Campaign linked on the City’s Public Works, Engineering, Flood Protection Information landing page on their website. All Santa Clara County communities flood protection resource landing pages redirect to Valley Water’s Flood Ready landing page.
			(SCC OP #41) Shares Valley Water’s digital social media resource links during the flood season. The “Floods Follow Fires. Are you Ready?” and “Got Sandbags” messages redirect to Valley Water’s website. Messages are used on social media, short form newsletter, short form email, web, and Nextdoor	Santa Clara County Office of Emergency Management	Year Round	N/A	Santa Clara County: No update available - non-CRS participating community
			(CUP OP #42) Recognizes the robust social media campaign led by Valley Water and has linked the city’s main flood preparation webpage to Valley Water’s Flood Ready webpage	City of Cupertino	Year Round	N/A	Cupertino continues to maintain the “Floodplain Management” webpage, including a link that redirects to Valley Water’s Flood Ready webpage.
			(GIL OP #43) The city recognizes Valley Water’s Flood Awareness Campaign and has linked the city’s main flood webpage to Valley Water’s Flood Ready webpage	City of Gilroy	Year Round	N/A	Gilroy: The “Emergency Preparedness” and Public Works “Flood Management” webpage both link to Valley Water’s Flood Ready webpage.
			(LAH OP #44) The town recognizes Valley Water’s Flood Awareness Campaign and has linked the town’s main flood webpage to Valley Water’s Flood Ready webpage	Town of Los Altos Hills	Year Round	N/A	Town of Los Altos Hills: No update available - non-CRS participating community
			(LG OP #45) Recognizes Valley Water’s Flood Awareness Campaign and has linked the Town’s main flood webpage to Valley Water’s Flood Ready webpage	Town of Los Gatos	Year Round	N/A	Town of Los Gatos: No update available - non-CRS participating community

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			(MV OP #46) The city does a social media notification about storm preparation for winter storms ahead of time. The notification directs residents to their “Flood Protection and Insurance Information” webpage. The city has also linked the city’s webpage to Valley Water’s Flood Ready webpage	City of Mountain View	Year Round	N/A	Mountain View shared several social media posts before, during and after the major rain events during the winter. Posts included information on preparation, forecasts for rain events and real time updates on current flooding.
			(SC FRP #47) City publishes social media posts, on Facebook, Twitter, and other platforms, focused on safety. The city has prepared a pre-flood plan (FRP) for public information projects that will be implemented before, during, and after a storm/flood, as well as identifying who is responsible for posting these messages, what type of events they apply to, what social media platforms to post to and how often	City of Santa Clara Office of Emergency Services	During the storm season	N/A	Santa Clara: Information was posted on social media for flood awareness week led by City Streets Division.
			(SJ OP #48) Recognizes Valley Water’s Flood Awareness Campaign and has linked the city’s main flood webpage to Valley Water’s Flood Ready webpage. Keeps Valley Water’s floodplain mailer static location at City Hall for residents to pick-up and is also distributed at various events throughout the year	City of San Jose	Year Round	N/A	San Jose places Valley Water’s FPM at City Hall and their website redirects to Valley Water’s Flood Ready webpage. The City recognizes and supports Valley Water’s Flood Awareness Campaign.
			(SAR OP #49) Recognizes Valley Water’s Flood Awareness Campaign and has linked the city’s main flood webpage to Valley Water’s Flood Ready webpage	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SAR OP #50) The city does a social media notification about storm preparation for winter storms ahead of time	City of Saratoga	Year Round	N/A	Saratoga: No update available - non-CRS participating community
			(SUN OP #51) The city actively posts flood safety and preparedness messaging through social media platforms (i.e., Facebook and Twitter)	City of Sunnyvale Environmental Services	During the rainy season (October – March)	N/A	Sunnyvale: City staff posted information to Facebook regarding keeping the storm drain clear to prevent clogging.

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	Topics 1-9 and supporting messages Community Events – Distribute flood preparedness materials to the community	Educate our community on flood protection and preparedness measures Increase in 'hits' on Valley Water and cities Flood Protection Resources pages and improve Valley Water's Flood Campaign results Residents less stress during emergencies and better prepared before a flood event	(VW OP #52) Copies of Valley Water's multilanguage floodplain mailer is made available to all Santa Clara County CRS Communities to disseminate at various events, including keeping the mailer static in lobby areas for visitors to pick-up. Valley Water attends various communities' events/fairs throughout the county and disseminates flood readiness materials, including various FEMA flood-related publications and Valley Water flood ready materials (Topics 1– 9)	Valley Water	Annually, September - May	All Santa Clara County CRS Communities	The below table reflects the quantities requested/sent by/to the agencies. Copies of Valley Water's FPM were delivered in early January 2026. <table><tr><td>Community</td><td>Floodplain Mailer</td></tr><tr><td>City of Cambell</td><td>25</td></tr><tr><td>City of Cupertino</td><td>50</td></tr><tr><td>City of Gilroy</td><td>25</td></tr><tr><td>City of Los Altos</td><td>50</td></tr><tr><td>Town of Los Altos Hills</td><td>25</td></tr><tr><td>Town of Los Gatos</td><td>25</td></tr><tr><td>City of Milpitas</td><td>50</td></tr><tr><td>City of Monte Sereno</td><td>25</td></tr><tr><td>City of Morgan Hill</td><td>150</td></tr><tr><td>City of Mountain View</td><td>25</td></tr><tr><td>City of Palo Alto</td><td>100</td></tr><tr><td>City of San Jose</td><td>50</td></tr><tr><td>City of Santa Clara</td><td>25</td></tr><tr><td>County of Santa Clara</td><td>25</td></tr><tr><td>City of Saratoga</td><td>25</td></tr><tr><td>City of Sunnyvale</td><td>25</td></tr><tr><td>Valley Water CRS Program</td><td>150</td></tr></table> The FPM is posted on our website https://online.flipbuilder.com/tkap/fbzo/ Cupertino distributes copies of Valley Water's Floodplain Mailer at various fairs/events and provides additional copies for the public on display at City Hall. Los Altos distributes copies of the Valley Water's Floodplain Mailer and postcards at City Hall and Community Center buildings. Mountain View distributes copies of Valley Water's Floodplain Mailer and postcards at City Hall and during tabling events such as Earth Day. Palo Alto distributes Valley Water's multi-language floodplain mailer during fairs during Earth Day event and Palo Alto's Open House every year. Santa Clara: Fliers and additional information are currently at city hall and public library. All Santa Clara County communities support and promote Valley Water's outreach projects.	Community	Floodplain Mailer	City of Cambell	25	City of Cupertino	50	City of Gilroy	25	City of Los Altos	50	Town of Los Altos Hills	25	Town of Los Gatos	25	City of Milpitas	50	City of Monte Sereno	25	City of Morgan Hill	150	City of Mountain View	25	City of Palo Alto	100	City of San Jose	50	City of Santa Clara	25	County of Santa Clara	25	City of Saratoga	25	City of Sunnyvale	25	Valley Water CRS Program	150
Community	Floodplain Mailer																																										
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			(CUP OP #53) Distributes flood readiness outreach materials at various events/ facilities	City of Cupertino	Year Round, as needed	N/A	Cupertino distributes copies of Valley Water's Floodplain Mailer and other promotional items provided by Valley Water at various fairs/events and provides additional copies of the mailer for the public on display at City Hall.																																				
			(GIL OP #54) Participates in two fair/events: Gilroy Garlic Festival (GF) and city's Public Works Week Community Open House (PWWCOH)	City of Gilroy	End of July (GF) Typically, in May (PWWCOH)	N/A	Gilroy: There was no Garlic Festival (due to the shooting at this festival in July 2019, the City has postponed this event indefinitely), so no materials were distributed at this event. However, on August, 2025, the City hosted National Night Out where flood readiness materials were distributed. Materials were also distributed during the PWWCOH on May 20, 2026.																																				
			(LAH OP #55) Hosts two events - Earth Day (ED) and the Town Picnic (TP)	Town of Los Altos Hills	Annually, Spring (ED) and late Summer (TP)	N/A	Town of Los Altos Hills: No update available - non-CRS participating community																																				

Appendix A CRS Creditable Outreach and Flood Response Projects by CRS Community Santa Clara County Multi-Jurisdictional PPI 2021 FY 2026 (Year 5) Outreach Projects Accomplishments by CRS Communities							
Audience	Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #) SEARCH FOR YOUR COMMUNITY’S OP HERE	Assignment	Schedule	Stakeholder	FY 2026 (Year 5 of the 2021 PPI) Outreach Projects Accomplishments INPUT HERE ONLY
			(MIL OP #56) Distributes FEMA flood-related publications at various events	City of Milpitas	Year Round	N/A	Milpitas: Ongoing. Distributed flood ready kits and informational publications on Earth Day event on April 18, 2026, National River Cleanup Day event on May 16, 2026, and the City Farmer's Market on June 21, 2026.
			(MV OP #57) The city participates Mountain View Art & Wine Festival (MVA&WF) and Thursday Night Live (TNL) and distributes flood preparedness information	City of Mountain View	Each September (MVA&WF) Months of June/July (TNL)	Valley Water	Mountain View attends various events such as Earth Day and Public Works Week and distributes flood readiness fliers and handouts during these events.
			(PA OP #58) Staff hosts a flood readiness table at city's annual Earth Day (ED) event and at the city Municipal Corporation Open House (MCOH). Upon request, the city also participates in other fairs and promotes flood readiness, including Creekwise mailer/brochure	City of Palo Alto	Each April (ED) and July (MCOH)	Can vary depending on requests made to City to support fairs	Palo Alto hosted a flood readiness table at the Earth Day Event on 4/19/26 and hosted a table at the City Municipal Corporation Open House on 7/26/25(FY26).
			(SJ OP #59) Staff hosts and participates in the 'Building Permits and Home Safety Open House.' The city's also hosts 'Pumpkins in the Park' event which Valley Water staff participates in and promotes flood preparedness	City of San Jose	Each May and October	Valley Water	San Jose hosts the annual Building and Home Safety Open House. This year's open house was held on 5/22/25. The City also hosted "Pumpkins in the Park" on 10/12/24. Valley Water hosted an information booth and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual floodplain mailer.
			(SC OP #60) City hosts a flood readiness table at the Art & Wine Festival. Valley Water also sponsors a table at the festival promoting flood preparedness and distributes various flood readiness materials to the community	City of Santa Clara	Each September	N/A	Santa Clara: Flood readiness table was set-up at Arts & Wine Festival September 2025. Flood promotional packets and fliers provided by Valley Water were distributed to visitors.
		Less damage due to the floods; improve sandbag distribution Fewer accidents and rescues	(SUN OP #61) City has permanent "Road May Flood" street signs in areas of the City prone to flooding and promotes the "Flood Zone Look Up" featured on the city's website	City of Sunnyvale	Year Round	N/A	Sunnyvale: Ongoing. City staff still promote the use of the "Flood Zone Lookup."
		Increase in inquiries on retrofitting measures. Decrease the number of repairs and elevations without permits. Increase number of repairs with permits Ensure people who are interested in protecting their property from flooding are getting the help they need Keep families safe	(CUP OP #62) The city offers Flood Protection Assistance, Property Protection Advice. Staff provides in-person flood risk consultation at the front counter and/or site visits when requested	City of Cupertino	Year Round	N/A	Cupertino: Ongoing. The City maintains a log of FEMA-related requests.
			(MIL OP # 63) The city offers Flood Protection Assistance, Property Protection Advice and provides in-person flood risk consultation at the front counter	City of Milpitas	Year Round	N/A	Milpitas: Ongoing. City maintains logs of FEMA-related requests.

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			(SC OP #64) The city offers Flood Protection Assistance, Property Protection Advice	City of Santa Clara	Year Round	N/A	Santa Clara: On-going per requests to the city
	Topic 6: Protect natural floodplain functions Message 6A -Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don’t pollute, dump, or drain anything in creeks	Cleaner streams and fewer dumping violations Fewer debris blockages during high-flow events Drainage inspectors report fewer calls and a decrease in the amount of trash removed	(VW OP #65) “Do Not Dump”/illegal dumping message is sent each year to all Santa Clara County residents in Valley Water’s CWM and FPM	Valley Water Communications	Each late October or November (CWM) Each November/December (FPM)	All Santa Clara County CRS Communities	<i>Valley Water’s FY26 FPM included the ‘Do Not Dump/Illegal to Dump’ (Topic 7 - Keep creeks clean and flowing, page 5) messaging. Additionally, Valley Water’s website ‘Get Flood Ready Essential Tips’ landing page contains ‘Keep debris and trash out of our streams,’ and the, dump, or drain anything in creeks’ under the ‘Flood Safety Advice: Before a Flood’ section., and our ‘Report Creek Blockages and local street flooding’ promotes the do not dump/illegal dumping message. https://www.valleywater.org/flooding-safety/flood-ready</i> <i>https://www.valleywater.org/flooding-safety/flood-ready/flood-safety-advice</i> <i>https://www.valleywater.org/flooding-safety/flood-ready/report-creek-blockages-local-flooding</i> <i>Valley Water hosted Coastal Cleanup Day (CCD) in September 2025 and National River Cleanup Day (NRCD) in May 2026 National River Cleanup Day. Reports are available here https://cleanacreek.org/past-results-2/</i> <i>Several Santa Clara communities participate in these clean-up events.</i> <i>Cupertino’s “Floodplain Management” webpage has a link to Valley Water’s Floodplain Mailer. The City also includes the “Do Not Dump” messaging in The Cupertino Scene’s annual flood preparedness article.</i> <i>Morgan Hill includes this message in their annual Flood Report. The 2026 Flood Report will be posted on the City’s “Floodplain Management” landing page in August/September 2026.</i> <i>Mountain View’s “Flood Protection and Insurance Information” webpage has a link to Valley Water’s Floodplain Mailer and notes who to call in the city to report illegal dumping.</i> <i>Palo Alto has Valley Water’s CWM and FPM linked on the City’s Flood Information and Winter Storm Preparedness website.</i> <i>All Santa Clara County communities support and promote Valley Water’s outreach projects.</i>
			(VW OP #66) “Do Not Dump” signs placed by waterways/channels	Valley Water O&M	Year Round	N/A	Valley Water’s Operations & Maintenance continues its practice of placing ‘Do Not Dump’ signs on waterways/ channels. All Santa Clara County communities support and promote Valley Water’s outreach projects.
			(VW OP #67) Lists Pollution Hotline number in all Project Notices	Valley Water Communications	Year Round	N/A	Valley Water’s website includes the pollution hotline number: https://www.valleywater.org/flooding-safety/flood-ready https://www.valleywater.org/flooding-safety/flood-ready/report-creek-blockages-local-flooding All Santa Clara County communities support and promote Valley Water’s outreach projects.

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			(SCC OP #68) Storm Drain Stenciling/Medallion Program	Santa Clara County	Year Round	All Santa Clara County CRS Communities	Mountain View installs Stenciling/Medallion on all catch basins and inlets in the public right of way. Palo Alto installs Storm Drain Stenciling/Medallion on all public right of way catch basin and inlets. City of Santa Clara: Medallion installed on public catch basins/inlets. Santa Clara County: No update available - non-CRS participating community.
			(SUN OP #69) The city’s “Horizon” newsletter, includes Do Not Dump messaging	City of Sunnyvale	Annually, fall	N/A	Sunnyvale: The City still produces the Horizon newsletter and includes a “Do Not Dump” message. It was published in fall 2025.
			(ALL OP #70) Developments that are modifying or constructing new catch basins/storm drains/inlets are required, per the below-noted permits, to stencil the “No Dumping! Flows to Bay.” In addition, some of these cities require all bid documents for capital projects which are modifying or constructing new catch basins, and require the contractors to install the same stencil. The program is also highlighted on cities’ websites. - South County municipalities are subject to the statewide “Phase II” NPDES Permit - North County municipalities are subject to the SF Bay Municipal Regional Stormwater NPDES Permit	All	Year Round	N/A	Valley Water mark’s each inlet with a “No Dumping! Flows to Bay” message on Valley Water properties. Cupertino requires all storm drain inlets to include a medallion with “NO DUMPING - FLOWS TO CREEK/BAY” for development projects. Gilroy requires all new storm inlets and catch basins to include a stencil or medallion with no dumping, flows to creek/waterway language for development projects. Morgan Hill requires all storm drain inlets and catch basins within the project area of development applications to be stenciled with prohibitive language (such as: “NO DUMPING – DRAINS TO CREEK”) and/or graphical icons to discourage illegal dumping. Mountain View requires all storm drain inlets to include a medallion with “NO DUMPING - FLOWS TO CREEK/BAY” for development projects. Palo Alto requires all storm drain inlets to include a medallion with “NO DUMPING-FLOWS TO CREEK/BAY” for development projects. City of Santa Clara provides and installs “No Dumping Flows to Bay” medallions near each catch basin for any new storm drain inlets constructed as part of a project per the City specifications.
			(CUP OP #71) The city’s annual flood notice in the local newsletter, ‘The Cupertino Scene,’ contains dumping is illegal messaging and how to report	City of Cupertino	Annually, October -November	N/A	Cupertino includes the “Do Not Dump” messaging in The Cupertino Scene’s annual flood preparedness article.
			(CUP OP #72) Participates in clean-up events: the annual National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. The city also participates in Valley Water’s Adopt-a-Creek Program	City of Cupertino	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Cupertino participated in Coastal Clean-Up Day on 9/20/25 and National River Clean-Up Day on 5/16/26. The City no longer participates in Valley Water’s Adopt-a-Creek Program.
			(LAH OP #73) The town participates in annual clean-up events: National River Clean-up Day (each May) and Coastal Clean-up Day (each September) and coordinates volunteers. They coordinate with Valley Water on both these clean-up efforts. The town also participates in Valley Water’s Adopt-a-Creek Program	Town of Los Altos Hills	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Town of Los Altos Hills: No update available - non-CRS participating community.
			(MIL OP #74) “Flood Public Advisory” brochure contains dumping is illegal messaging and how to report	City of Milpitas	Annually from December to January	N/A	Milpitas: Utility bill inserts was sent to every address in Milpitas in May 2026, and will be sent out within the fiscal year going forward. This was sent out in four languages (English, Vietnamese, Spanish, and Chinese).

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			(MIL OP #75) Participates in annual clean-up events: National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. The city also participates in Valley Water’s Adopt-a-Creek Program	City of Milpitas	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Milpitas: CCD was held on September 20, 2025. NRCD was held on May 16, 2026.
			(MH OP #76) “Flood Report” contains message on keeping debris and trash out of streams – Do Not Dump messaging	City of Morgan Hill	Annually, close to or during the start of the rainy season	N/A	Morgan Hill's “2026 Flood Report” brochure will contain Do Not Dump messaging.
			(PA OP #77) “Are You Ready for Winter Storms?” utilities insert contains the Do Not Dump and report illegal dumping messages	City of Palo Alto	Each fall	N/A	Palo Alto includes Do Not Dump and Report Illegal Messages on City’s utility insert that was sent out in September 2025.
			(PA OP #78) Utility bill insert includes a ‘Utility Announcement on Flood Safety Tips,’ including Protect natural floodplains - keep rain gutters and drainage channels free of debris	City of Palo Alto	Annually, March-April	N/A	Palo Alto includes Protect Natural Floodplains-keep rain gutters and creeks free of debris messages on flood safety tips sent as Utility Announcement and the flier sent as an attachment on utility bills every year.
			(PA OP #79) Participates in annual clean-up events: National River Clean-up Day (NRCD) and Coastal Clean-Up Day (CCD). They coordinate with Valley Water on both these clean-up efforts. Additionally, the city participates in Valley Water’s Adopt-a-Creek Program	City of Palo Alto	Each May (NRCD) and September (CCD)	Volunteers Valley Water Stream Stewardship	Palo Alto participates every year during National River Clean-up Day on Matadero and Adobe Creek. Palo Alto also participates in the multi-jurisdictional effort on creek clean-up of San Francisquito Creek.
			(PA OP #80) Clean-ups of trash booms located in Matadero Creek and Adobe Creek are done annually on an as-needed basis. The city also assesses its hot spots and cleans up the local drainage system on an ongoing basis and part of its operations and maintenance	City of Palo Alto	Annually, as needed	N/A	Palo Alto City staff continue clean-ups of trash booms on Matadero Creek and Adobe Creek, assess hot spots and clean ups on an ongoing basis on the entire City’s storm drain network system.
			(SUN OP #81) “Horizon” newsletter includes a “Know How to Be FloodSafe” article that promotes the Do Not Dump message	City of Sunnyvale	Each October, Fall Edition	N/A	Sunnyvale: The City still includes a “flood Safe” message in the fall Horizon. It was published in fall 2025.

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Residents and Businesses in the Special Flood Hazard Area (SFHA) - Low Lying Areas, Along Rivers and Creeks - Coastal Communities at Risk for Sea Level Rise/Tsunamis - Repetitive Loss (RL) Areas	Topic 1: Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place Topic 3: Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C – Learn the best route to high ground Topic 4: Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood Topic 5: Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build Topic 6: Protect natural floodplain functions Message 6A -Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don’t pollute, dump, or drain anything in creeks Topic 7: Develop a Family Emergency Plan Message 7A: Develop an emergency plan Topic 8: Download disaster Apps Message 8A - Download disaster emergency apps Topic 9: Understand shallow flooding risks – don’t drive through standing water Message 9A - Understand shallow flooding risks - don’t drive through standing water FEMA’s message: “Turn Around Don’t Drown®.”	Residents/businesses in the SFHA are aware they’re in the SFHA and prepare before floods Increase in number of flood insurance policies in the SFHAs and RLAs in the county in general Prospective buyers understand flood risks Increase number of elevation certificates on file, and structures repaired with permits; decrease the number of repetitive loss increase homes Increase in the number of flood insurance policies with contents coverage	(VW OP #82) Multi-language floodplain mailer (FPM) to all residents and businesses within the SFHA in Santa Clara County (Topics 1– 9)	Valley Water	Each November/December	All	Valley Water’s Annual Floodplain Mailer (FPM) was distributed in December 2024. This multi-language mailer, available in English, Spanish, Chinese, and Vietnamese, is titled "You Live in a Flood Zone: Beware. Be Ready. Be Flood Safe." Link to Floodplain Mailer The FPM included QR codes, a magnet featuring essential flood safety websites, a detachable emergency phone list, and a centerfold that highlighted our Surface Water Data Portal. One of the QR codes directs residents to a site where they can access the latest information about local creek and reservoir water levels: https://alert.valleywater.org/?p=map. Hard copies of the FPM’s (quantities noted below, as requested by the communities), postcards (in November 2024) and trifolds (in mid-January 2025) were also mailed to each city/County in and the FPM was mailed in early January 2025 for their use, including posting in their lobby or designated area(s) <table><tr><th>Community</th><th>FPM</th><th>Postcard</th><th>Trifold</th></tr><tr><td>City of Campbell</td><td>25</td><td>25/25</td><td></td></tr><tr><td>City of Cupertino</td><td>50</td><td>50/20</td><td></td></tr><tr><td>City of Gilroy</td><td>25</td><td>25/25</td><td></td></tr><tr><td>City of Los Altos</td><td>50</td><td>100 / 20</td><td></td></tr><tr><td>Town of Los Altos Hills</td><td>25</td><td>150 /20</td><td></td></tr><tr><td>Town of Los Gatos</td><td>25</td><td>25/20</td><td></td></tr><tr><td>City of Milpitas</td><td>50</td><td>25/20</td><td></td></tr><tr><td>City of Monte Sereno</td><td>25</td><td>25/25</td><td></td></tr><tr><td>City of Morgan Hill</td><td>150</td><td>50/50</td><td></td></tr><tr><td>City of Mountain View</td><td>25</td><td>25/20</td><td></td></tr><tr><td>City of Palo Alto</td><td>100</td><td>25/20</td><td></td></tr><tr><td>City of San Jose</td><td>50</td><td>25/25</td><td></td></tr><tr><td>City of Santa Clara</td><td>25</td><td>25/25</td><td></td></tr><tr><td>County of Santa Clara</td><td>25</td><td>25/25</td><td></td></tr><tr><td>City of Saratoga</td><td>25</td><td>25/25</td><td></td></tr><tr><td>City of Sunnyvale</td><td>25</td><td>25/20</td><td></td></tr><tr><td>VW CRS Program</td><td>150</td><td>300/50</td><td></td></tr></table> The FPM, postcards, and trifolds are all posted on Valley Water’s website ‘Flood Ready’ landing page: https://www.valleywater.org/flooding-safety/flood-ready Valley Water’s FPM was distributed throughout the county at various events during the flood season, and we kept copies in our HQ lobby area. The City of Los Altos posted Valley Water’s FPM on our flood protection website and we kept copies in the city hall lobby. The City of Cupertino posted Valley Water’s FPM on our flood protection website and we kept copies in the City Hall lobby. All Santa Clara County communities support and promote Valley Water’s outreach projects.	Community	FPM	Postcard	Trifold	City of Campbell	25	25/25		City of Cupertino	50	50/20		City of Gilroy	25	25/25		City of Los Altos	50	100 / 20		Town of Los Altos Hills	25	150 /20		Town of Los Gatos	25	25/20		City of Milpitas	50	25/20		City of Monte Sereno	25	25/25		City of Morgan Hill	150	50/50		City of Mountain View	25	25/20		City of Palo Alto	100	25/20		City of San Jose	50	25/25		City of Santa Clara	25	25/25		County of Santa Clara	25	25/25		City of Saratoga	25	25/25		City of Sunnyvale	25	25/20		VW CRS Program	150	300/50	
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			(CUP OP #83) Flood notice in the local newsletter, The Cupertino Scene, which reaches residents and businesses in the SFHA (Topics 1-9)	City of Cupertino	Each October or November issue	N/A	Cupertino published the annual flood preparation article in the Fall 2025 edition of “The Cupertino Scene” (Aug-Nov).																																																																								
			(LA OP #84) Letter, along with a “Are You Prepared for a Flood in Your Neighborhood?” brochure to property owners in the SFHA (Topics 1-8)	City of Los Altos	Annually, each fall	N/A	Los Altos mailed letters to all SFHA property owners in October 2025.																																																																								
			(LAH OP #85) The town’s “Our Town” quarterly newsletter includes information on flood preparedness. The newsletter is mailed out town-wide and is also available online on the town’s website (Topics TBD during cycle visit)	Town of Los Altos Hills	Each fall	N/A	Town of Los Altos Hills: No update available - non-CRS participating community.																																																																								

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Audience	Message	Outcome	Project(s) Proposed to Support the Messages (XX denotes Community acronym, and Outreach Project #) SEARCH FOR YOUR COMMUNITY’S OP HERE	Assignment	Schedule	Stakeholder	FY 2026 (Year 5 of the 2021 PPI) Outreach Projects Accomplishments INPUT HERE ONLY
			(MIL OP #86) “Flood Public Advisory” brochure to residents and businesses within SFHA (Topics 1-6)	City of Milpitas	Each December or January	N/A	Milpitas: Utility bill inserts was sent to every address in Milpitas in May 2026, and will be sent out within the fiscal year going forward. This was sent out in four languages (English, Vietnamese, Spanish, and Chinese).
			(MH OP #87) Sends a citywide “Flood Report” brochure, including to those in the SFHA (Topics 1-9)	City of Morgan Hill	Annually, close to or during the start of the rainy season	N/A	Morgan Hill’s “2026 Flood Report” brochure will be mailed out citywide in August/September 2026.
			(MV OP #88) Sends “The View” citywide newsletter, Winter version, includes information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)	City of Mountain View	Fall newsletter edition	N/A	Mountain View sent out “The View” for Fall/Winter 2025 with information on flood risk, flood safety, and the importance of buying flood insurance (Topics 1-9)
			(MV OP #89) Mails a utility bill insert to all resident and businesses that contains information on flood risk, flood safety, and the importance of buying flood insurance (Topics 9)	City of Mountain View	Between July - September	N/A	Mountain View sent out Valley Water’s Get Flood Ready flier as a utility billing insert to every City utility customer in November and December 2025.
			(PA OP #90) Sends the “Are You Ready for Winter Storms?” flier (aka utilities mailer) to all residents and businesses in the city, including to those in the SFHA, along with their utility bills (Topics 1-9)	City of Palo Alto	Each fall	N/A	Palo Alto sent “Are you Ready for Winter Storms?” flier as utility inserts was sent out in September 2025.
			(PA OP #91) Sends out utility announcement, “Anytime it can rain, it can flood. Don’t get caught off-guard” (Topics 1, 2,3, 4, 5, 6, 7, & 9 – will pursue adding other topic)	City of Palo Alto	Each March/April	N/A	Palo Alto sent flood safety tips as a utility announcement in December 2025.
			(SC OP #92) Mails out a citywide, including all addresses in the SFHA, newsletter for residents and businesses called “Inside Santa Clara” (Topics 1-9)	City of Santa Clara	Each fall	N/A	Flood information was included in the biannual Inside Santa Clara newsletter, in the Fall/Winter 2025 Edition.
			(SUN OP #93) Sends two (2) mailers and one (1) “Horizon” newsletter article “Know How to Be Flood Safe” that promotes flood safety and flood preparedness messaging targeted to all residents and businesses within the SFHA (Topics 2 and 4)	City of Sunnyvale	Each fall around October	N/A	Sunnyvale: The City still sends out mailers to targeted residents and a flood safe newsletter article. The mailers were sent Decemberr (realtor) & November/December (Utility inserts) 2025..
			(SUN OP #94) Sends mailer to all those in the SFHA (Topics 1-4, and 7)	City of Sunnyvale	Each October	N/A	Sunnyvale: The City still sends out these mailers. The mailers were sent December 2025.
	Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place	Increase in number of flood insurance policies in the SFHAs, RLAs, and in the county in general Prospective buyers understand flood risks Increase in the number of flood insurance policies with contents coverage	(SCC OP #95) Sends letters to the properties in the unincorporated section in the areas of the county’s mapped repetitive loss areas	Santa Clara County	Annually, each fall	N/A	Santa Clara County: No update available - non-CRS participating community.
			(CUP OP #96) Continues to send a letter to former repetitive loss properties	City of Cupertino	Annually, mid-year	N/A	Cupertino continues to send out an annual letter to former repetitive loss properties.
			(MH OP #97) Sends a notice to repetitive loss (RL) areas as required by FEMA	City of Morgan Hill	Annually, each summer	N/A	Morgan Hill will send letters to properties in the City’s mapped repetitive loss areas in June 2026.
			(PA OP #98) Sends letters to the properties in the city’s mapped repetitive loss areas, highlighting flood safety tips	City of Palo Alto	Annually, typically August - September	N/A	Palo Alto sent letters to properties in the City’s mapped repetitive loss areas, highlighting flood safety tips in August 2025.

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			(SJ OP #99) Sends letters to the properties in the city's mapped repetitive loss areas	City of San Jose	Annually, each typically between September - December	N/A	San Jose sent letters to general repetitive loss property areas in March 2025.
Messengers to Other Target Audiences (Organizations & Businesses Serving the Community)	Topic 1: Know your flood hazard Message 1A - Know your flood risk Message 1B - Contact your floodplain manager to find out if your property is in a floodplain Message 1C - Check if your home or business is in a Special Flood Hazard Area Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place Topic 3: Protect people from the flood hazard Message 3A - Put your 3-day emergency kit together Message 3B - Follow evacuation orders Message 3C – Learn the best route to high ground Topic 4: Protect your property from the flood hazard Message 4A - Protect your property from the flood hazard Message 4B - Prepare your home Message 4C - Sandbags can offer protection against a foot or less of floodwater Message 4E - Get sandbags before a flood Topic 5: Build responsibility Message 5A - Build responsibly in floodplains Message 5B - Comply with development requirements Message 5C - Check with your local floodplain manager before you build Topic 6: Protect natural floodplain functions Message 6A -Keep creeks clean and flowing Message 6B - Keep debris and trash out of our streams Message 6C - Don't pollute, dump, or drain anything in creeks Topic 7: Develop a Family Emergency Plan Message 7A: Develop an emergency plan Topic 8: Download disaster Apps Message 8A - Download disaster emergency apps Topic 9: Understand shallow flooding risks – don't drive through standing water Message 9A - Understand shallow flooding risks - don't drive through standing water FEMA's message: "Turn Around Don't Drown®."	Educate our community on flood protection and preparedness measures by working and coordinating with groups who serve as messengers, to people who are at risk of flooding, as they provide their respective business service	(VW OP #100) Administers a “Let’s Talk Water” Speakers Bureau Program that customizes presentations to update groups on specific issues, provide updates on Valley Water projects, including flood protection projects and to educate residents on existing flood risks as well as provide resources and tips to be flood ready. https://www.valleywater.org/learning-center/lets-talk-water-speakers-bureau	Valley Water Communications Unit	On a project-specific basis or as requested	Could vary from year-to-year Kiwanis Rotary Clubs Homeowners and Neighborhood Associations Forum Groups Association of Realtors	In FY26 (from July 2025 through June 2026), Valley Water's 'Managing our Precious Resource Speakers Bureau Program' reached the 11 organizations listed below. All general presentations mention flood protection and the need to 'Get Flood Ready' regardless of the county's drought status. They also include links to Valley Water's 'Flood Ready' information and resources webpage (ValleyWater.org/floodready), the hotline to call to report obstructions in creeks, and flood preparedness collateral available for all in-person events. Valley Water's Speakers Bureau Program can customize presentations to update community groups on water-specific issues and provide updates on projects in their area. The FY26 presentations that included flood preparedness information are listed below. - July 28, 2025 – Cory Neighborhood Association, San Jose - August 12, 2025 – Los Altos Kiwanis Club - September 4, 2025 – West San Jose Kiwanis Club - January 28, 2026 – The Forum, Palo Alto - February 27, 2026 – Valley Water's Water Works Program (via Zoom) - April 2, 2026 – Valley Water's 101 Academy - April 9, 2026 – Santa Teresa Catholic Church, San Jose - June 4, 2026 – Coin Laundry Association - June 8, 2026 – LAFCO (AM presentation), Sunnyvale - June 8, 2026 – LAFCO (PM presentation), Morgan Hill - June 9, 2026 – LAFCO (PM presentation), San Jose

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			(VW OP #101) Participates in booth duty support at various events and fairs throughout the county, including Valley Water Capital project meetings or other events, as requested by various organizations	Valley Water Office of Government Relations	Annually. During the flood season (starting in September – May)	All Santa Clara County CRS Communities	Valley Water staff made a concerted effort to actively participate in community events, including community festivals and emergency preparedness affairs, particularly in communities and neighborhoods in or near flood zones. In FY26 (from September 2025 – May 2026), Valley Water and the communities' staff hosted 29 booths and distributed flood preparedness information on flood safety and emergency preparedness materials, including Valley Water's annual FPM. Those events are listed below: - July 4, 2025 – San Jose Council District 8 Fourth of July Fireworks, San Jose - July 5, 2025 – Morgan Hill Chamber Night Music Series, Morgan Hill - July 16–17, 2025 – Mountain View Technology Showcase, Mountain View - July 24, 2025 – Happy Hollow Season of the Senior Safari, San Jose - August 2, 2025 – Asian Americans for Community Involvement Back-to-School Health Fair, San Jose - August 5, 2025 – San Martins Lions Club National Night Out, San Martin - August 5, 2025 – Morgan Hill National Night Out, Morgan Hill - August 15, 2025 – Morgan Hill Chamber Friday Night Music, Morgan Hill - August 16, 2025 – Cupertino Chamber Night Market, Cupertino - August 21, 2025 – San Jose Chamber BBQ, San Jose - August 28, 2025 – Happy Hollow Season of the Senior Safari, San Jose - August 30, 2025 – Santos Family Car Show, Alviso - August 30–31, 2025 – Silicon Valley Pride Parade and Festival, San Jose - September 6, 2025 – Capitol Park Goss Neighborhood Association National Night Out, San Jose - September 6–7, 2025 – Mountain View Art and Wine Festival Booth, Mountain View - September 13, 2025 – Rotary Club of Cupertino Silicon Valley Fall Festival, Cupertino - September 21–23, 2025 – WateReuse California Conference, San Diego - September 26, 2025 – Assemblymember Ahrens' Inaugural Fall Harvest BBQ, Santa Clara - September 27, 2025 – Vovinam Viet Vo Dao 34th Annual Moon Festival, San Jose - September 28, 2025 – Stevens Creek Trail (FoSCT) Trailblazer Race, Mountain View - October 11, 2025 – Martial Cottle Park's Fall Festival 2025, San Jose - October 11, 2025 – Guadalupe River Park Conservancy Pumpkins in the Park, San Jose - October 11, 2025 – Cupertino Chamber Diwali Festival, Cupertino - October 18, 2025 – Valley Health Foundation Women's Leadership and Policy Summit, San Jose - October 25, 2025 – District 8 Fall Family Festival, San Jose - October 25, 2025 – Senator Cortese's 3rd Annual Picnic by the Lake, San Jose - November 12–15, 2025 – Cal-IPC Symposium, Ventura - December 6, 2025 – Santa Visits Alviso Foundation Drive, Alviso - February 13, 2026 – ASCE SJ Younger Member High School Day, San Jose - February 13, 2026 – City of San Jose D1 and D10 w/ NAACP, San Jose - March 28, 2026 – CEEF/CUSD Run for Great Schools 5K and Fun Run, Cupertino - March 28, 2026 – CERT 5K Family Fun Run (D10), San Jose - April 18, 2026 – City of Milpitas Earth Day, Milpitas - April 25, 2026 – Acterra Love Our Earth Festival / WaterPalooza, Palo Alto - April 25, 2026 – Morgan Hill Community Earth Day Festival, Morgan Hill - May 9, 2026 – Berryessa Art & Wine Festival, San Jose - May 23–24, 2026 – Morgan Hill Mushroom Mardi Gras, Morgan Hill - June 6–7, 2026 – 50th Annual Sunnyvale Wine & Art Festival, Sunnyvale - June 12, 2026 – WEPA Fest 2026, San Jose - June 13, 2026 – AACSA's 45th Annual Juneteenth Festival, San Jose - June 13, 2026 – Dia De Portugal, San Jose

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			(VW OP #102) Partner with local Second Harvest Food Bank with distributing FEMA and Valley Water flood preparedness materials, including promotional item(s) as available	Valley Water CRS Program	In October (during CFPW)	Second Harvest Food Bank of Silicon Valley	On November 13, 2024, staff participated in a flood preparedness press conference held at Valley Water’s Emergency Operations Center site in San José. The press conference was a joint news event with the City of San José, the County of Santa Clara, and the National Weather Service. The event featured speakers from Valley Water and participating agencies, a sandbagging demonstration, and an emergency kit assembly table, which included flood readiness materials.
			(ALL OP #103) Other New Initiatives (as noted in the PPI document) 1. Continue and expand the standardized flood message prepared for each community to include flood messages in utility bills each year, including PG&E. 2. Expand on partnerships with local chambers of commerce to disseminate and share flood preparedness information. 3. Expand on outreach to the Asian and Latino communities who live in flood prone areas. 4. Expand on outreach to “hot spot” flood prone areas by hosting on-site or virtual events. 5. Expand on reaching local homeowners associations (HOA)s and apartment associations (i.e. Executive Council of Homeowners [ECHO]) 6. Expand on reaching residents in marginal and low-income communities through partnering with organizations that reach these communities. (i.e. Second Harvest Food Bank and others) 7. Communities could pursue FEMA Matching Funds Grants for severe Repetitive Loss Areas. 8. Review and expand other public information activities, such as Flood Protection Assistance (Activity 360) and Flood Insurance Promotion (Activity 370). 9. Develop a region-wide Flood Response Preparations (FRP) messaging plan.	All	TBD	TBD	The Santa Clara County CRS Group/PPI Committee, included the ‘Other New Initiatives’ topic for discussion at the March 26, 2025. See Section V. SC County CRS Users Group/PPIM Committee Meetings - Monitoring and Evaluating the 2021 PPI in the FY25 Annual Evaluation Report (Attachment 6). 3/26/26 Meeting, Item #5: Review 2021 PPI “Other New Initiatives” discussion was as follows: These initiatives were suggested to be re-evaluated as part of the next PPI update to include only realistic initiatives to reduce the reporting requirements. As part of the update, the committee can discuss how best to word the initiatives to allow flexibility and creativity without being locked into specific commitments. These initiatives do not improve our Activity 330 scores since most communities are already maxed out on the activity.
			(CUP OP #104) The city provides a Winter Preparedness notification informing contractors that during the winter season, they need to winterize their project(s) site as certain soil disturbance activities are not allowed during the rainy season	City of Cupertino	On a project-specific basis	Various contractors	Cupertino continues to prepare and mail the rainy season letters every year to applicable projects. These letters were mailed in mid-August 2025.

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			(MIL OP#105) On a project-specific basis, the city provides contractors a Winter Preparedness notification that informs them that during the winter season, they need to winterize their project(s) site. Certain soil disturbance activities are not allowed during the rainy season	City of Milpitas	On a project-specific basis	Various contractors	Milpitas: On-going. The City of Milpitas sends out winterization notices to larger development projects.
	Topic 2: Insure your property for your flood hazard Message 2A - Get flood insurance ahead of time Message 2B – Insure your property Message 2C – There is a 30-day waiting period for the policy to take place	Increase in number of flood insurance policies in the SFHAs and in the county in general Prospective buyers understand flood risks These projects are credited under Activity 340 (DFH and REB) – Additional credit is provided if the PPI states that real estate agents should (or have agreed to) advise house hunters about the flood hazard and that real estate agents give house hunters a REB brochure	(MH OP #106) The city mails out a newsletter, “Ask Before You Buy: Know Your Flood Risk!” to local real estate agents which are provided to homebuyers to help determine the flood risk of the property being purchased (listed in Appendix B)	City of Morgan Hill	During or prior to the rainy season	Real Estate Agencies/Agent	Morgan Hill will be sending the brochure to real estate agents in June 2026.
			(PA OP #107) Sends out letters to real estate agencies informing them of their responsibility to identify flood hazard areas and to take advantage of the Flood Zone Lookup on the city's website	City of Palo Alto	Annually, beginning of flood season (September/October)	Real Estate Agencies/Agent	Palo Alto sent letters to real estate agencies informing of their responsibility to identify flood hazard areas in August 2025.
			(SJ OP #108) Sends out letters to real estate and insurance agencies and lenders, informing them of their responsibility to identify flood hazard areas and to take advantage of the Flood Zone Lookup on the city's website on the “Flood Hazard Zones webpage and advises to contact the city for map reading services and elevation certificates on file	City of San Jose	At the beginning of the flood season (September – December)	Real Estate Agencies/Agent	San Jose emailed letters to real estate, insurance agencies and lenders in January 2025.
			(SUN OP #109) Sends mailer/postcard targeted to real estate agents informing them of the client's responsibility for identification and purchase of flood insurance and the availability of the automatic 15% discount	City of Sunnyvale	Each October	Real Estate Agencies/Agent	Sunnyvale: The City sent the mailers to real estate agents October 2024.



Valley Water

FLOOD AWARENESS CAMPAIGN

Santa Clara County, CA
2025-2026



BE ALERT BE FLOOD SAFE

STRATEGIC CAMPAIGN SUMMARY

SITUATION ANALYSIS

Santa Clara County faces increasing flood risk as climate change intensifies extreme weather events. Although Valley Water invests year-round in capital improvement projects and emergency response operations, many residents remain unaware of their personal flood risk or the resources available to help them prepare for it. For over two decades, Valley Water has led countywide flood awareness efforts, supporting FEMA Community Rating System (CRS) communities in reducing flood insurance premiums through enhanced public outreach initiatives.

The 2025-2026 Flood Awareness Campaign aimed to address persistent gaps in awareness, preparedness, and access to real-time flood information among residents living in FEMA-designated Special Flood Hazard Areas (SFHAs), particularly those in areas considered high-risk for flooding (hot spots). The campaign needed to reach diverse, multilingual communities, overcome low perceived risk, and deliver timely, actionable information during an unpredictable winter season.

INSIGHTS & ANALYSIS

Valley Water's strategy was grounded in robust research. A multilingual survey of 400 Special Flood Hazard Area (SFHA) residents, conducted by Probolsky Research from February 3 to 11, 2025, provided essential insights. The hybrid methodology employed phone and online interviews conducted in English, Spanish, Vietnamese, and Chinese, ensuring representation across diverse linguistic and socioeconomic groups.

Key insights included:

- **Residents underestimate their flood risk:** Although 59% reported living in a flood zone or at risk area, 82% had never experienced flooding at home, and 46% of uninsured respondents believed they did not need flood insurance.
- **Preparedness gaps persist:** Only 43.8% recalled sandbag information, and just 29.4% remembered the call to sign up for emergency alerts.
- **Language access is essential:** Thirteen percent of respondents preferred Spanish, Vietnamese, or Chinese, underscoring the need for multilingual materials.
- **Direct mail remains highly effective:** Half of respondents remembered receiving flood safety information by mail in the past year.
- **Valley Water is a trusted source:** 70% of respondents felt confident that they had taken necessary flood safety measures, and 57% rated Valley Water's flood awareness efforts as excellent or good, up from 18% in 2017.
- **Information platform preferences shaped channel selection:** Since 61% of respondents reported regularly using Facebook, while 61% still read the San José Mercury News, the channel mix included both digital and traditional platforms.

These insights directly informed the campaign's strategy, channel mix, and creative development, ensuring messages were pinpointed to preparedness gaps, geotargeted to areas at high risk, and delivered through platforms that residents trust and use. Digital preparedness messages were grouped by storm risk and severity and activated through digital platforms in sync with local weather warnings and alerts issued by the National Weather Service.

PLANNING

Objectives

Valley Water exceeded all objectives.

- **Increased awareness of flood risk among residents in FEMA SFHAs.**
- **Increased signups for emergency alerts.**

Target Audiences

- **Primary:** Businesses and residents in Santa Clara County's FEMA-designated Special Flood Hazard Areas and areas considered hot spots for flooding—multilingual and linguistically isolated communities (Spanish, Chinese, Vietnamese speakers).
- **Secondary:** Community Rating System (CRS) participating cities, community-based organizations, emergency managers, and local media.

The CRS is a voluntary program under FEMA's National Flood Insurance Program that rewards communities that go above and beyond minimum floodplain management requirements. In return, residents in these communities get discounts on flood insurance premiums.

Strategy

Deploy hyper-localized, multilingual messaging to high-risk flood zones using a diversified mix of digital, outdoor, and direct outreach channels. Leverage geo targeting to reach residents in real time as storms approach and deploy situation-specific calls-to-action for the risk and severity of each weather event through trusted messengers with linguistically relevant content.

Budget

\$380,000 allocated across targeted mailings, digital advertising, multilingual outreach, and video production.

EXECUTION

The campaign ran from November 15 to February 28, 2025, aligning with peak storm season. Activities were sequenced to maximize visibility before storms and deliver timely, actionable information during severe weather events through multiple touchpoints (digital, audio, and video streaming, social, email, and web).



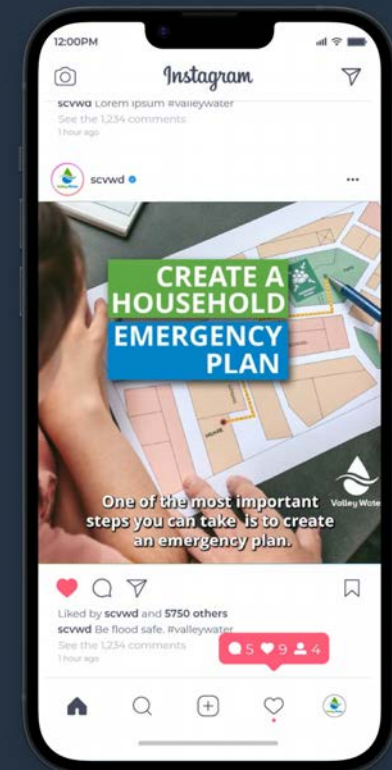
KEY TACTICS: LOCALIZED DIRECT MAIL (3 WAVES)

Delivered 48,154 mailers to homes and businesses located in Santa Clara County's Federal Emergency Management Agency's Special Flood Hazard Area (FEMA SFHA). The mailings included detachable emergency phone lists, magnets with essential flood safety websites, and QR codes linking to AlertSCC, Santa Clara County's emergency notification system.



DIGITAL AND GEOTARGETED ADVERTISING

The campaign's creative assets included 9 preparedness videos delivered via geotargeting to IP addresses of properties in high-risk areas in coordination with National Weather Service alerts. Videos featured Valley Water's emergency officer, enhancing credibility and clarity.



OUTDOOR AND TRANSIT ADVERTISING

As a strategy to enhance geographical relevance, multilingual banners, bus ads, and creek-side signage were strategically placed in flood-prone intersections and transit corridors (high-traffic areas) to target lower-income and high-risk populations.



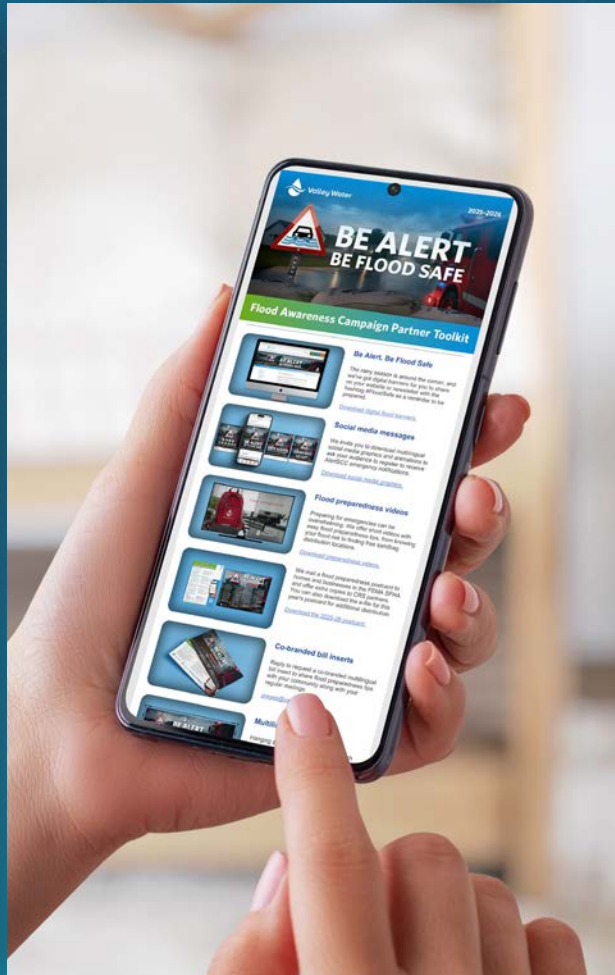
MOVIE THEATER ADVERTISING

The campaign reached audiences at the most receptive times by placing pre-show ads in hot-spot areas to reach families and multigenerational audiences during peak viewing days in the fall and winter holiday seasons.



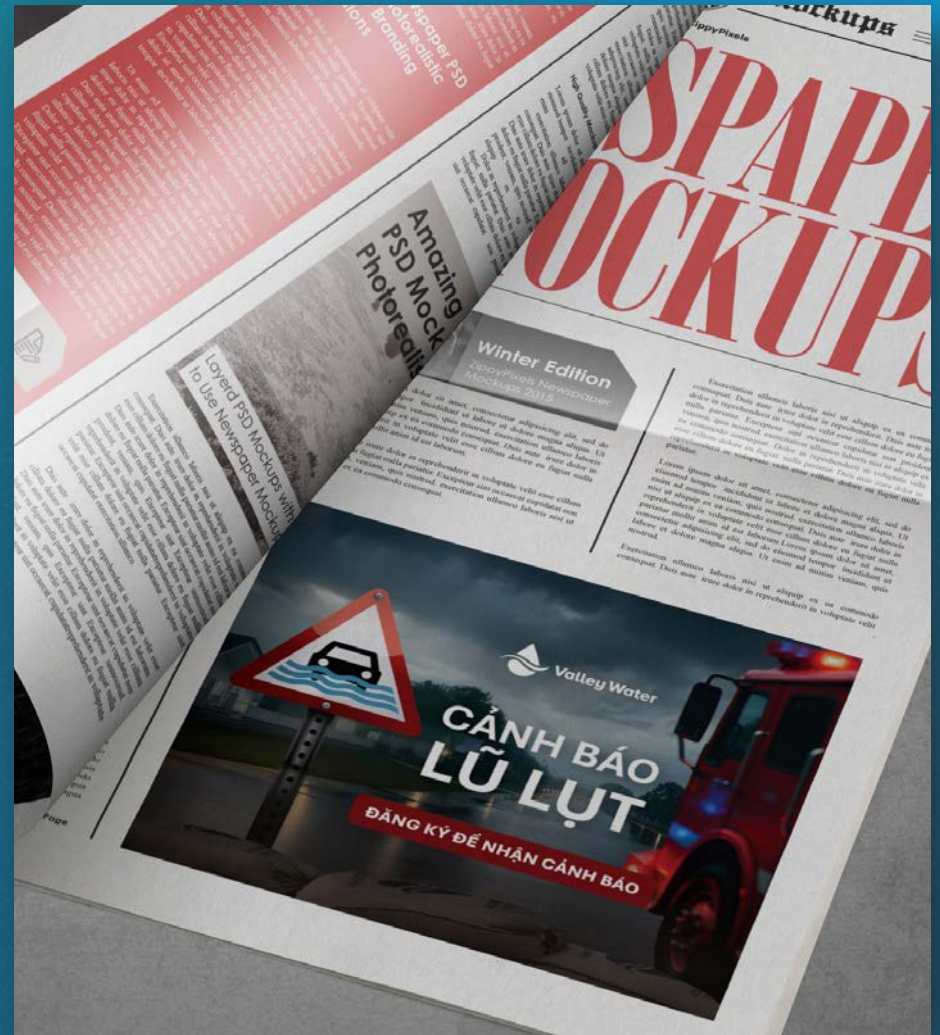
COMMUNITY ENGAGEMENT TOOLKIT

A multilingual “Be Flood Safe” toolkit was distributed to community associations located near flood prone areas, as well as government agencies, elected officials, and emergency managers. Materials, such as bill inserts, were cobranded with CRS communities.



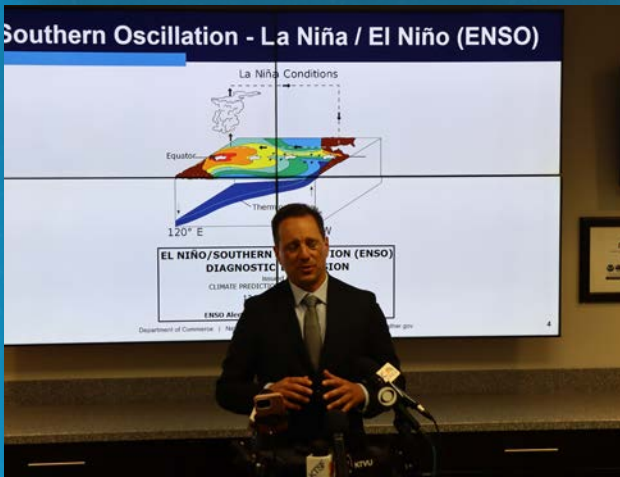
ETHNIC MEDIA OUTREACH

Flood awareness ads ran in Spanish, Chinese, and Vietnamese newspapers and TV channels to ensure cultural relevance and accessibility.



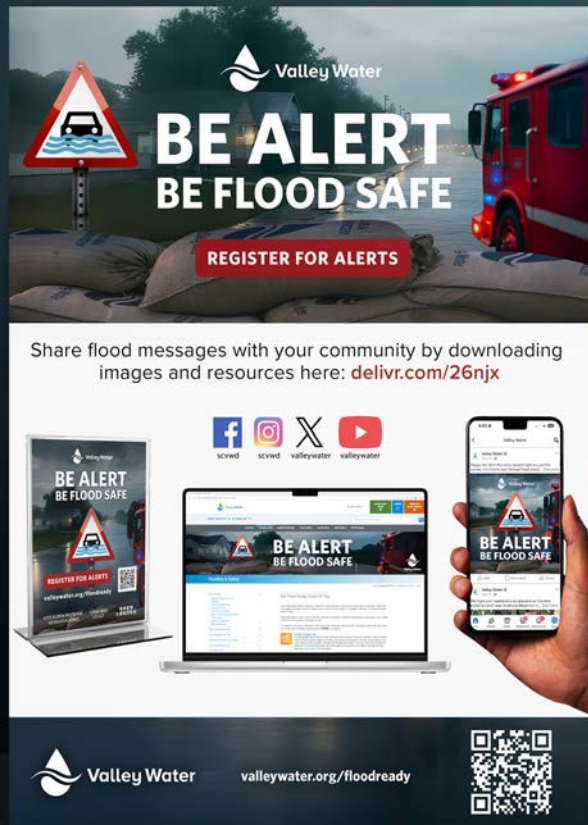
JOINT PRESS CONFERENCE

Valley Water partnered with the County of Santa Clara, City of San José, and the National Weather Service to emphasize winter flood preparedness during a well-attended joint press conference. The conference featured interactive weather drone and emergency kit displays.



EMERGENCY MANAGERS' COORDINATION

We coordinated messaging with emergency managers for jurisdictions within Santa Clara County.



Valley Water

BE ALERT BE FLOOD SAFE

REGISTER FOR ALERTS

Share flood messages with your community by downloading images and resources here: delivr.com/26njx

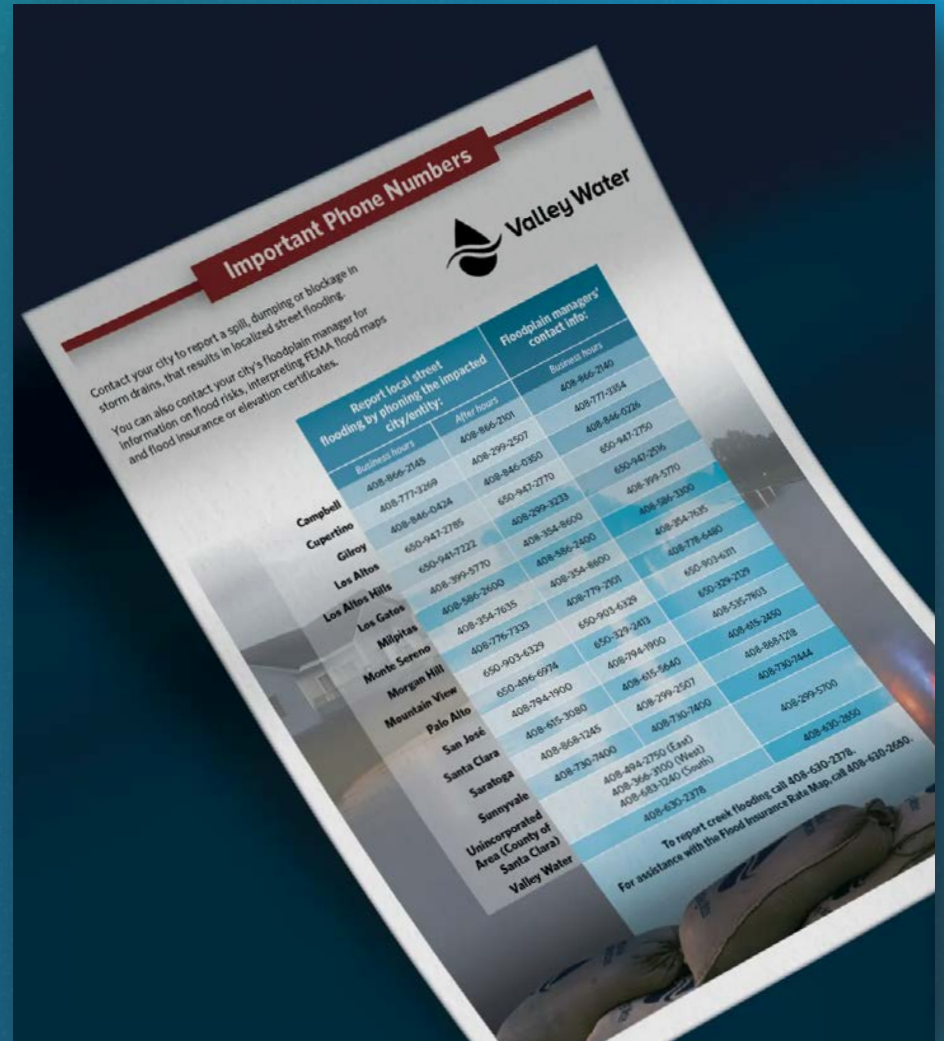









Valley Water valleywater.org/floodready

Important Phone Numbers

Valley Water

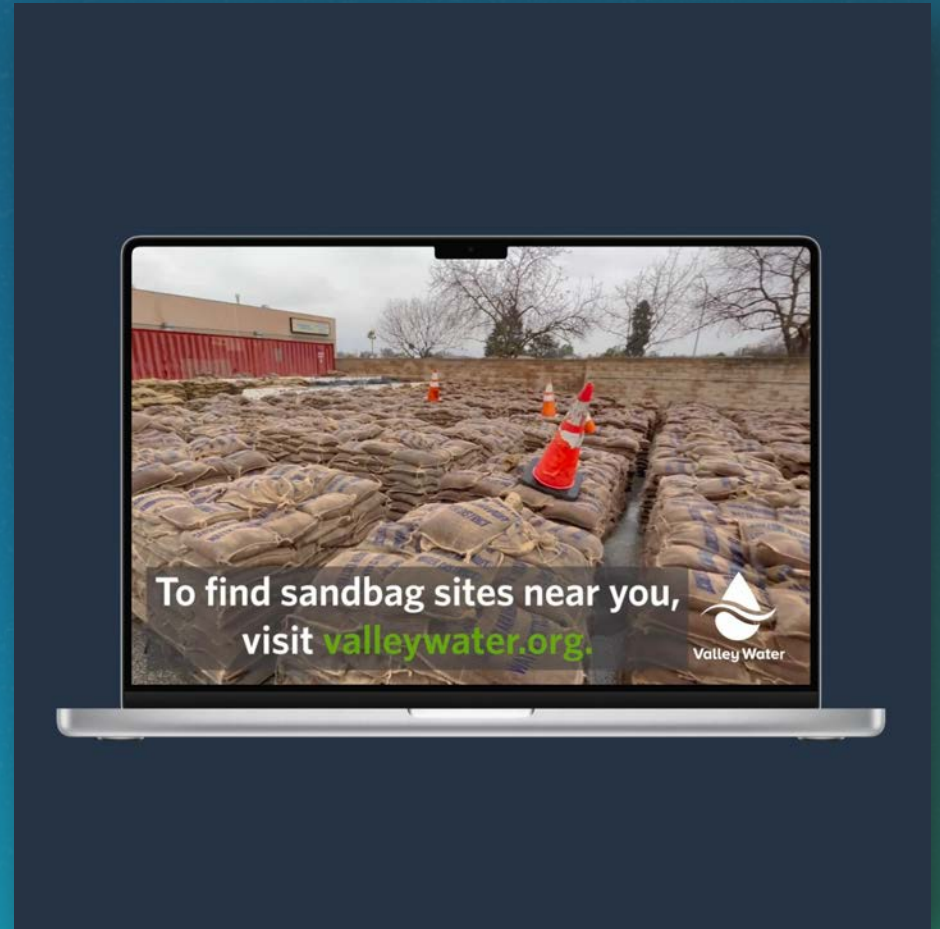
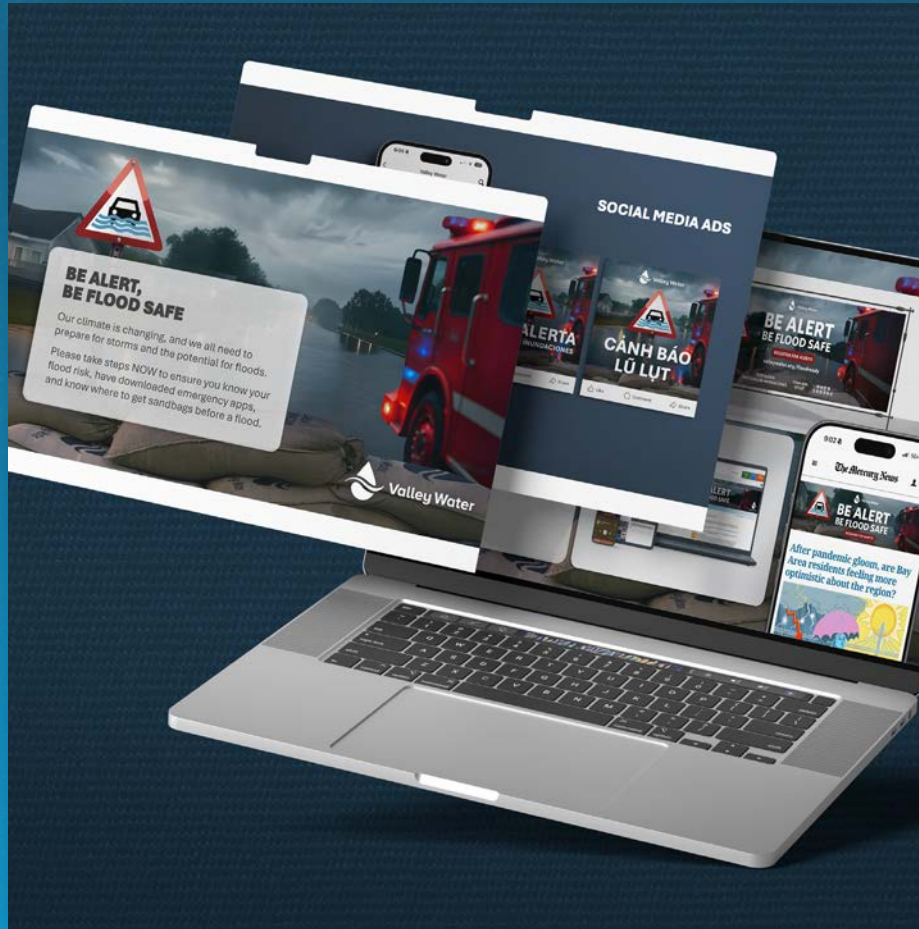
Contact your city to report a spill, dumping or blockage in storm drains, that results in localized street flooding. You can also contact your city's floodplain manager for information on flood risks, interpreting FEMA flood maps and flood insurance or elevation certificates.

City/Entity	Report local street flooding by phoning the impacted city/entity:		Floodplain managers contact info:
	Business hours	After hours	
Campbell	408-866-2145	408-866-2101	408-866-2140
Capertown	408-777-3288	408-299-2507	408-846-0226
Gilroy	408-846-0424	408-846-0360	650-947-2750
Los Altos	650-947-2785	650-947-2770	650-947-2536
Los Altos Hills	650-941-7222	408-299-3233	408-798-1390
Los Gatos	408-399-5770	408-354-8600	408-354-7035
Milpitas	408-386-2600	408-386-2400	408-778-6680
Monte Sereno	408-354-7035	408-775-2921	650-903-4301
Morgan Hill	408-776-7333	650-903-6329	650-329-2029
Mountain View	650-903-6329	650-329-2473	408-536-7803
Palo Alto	408-894-6974	408-794-1900	408-895-2850
San Jose	408-825-3080	408-415-8640	408-888-1218
Santa Clara	408-868-1245	408-799-2507	408-730-1444
Saratoga	408-730-7800	408-730-7800	408-299-5700
Sunnyvale	408-494-2750 (East)	408-366-9100 (West)	408-630-2378
Unincorporated Area (County of Santa Clara)	408-483-0240 (South)	408-630-2378	408-630-2680
Valley Water			

To report creek flooding call 408-630-2378. For assistance with the Flood Insurance Rate Map call 408-630-2680.

VOAD PARTNERSHIP

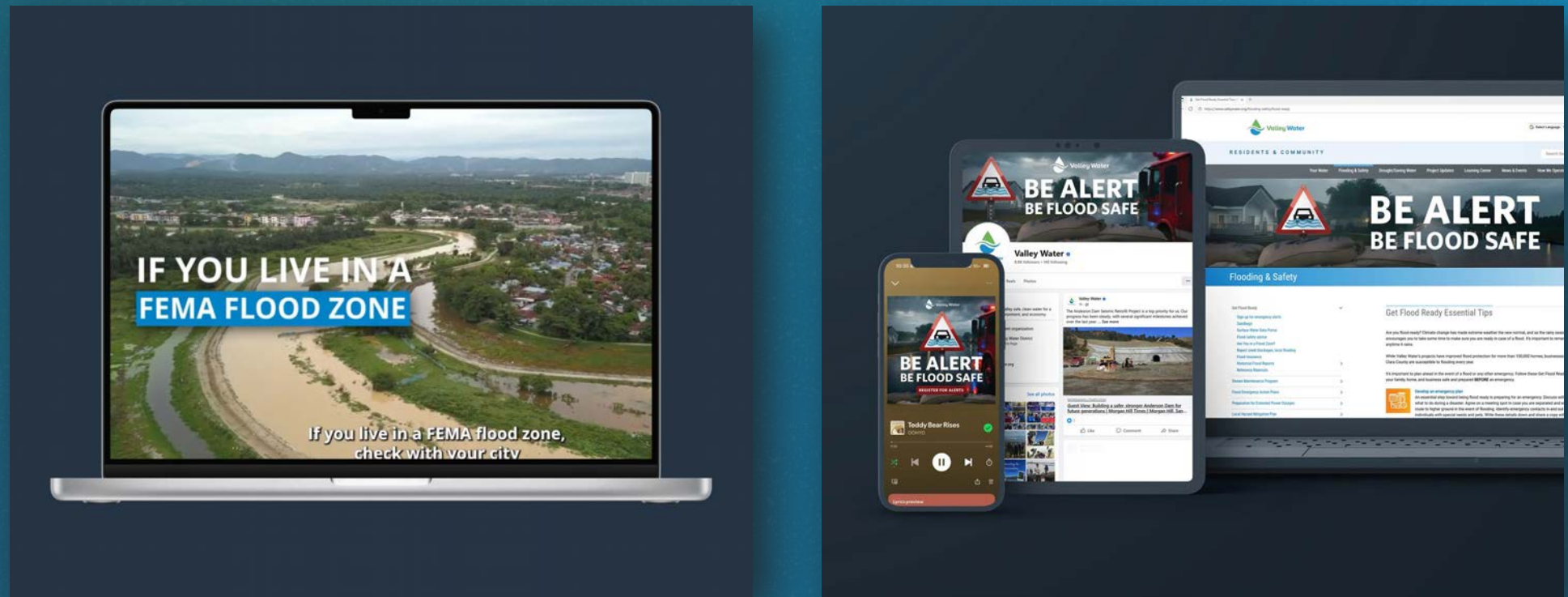
Collaborated with Santa Clara County's network of Volunteer Organizations Active in Disasters to distribute emergency preparedness tools and resources to faith and non-profit organizations.



CHALLENGES

Although the campaign executed smoothly, it was designed to overcome several inherent challenges associated with flood risk communication in a diverse, high risk region.

- Addressing persistent gaps in awareness, preparedness, and access to real time information:** Many residents living in FEMA designated Special Flood Hazard Areas, particularly those in historically flood prone hot spots, continued to underestimate their personal risk. The campaign needed to break through low perceived vulnerability, reach multilingual and culturally diverse communities, and deliver clear and actionable information during a winter season marked by unpredictable storm patterns. Ensuring that residents not only received information but also understood how to act on it was a central challenge the campaign was built to solve.



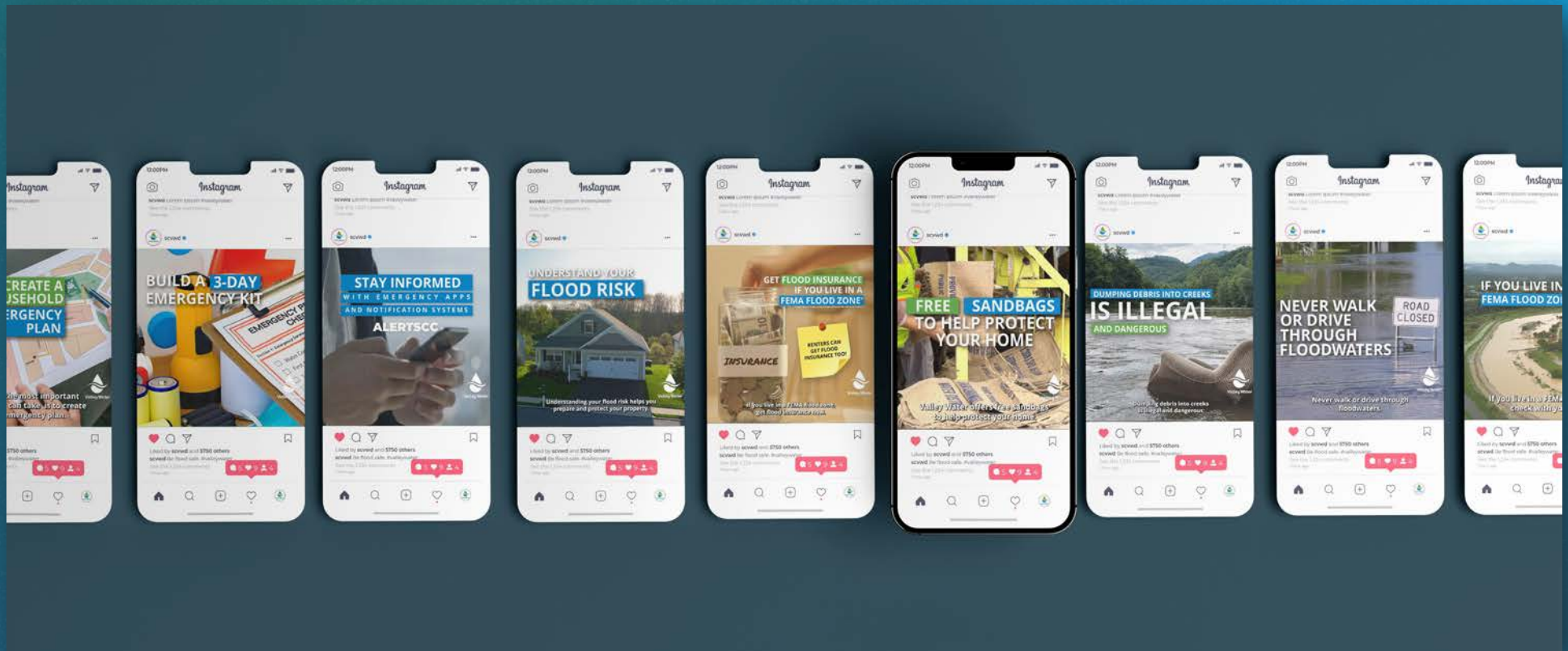
CHALLENGES (CONTINUED)

- Coordinating a multi agency joint press conference:** Bringing together the City of San Jose, the County of Santa Clara, and the National Weather Service required careful alignment of schedules, messaging, and roles. Ensuring unified and consistent communication across agencies, each with its own priorities and communication protocols, was essential to presenting a cohesive public message about winter flood preparedness. Representatives from NBC, CBS, KTSF, KTVU, KCBS, Telemundo and KRON covered the news conference.
- Timing weather alerts with event specific messaging:** The campaign required precise coordination between incoming storm forecasts and the release of tailored preparedness messages. Each weather system carried different risks, such as shallow flooding and rising creek levels. This required rapid adjustments to messaging and ad delivery. Aligning geo targeted digital ads, emergency banner, email alerts, and social content with real time conditions ensured that residents received relevant and timely guidance when it mattered most.



STANDOUT CREATIVE ELEMENTS

Nine custom-produced videos featuring Valley Water's emergency officer delivered clear, authoritative preparedness tips with simple calls to action, enhancing trust and comprehension.

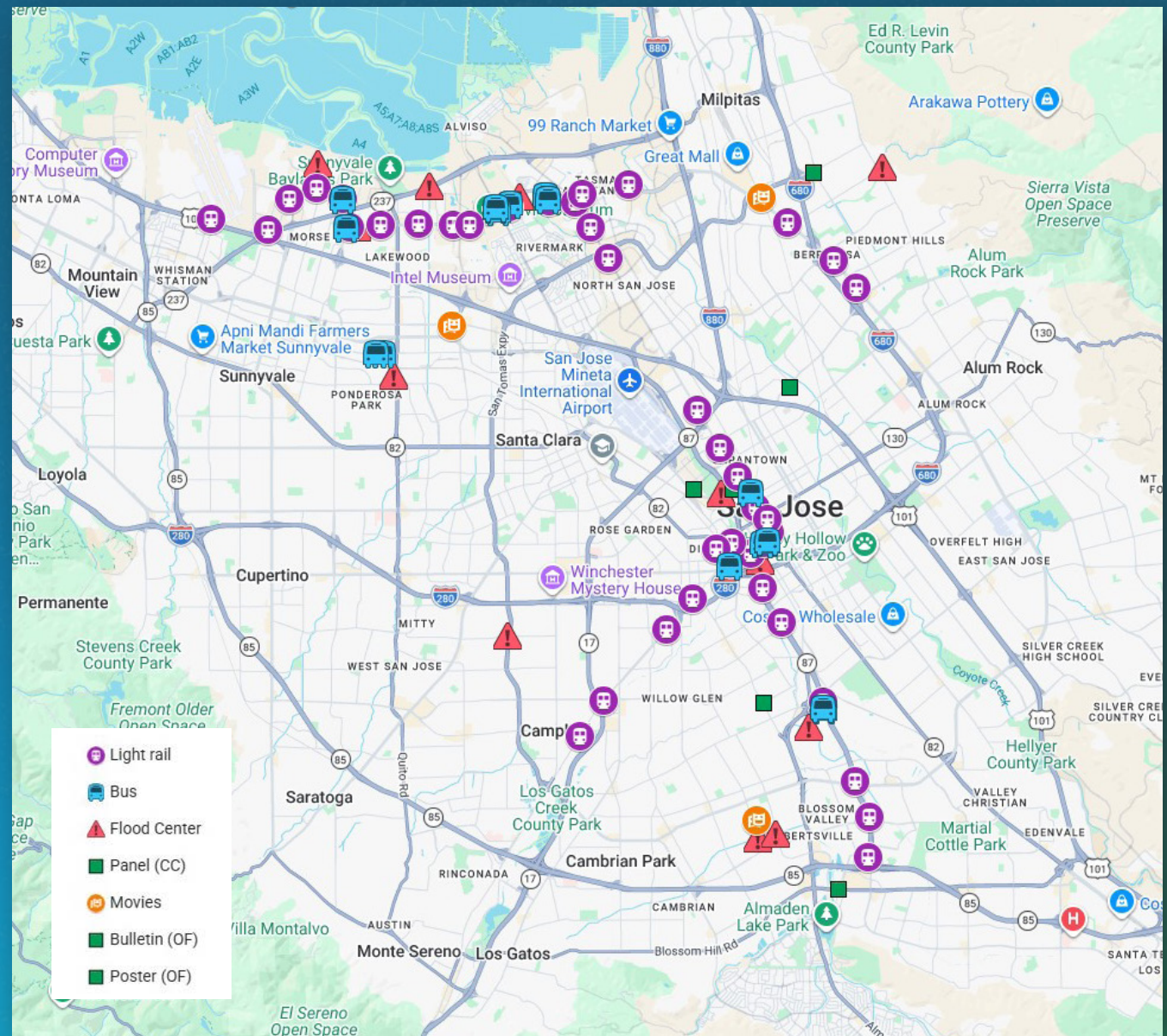


FLOOD CENTERS MEDIA MAP: A STRATEGIC PLANNING TOOL

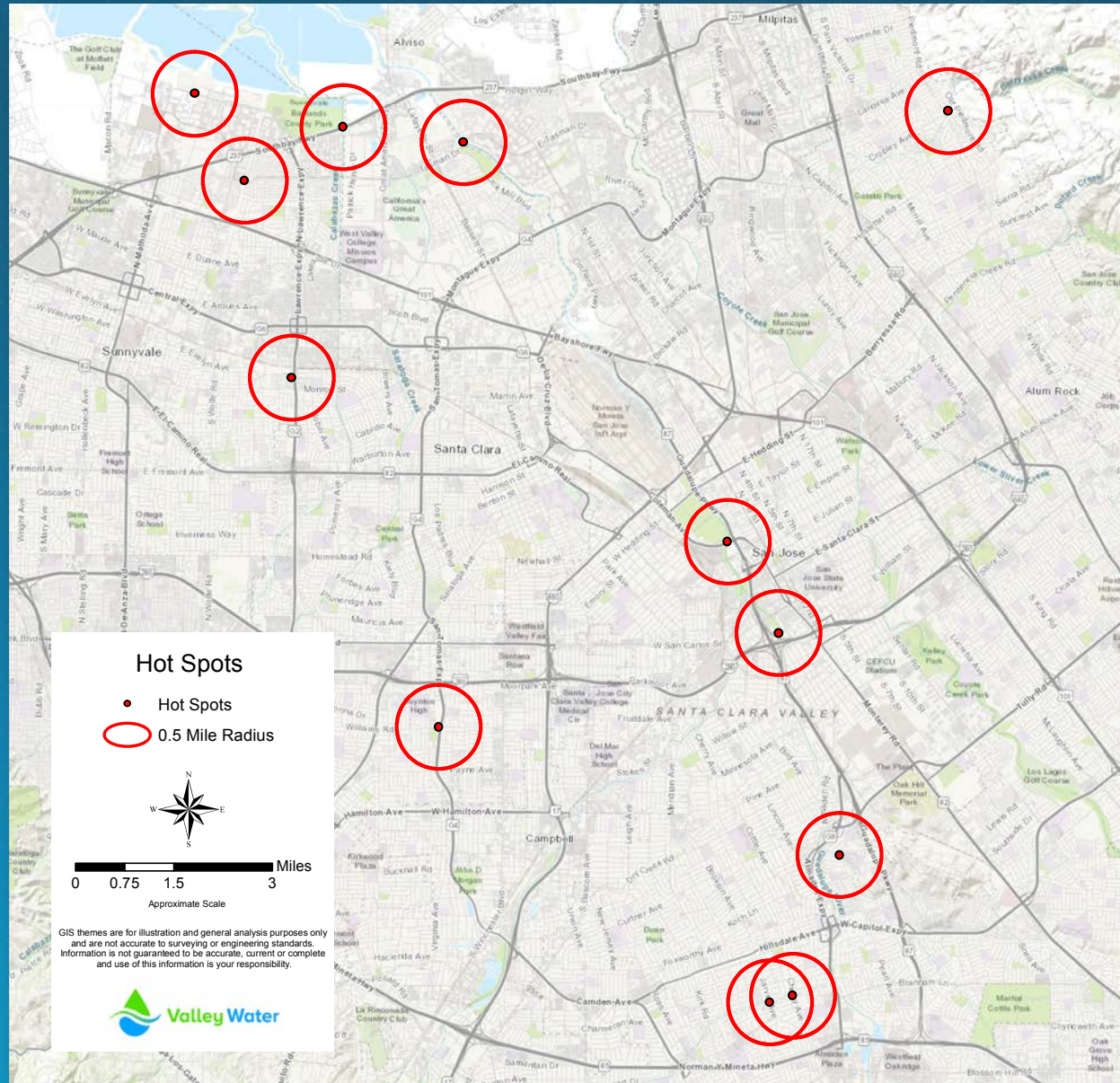
To achieve our top objective—reaching as many residents living near Flood Centers as possible with “Be Alert. Be Flood Safe.” messaging—we developed a new planning tool: the Flood Centers Media Map. This interactive map provides a clear, visual way to identify which media platforms fall closest to each Flood Center, enabling hyper-local targeting and budget optimization.

Using a combination of AI tools (ChatGPT, Gemini) and Google My Maps, we gathered and mapped every addressable platform in the county—from billboards and bus shelters to movie theaters and light rail stations. The map highlights each Flood Center and all platforms within Valley Water’s footprint, allowing planners to immediately see where resources can be stretched for maximum impact in flood-prone neighborhoods.

This innovation reflects our commitment to leveraging AI for smarter, more efficient campaign planning.



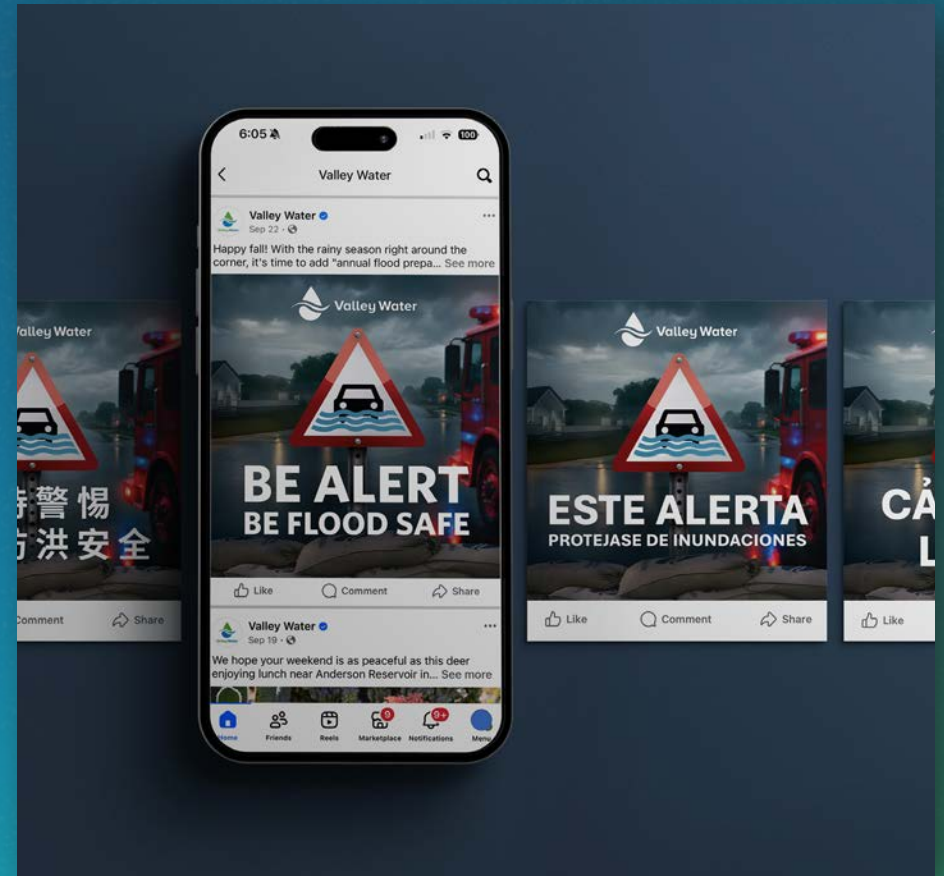
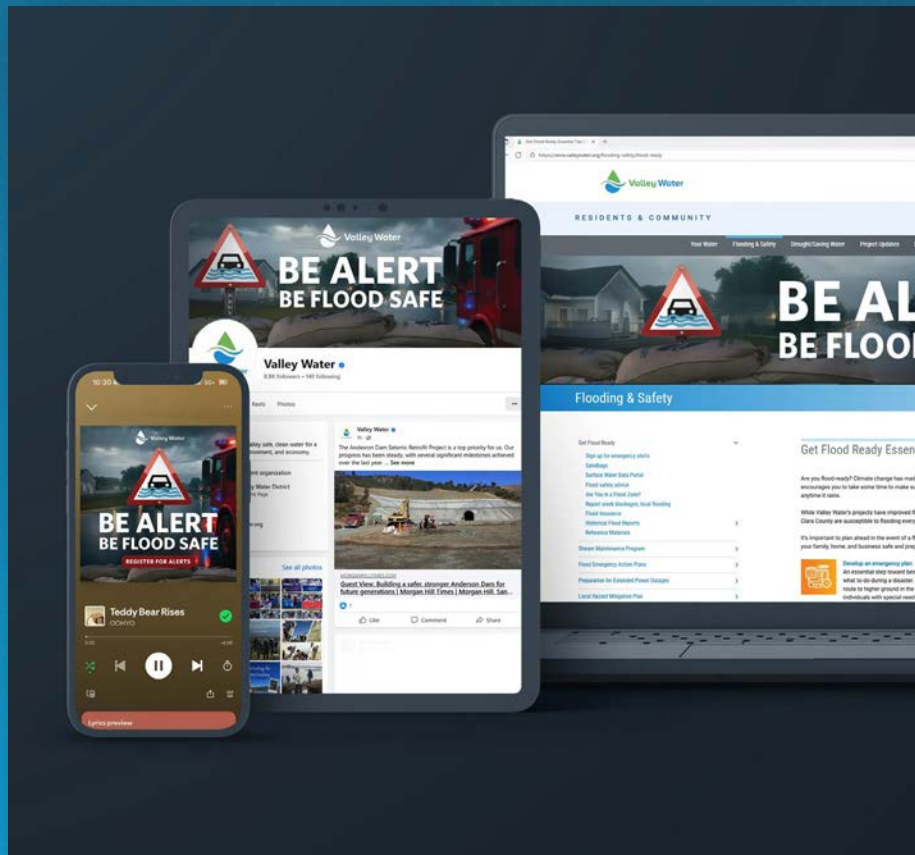
MAP OF SANTA CLARA COUNTY FLOODING HOT SPOTS



EVALUATION

Methods:

- Digital advertising performance metrics
- Emergency alert signups
- Social engagement analytics



RESULTS

Total Spend: \$125,160

Total Impressions: 17.8M

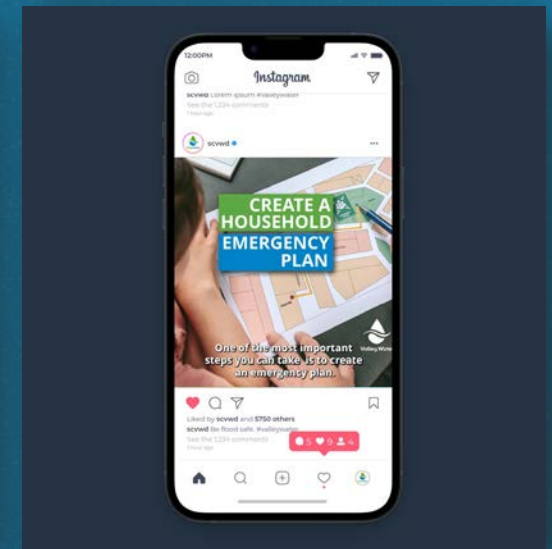
Social Engagements: 492,297

Primary Objective: Awareness / Reach

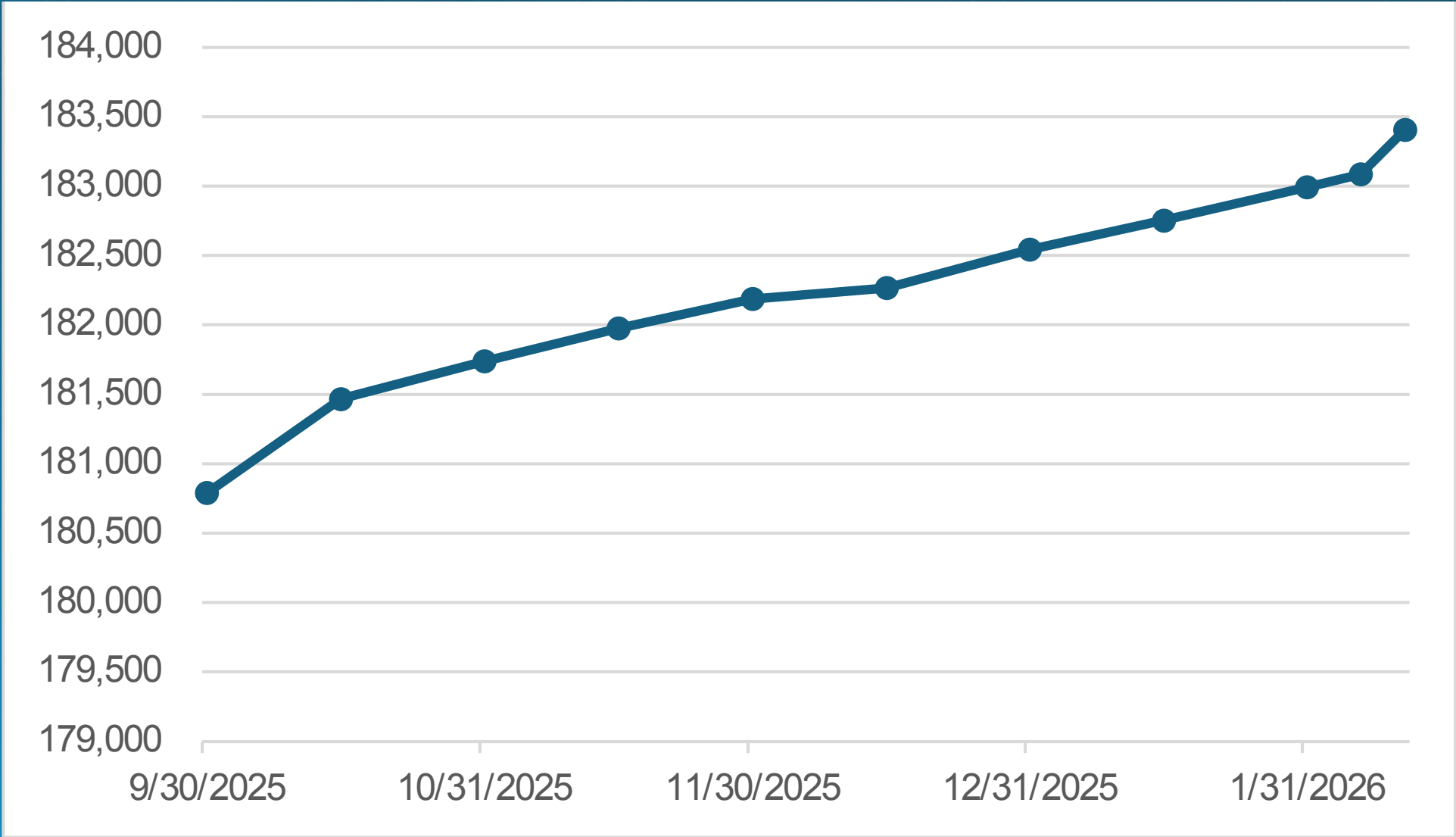
- Multichannel paid media delivered multilingual flood preparedness awareness using a precision-targeted, hyperlocal strategy centered on 12 Valley Water-identified flood hot spots across Santa Clara County.
- Digital and offline channels were integrated to maximize reach and reinforce message frequency near high-risk locations.

Takeaways:

- Paid media delivered 17.3 million impressions across digital and out-of-home channels.
- Multilingual out-of-home advertising (bus shelters, light rail, billboards, movie theaters) concentrated exposure near 12 intersections identified by Valley Water's hydrology team as flooding hot spots.
- Print placements extended reach across vulnerable multilingual communities.



INCREASED EMERGENCY ALERT SIGN-UPS



ABOUT VALLEY WATER

The Santa Clara Valley Water District (Valley Water) is a California special district formed and operating under special sections of California law, referred to as the District Act.

Valley Water manages an integrated water resources system that includes the supply of safe, clean water, flood protection and stewardship of streams on behalf of Santa Clara County's 2 million residents.

Valley Water effectively manages 10 dams and surface water reservoirs, three water treatment plants, a state-of-the-art water quality laboratory, approximately 285 acres of groundwater recharge ponds, and more than 275 miles of streams. We also operate the award-winning Silicon Valley Advanced Water Purification Center, the largest plant of its kind in Northern California and the focal point of our efforts to expand Santa Clara County's local drinking water supply.

Valley Water provides wholesale water and groundwater management services to local municipalities and private water retailers who deliver drinking water directly to homes and businesses in Santa Clara County.

Valley Water's stream stewardship responsibilities include creek restoration, wildlife habitat protection, stream water pollution prevention, and natural flood protection.



THANK YOU!

Flood Awareness Campaign 2025-2026



Valley Water

Clean Water • Healthy Environment • Flood Protection

Agenda Meeting

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

CRS Transition Planning: General Virtual Transition Kick-off Meeting (Task 2.1.3)

March 21, 2026 | 2:00 p.m. – 4:00 p.m.

Join Zoom Meeting

<https://valleywater.zoom.us/j/86592760729?pwd=V2t5x0MRatEN7xXOHe8EZ4NeU0VbLe.1&from=addon>

Meeting ID: 865 9276 0729 | Passcode: 782108 | +1 669 900 9128 US (San Jose)

Purpose: Present an overview of Valley Water’s transition efforts, solicit questions and feedback, and document key concerns and action items for Valley Water and the CRS-participating communities

Section	Meeting Topic	Presenter	Time
1.	Introductions	Amy Fonseca	10 min
2.	Review of the meeting goals and agenda (<i>see page 2</i>)	Amy Fonseca	2 min
3.	Annual review of CRS Communities Roster (Google Link)	Amy Fonseca	2 min
4.	Next steps of CRS Regionalization in Santa Clara County Feasibility Study results	Amy Fonseca	5 min
5.	Introduction to Valley Water’s New Partnership Role in the CRS Program for Santa Clara County (Partnership Model) 2021 Multi-Jurisdictional Program for Public Information (PPI) Annual Evaluation Report for FY26 (Year 5: July 2025 to June 2026) - 2021 PPI sunset in April 2026 – Is the committee required to submit an annual evaluation report for FY26? – 2026 Multi-Jurisdictional PPI, single jurisdiction PPI, or discontinue PPI Activity 350 – Flood Protection Information, c. flood protection website (WEB) (page 350-7) Next Steps	Melissa Mitchell, Tetra Tech	90 min
6.	Closing Comments	Amy Fonseca	2 min
7.	Adjourn		

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

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

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

Activity 350 – Flood Protection Information, c. flood protection website (WEB) (page 350-7)

The community must:

- 3) The community **must check** the website's links **at least monthly** and fix those that are no longer accurate.
- 4) **At least annually**, the community **must review** the content to ensure it is still current and pertinent (e.g., make sure names, addresses, phone numbers, and other contact information are still correct; update any ordinance changes; etc.)

Santa Clara County CRS Users Group and PPI Committee

Meeting Minutes - May 21, 2026

Time: 2:00 p.m. Location: Zoom

1. Welcome and Introductions

Amy Fonseca opened the meeting. Representatives from Valley Water, Tetra Tech, and participating cities introduced themselves.

2. CRS Transition Update

Valley Water reported that full CRS regionalization is not feasible and plans to move from its fictitious-community role to a partnership model.

- Cities will manage their own CRS documentation, recertifications, and ISO/FEMA coordination.
- Valley Water will continue regional flood outreach and provide supporting documentation for CRS credit.
- Tetra Tech will provide community-specific assessments and transition support through December 2026, subject to available contract hours.

3. Future of the PPI

The committee discussed continuing the multi-jurisdictional PPI with a new lead, forming a smaller group, creating individual city PPIs, or retiring the PPI and using standard Activity 350 outreach credits.

No final decision was made. A continuing multi-jurisdictional PPI will require a lead community or shared coordinating group. The committee should select a direction in the next few months.

4. Activity 350 and Website Information

Valley Water will continue providing regional flood information. Each city remains responsible for local permitting, regulatory, elevation-certificate, and other community-specific website information. Tetra Tech will review additional credit opportunities with each community.

5. Decisions

- No formal vote or final PPI decision was taken.
- Communities will review individual CRS credit impacts before selecting a PPI option.

6. Action Items

- All communities: Update the shared CRS contact roster as soon as possible.
- Valley Water: Send the meeting recap and consultation instructions; confirm available Tetra Tech support hours.
- Tetra Tech and each community: Schedule and complete individual CRS assessments between June and December 2026.
- Each community: Confirm that Tetra Tech has current CRS records before its consultation.
- PPI Committee: Select a PPI direction.
- Interested communities: Identify a lead or shared coordinator if the multi-jurisdictional PPI continues.

7. Adjournment

The meeting adjourned at approximately 3:40 p.m.

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Mario Jimenez, Associate Engineer

APPROVED BY: City Manager

ACCEPT THE 2025 ENCINO TANK REHAB PROJECT

RECOMMENDATION(S)

1. Accept as complete the 2025 Encino Tank Rehab 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 and Quality of Life

Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Fiscal Sustainability

Public Safety

Guiding Documents

Water System Master Plan

REPORT NARRATIVE:

On November 20, 2024, the 2025 Encino Tank Rehab Project was awarded to Euro Style Management in the amount of \$780,850 with a construction contingency of \$78,085. The project included recoating the exterior and interior of the reservoir, installing necessary safety elements, and repairing damaged elements on the tank.

The project began at the end of May 2025 and was substantially completed by June 2026. Two change orders totaling \$24,439 were authorized for this project, and the final construction contract with Euro Style is \$805,289.

Staff recommends accepting this project, as it is complete in accordance with the plans and specifications, and directing the City Clerk to file the Notice of Completion.

COMMUNITY ENGAGEMENT:

Inform

The project engineer, contractor, and other staff members made best efforts to provide notification prior to and during the course of construction to residents in the vicinity. Door to door outreach was performed for residents affected before and during construction as well as regular posting on the City website.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On November 20, 2024, the City Council awarded the 2025 Encino Tank Rehabilitation Project to Euro Style Management.

FISCAL AND RESOURCE IMPACT:

The Final contract amount for the 2025 Encino Tank Rehab Project is \$805,289. The project was awarded to Euro Style Management in the amount of \$780,850 with an authorized contingency of \$78,085 (Total \$858,935).

This project is funded in the Fiscal year 2024-25 Capital Improvement Program (CIP) budget under CIP Project WA6009-Reservoir Recoating and Rehabilitation. The contingency balance of \$53,646 will be returned to the Water CIP Fund.

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.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

CIP Contract Acceptance Funding Closeout Statement

Project:	2025 Encino Tank Rehab Project			
Project No:	WA6009			
Date of Project Award:	20-Nov-24	Project Award Amount:		\$780,850
Funding Source:	FY 24/25 CIP	Contingency Authorized:		\$78,085
Date of Project Acceptance:	16-Sep-26	Total Authorized:		\$858,935
		Actual Base Contract Spent:		\$780,850

Change Orders				
	Description	Date	Council Approval Reqd? (Y/N)	
CO 1	Hot Tap and Valve insertiion	2-Jul-25	n	\$16,839.00
CO 2	Replace crows nest bolts	23-Sep-25	n	\$7,600.00
Total C.O.:				\$24,439.00

Additional Appropriations		
Source	Amount	Date
None		

		Total Construction Amount (Base Contract plus CO's):	\$805,289.00
Construction Fund Balance:	\$53,646.00		

Recording Requested By:
The City of Morgan Hill

When Recorded Mail To:
City of Morgan Hill
City Clerk's Office
17575 Peak Avenue
Morgan Hill, CA. 95037

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

Record at No Fee Pursuant to Government Code 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:

Furnish all labor, material and equipment to prepare and apply epoxy coating systems internally and externally to the Encino Tank.
Furnish all labor, materials and equipment to make structural repairs to the roof and upgrade safety systems components. Install temporary tanks.

6. The name of the original Contractor for the Project is: Euro Style Management
7. The Project was accepted as complete on: June 3, 2026
8. The Project is located at:
APN 77328001, Casino Real Drive, Morgan Hill, CA

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: September 16, 2026

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

ACCEPT THE CITYWIDE MULTI-SITE SOLAR SYSTEM PROJECT

RECOMMENDATION(S)

1. Accept as complete the 2025 Citywide Multi-Site Solar System Project;
2. Authorize the Public Services Director 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

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Fiscal Sustainability

Guiding Documents

Climate Action Plan

REPORT NARRATIVE:

On June 26, 2024, the City awarded an Energy Services Contract to Syserco Energy Solutions, Inc. in the amount of \$7,583,500 with a construction contingency of \$379,175 to construct solar systems at seven City facilities. The locations include systems at the Corporation Yard, Police Department, Aquatics Center, Community and Cultural Center, Civic Center, Nordstrom Well, and San Pedro Well. The project included relocation of trees at several sites, which was completed as part of the project.

The project is now complete. All solar systems are online. One change order totaling \$243,600 was authorized for this project by the City Council to repair the existing solar system at the Centennial Recreation Center and the final construction contract with Syserco Energy Solutions, Inc. is \$7,827,100.

Staff recommends accepting this project and directing the City Clerk to file the Notice of Completion (Attachment 1) as it is complete in accordance with the plans and specifications.

COMMUNITY ENGAGEMENT:

Inform/Involve

This project aligns with the City's Climate Action Plan, which was developed through extensive collaboration with the Community. It is also aligned with the City Council's Goal of Fiscal Sustainability to protect the expense-reducing solar systems at the CRC.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 26, 2024, the City Council awarded an Energy Services Contract to Syserco Energy Solutions, Inc.

On June 16, 2025, the City Council authorized a Change Order for the repair of the Centennial Recreation Center Solar System.

FISCAL AND RESOURCE IMPACT:

The Final contract amount for the Project is \$7,827,100. The project was awarded in the amount of \$7,583,500 with an authorized contingency of \$379,175 (Total \$7,962,675). This project is funded through numerous project funds including the Public Facilities Impact Fund (347), Public Safety Facilities Impact Fund (315), Quimby Fund (375), Water Impact Fee Fund (651), Wastewater Impact Fee Fund (641), and the Building Replacement Fund (741). The contingency balance of \$135,575 will be returned to these various funds.

CEQA (California Environmental Quality Act):

Categorical Exemption / Statutory Exemption

This project was exempt from CEQA under the following exemptions:

- The installation of solar panels on a new carport structure is exempt from the California Environmental Quality Act (CEQA) under Categorical Exemption Class 3 (Small Structures). The project consists of constructing a new carport structure that is less than 10,000 square feet and does not require significant grading or excavation. The solar panel installation is considered part of the carport structure and will not result in significant environmental impacts beyond those already considered under Class 33.
- The installation of solar panels on a new carport structure, even if exceeding 10,000 square feet, at the locations identified is exempt under California Public Resources Code Section 21080.35 as the project will be designed to meet specific requirements, including the size of the facility, location in an existing developed area, and will not have a significant impact on the environment.

Recording Requested By:
City of Morgan Hill

When Recorded Mail To:
City Clerk
City of Morgan Hill
17575 Peak Ave
Morgan Hill, CA 95037

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION
Civil Code §§ 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 Ave., Morgan Hill, CA 95037.
4. The nature of City's interest in the Project is:
☒ Fee Ownership ☐ Lessee ☐ Other: _____
5. Construction work on the Project performed on City's behalf is generally described as follows: Multi-facility Solar Project at the Corporation Yard, Police Department, Aquatics Center, Community and Cultural Center, Civic Center, Nordstrom Well, San Pedro Well and Centennial Recreation Center.
6. The name of the original Contractor for the Project is: Syserco Energy Solutions. Inc. located at 215 Fourier Avenue, Suite 140, Fremont, CA 94539.
7. The Project was accepted as completed on: September 16, 2026.
8. The Project is located at: 16200 Condit Road, 16500 Condit Road, 17575 Peak Avenue, 17000 Monterey Road, 100 Edes Court, 16200 Vineyard Blvd., 16990 Murphy Avenue and 171 West Edmundson Avenue, Morgan Hill, California 95037.

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.

Date and Place

Signature
Chris Ghione – Asst. City Manager

*EXEMPT FROM NOTARY ACKNOWLEDGMENT REQUIREMENTS PER GOVERNMENT
CODE § 27287 AND CIVIL CODE § 9208*

CIP Contract Acceptance Funding Closeout Statement

Project:	Multi-Facility Solar Project PR1005.375.CONST, WA6011.653.CONST, PF2008.347.CONST, WA6011.643.CONST, PF2002.315.CONST, 741.00.40.8500.43820			
Project Nos:				
Date of Project Award:	26-Jun-24	Project Award Amount:		\$7,583,500
Funding Sources:	375.40.40.8051.86360, 653.80.40.8120.86360, 347.40.40.8056.86360, 643.70.40.8170.86360, 315.40.40.8080.86360, 741.00.40.8500.43820	Contingency Authorized:		\$379,175
Date of Project Acceptance:	16-Sep-26	Total Authorized:		\$7,962,675
		Actual Base Contract Spent:		\$7,583,500

Change Orders				
	Description	Date	Council Approval Req'd? (Y/N)	Amount
C.O. #1:	Replacement of Solar System/Inverters at Centennial Recreation Center	18-Jun-25	N	\$243,600.00
Total C.O.:				\$243,600.00

Additional Appropriations		
Source	Amount	Date
None		

Construction Fund Balance:	\$135,575.00	Total Construction Amount (Base Contract plus CO's):	\$7,827,100.00
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CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

APPROVE CHANGE ORDER FOR BUTTERFIELD FIRE STATION PROJECT IN THE AMOUNT OF \$25,825

RECOMMENDATION(S)

Approve and authorize the City Manager to execute a Change Order with Larry S. Kent, Inc. DBA Kent Construction in the amount of \$25,825 for coordination, submittals, meetings, third-party electrical testing, validation, and securing the facility's commercial Permission to Operate (PTO) with Pacific Gas and Electric Company (PG&E) for the Butterfield Fire Station Project.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life

Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Fiscal Sustainability

Guiding Documents

Fire Services Standards of Coverage

Morgan Hill 2035 General Plan

Public Safety Master Plan

REPORT NARRATIVE:

The Butterfield Fire Station Project is substantially complete and has been in use since September 2025. The last item of work on the project involves the activation of the solar panel system, battery backup system, and backup generator with PG&E to fully utilize this system. Before the system may be used, PG&E must issue Permission to Operate (PTO).

The shifting requirements and slow review responses by PG&E have significantly delayed the PTO for the fire station. The City, Kent Construction, and the subcontractor have gone back and forth with PG&E representatives on the potential need for the City to fund PG&E system improvements to support connection of the battery system. Recently, the City, Kent, and its subcontractor have agreed on a path forward with PG&E to eliminate the need for these system improvements and a path to finalize work

and achieve PTO.

In order to finalize this work, additional coordination efforts, submittals, meetings, and third-party electrical testing will need to be performed between Kent Construction, its subcontractor, and PG&E. This work was not in the original scope of the contract and therefore requires a change order. Once the testing is completed, the final step would be to secure the facility's PTO with PG&E to have the system fully operational. The total change order request for this work from Kent Construction is \$25,825.

Staff recommends approval of this change order for \$25,825 to complete and validate the necessary coordination efforts and third-party testing, and to secure the facility's PTO to have the system fully operational. The completion of this work with PG&E will provide electrical savings to operate the fire station. The original contingency of \$1,150,081 has been fully used. Therefore, this change order requires City Council approval.

COMMUNITY ENGAGEMENT:

Inform

During construction, staff provides regular updates through media, social media, and the City's website.

ALTERNATIVE ACTIONS:

City Council may elect to not approve this change order to Larry S. Kent, Inc. DBA Kent Construction. However, this would render our solar panel system, backup battery system, and backup generator to function improperly without this work being approved and completed.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

February 22, 2017 - City Council received and reviewed Public Safety Master Plan.

December 4, 2019 - City Council received and reviewed the Hazard Risk Assessment and Standards of Coverage Study.

December 1, 2021 - City Council authorized the City Manager to execute and administer an agreement with Jeff Katz Architecture for the design of the Butterfield Fire Station Project.

November 2, 2022 - City Council approved conceptual design for the Butterfield Fire Station Project

March 15, 2023 - City Council approved acceptance of a grant from Silicon Valley Clean Energy for \$500,000 to be used towards the project, specifically as an all electric fire station demonstration site.

June 7, 2023 - City council awarded Butterfield Fire Station Project to Larry S. Kent, Inc. DBA Kent Construction in the amount of \$7,956,553.

December 4, 2024 - City Council approved a change order with Larry S. Kent, Inc. DBA Kent Construction to install a HAWK signal for Butterfield Fire Station Project in the amount of \$322,205.

FISCAL AND RESOURCE IMPACT:

If the proposed change order is approved, the overall construction contingency total for the Butterfield Fire Station project will increase from \$1,150,081 to \$1,175,906 (an increase of \$25,825), bringing the total construction cost of the project to \$9,132,459. There are available funds within Project PF2003 for this work.

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. Minor Alterations to Land, under this section, covers minor public or private alterations to the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees for forestry or agricultural purposes, including the creation of bicycle lanes on existing right-of-way.



Engineering and Utilities Department
CIP Engineering Division

Document Path: G:\R-14\PROJ\Agustin\GIS\Butterfield Fire Station.mxd

BUTTERFIELD FIRE STATION PROJECT



0 80 160 320 480 640 Feet

Page 03 of 249

CHANGE ORDER REQUEST

PG&E Rule 21 Pre-Parallel Inspection (PPI) Relay Testing & Live Utility Witness Testing

Project Name:	Butterfield Fire Station	COR Number:	Butterfield-3104
Project Address:	17285 Butterfield Blvd. Morgan Hill Ca 95037	Date:	9/1/26
Contractor:	Simmitri	To:	Kent Construction

1. Description of Change

This Change Order Request covers all specialized labor, technical engineering management, and certified sub-contractor field coordination necessary to facilitate the PG&E Rule 21 Pre-Parallel Inspection (PPI) Relay Testing and Live Utility Witness Testing protocols. This scope constitutes a formal addition to the core electrical installation contract, addressing the advanced protection programming, independent NETA (InterNational Electrical Testing Association) secondary injection physical validation, and utility-facing representation mandatory for securing the facility's commercial Permission to Operate (PTO).

2. Detailed Line-Item Pricing Breakdown

Item	Description of Work / Deliverable	Est. Hours	Rate / Type	Total Line Cost
1.01	- Administrative Coordination & Submittals - Manage PG&E EGI portal engineering liaisons. - Compile & upload approved Settings Profiles and Form G5-1 packages.	25	\$225	\$5,625
1.02	- Independent Third-Party NETA Relay Testing - Subcontracted NETA (InterNational Electrical Testing Association)-certified testing agency fees. - Secondary multi-phase injection tests via calibrated test sets (Omicron CMC 356).	Fixed	\$14,000	\$14,000
1.03	- BESS Programming & Logic Integration - Inverter firmware updates matching UL 1741 SB / CSIP mandates. - Program non-export reverse power parameters & microgrid isolation loops.	Fixed	\$3,500	\$3,500
1.04	- On-Site Utility Witness Test Facilitation - Standby journey-level field electricians & calibrated tooling for live demo. - Execute live anti-islanding trip and time the mandatory 5-min cooldown reset.	4	\$225	\$900
1.05	- Project Management & Field Supervision - Field logistics coordination, safety compliance audits, and document sign-offs.	8	\$225	\$1,800

Item	Description of Work / Deliverable	Est. Hours	Rate / Type	Total Line Cost
	Subtotal Cost			\$25,825
				\$ [Fill Markup]
	NET CHANGE TO CONTRACT VALUE			\$25,825

3. Total Cost & Progress Payment Schedule

Net Change to Contract Value (from Section 2): \$ [FILL TOTAL]

Payments shall be invoiced and are due within [Insert] days of each milestone below being met:

#	Payment Milestone	Amount Due
1st	Due upon signing of this Change Order	\$12,912.50
2nd	Due upon completion of PPI Relay Testing	\$5,000.00
3rd	Due upon passing of the live PG&E field witness test / inspection	\$7,912.50
	TOTAL PAYMENT SCHEDULE	\$25,825.00

4. Impact to Project Schedule

Execution of this Change Order will add approximately [Insert Days, e.g., 30] calendar days to the overall project schedule performance window. This duration accounts for third-party subcontractor mobilization, the utility's mandatory 15-to-30-day upfront engineering validation queue, and PG&E regional inspector field scheduling availability.

5. Terms, Conditions, & Critical Exclusions

- Utility Tariffs & Fees: All application, processing, or witness testing fees charged directly by PG&E are strictly excluded from this contract modification and shall be settled directly by the Owner.
- Design & Settings Integrity: Pricing assumes protection settings generated by the customer's Engineer of Record are technically flawless and fully cleared by PG&E. Troubleshooting or repeated testing arising from errors in engineering design will be treated as an independent Time & Materials (T&M) event.
- OEM Equipment Performance: Contractor accepts no liability for delays, hardware revisions, or software errors tied directly to original manufacturer equipment firmware glitches (BESS, inverters, or specialized digital relays).
- Utility Administrative Delays: The Contractor shall be held harmless for extensions, standing site overhead, or scheduling delays stemming from PG&E workload backlogs, rolling emergency inspector redirections, or administrative holds.

6. Formal Authorization & Execution

By executing signatures below, the Client formally authorizes the Contractor to implement the additional technical and field services outlined in this contract revision. The baseline construction contract value and schedule milestones will adjust in direct accordance with the sums and durations detailed above.

Contractor Authorized Signature:

Owner / Client Authorized Signature:

Printed Name: Jonathan Garcia

Printed Name: _____

Title: CEO, Simmitri

Title: _____

Date: _____

Date: _____



City Council

Meeting Minutes

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

Wednesday, August 19, 2026

5:00 p.m. Closed Session

6:00 p.m. Regular Session

Council Chamber Building
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 City Council meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Bigelow called the roll.

PRESENT	Mark Turner, Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega
ABSENT	None

DECLARATION OF POSTING AGENDA

City Clerk Bigelow declared the posting of the agenda.

CLOSED SESSION

City Attorney Tolentino announced the closed session item.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant Exposure to Litigation [Government Code § 54956.9(d)(2)]

One potential action involving significant exposure to litigation pursuant to Section 54956.9 (d)(2). Facts and circumstances are known under Section 54956.9(e)(2)

- Complaints of inappropriate conduct by a Council Member

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

Public comment opened at 5:01 p.m. With 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 convened at 6:12 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT OUT

Council gave direction to the outside special counsel.

RECOGNITIONS

Carlos Perez, Royal Clothiers

CITY COUNCIL REPORTS

Mayor Pro Tem Librers reported that during the six-week Council recess, she continued to represent Morgan Hill by attending various committee meetings and other City-related activities.

OTHER REPORTS

Council Member Martinez Beltran reported attending a Silicon Valley Clean Energy (SVCE) meeting and shared updates on SVCE's continued support of Morgan Hill, including grant funding for the Centennial Recreation Center (CRC). She also shared that SVCE will be moving to a new facility and reported attending various meetings and reviewing City ordinances during the recess.

Council Member Vega reported attending various meetings and participating in volunteer activities during the recess. She also shared that she recently transitioned to working locally in Morgan Hill, eliminating her previous commute.

Mayor Turner reported attending a VTA Board meeting and a Cities Association meeting. He also met with community members to discuss opportunities to make Morgan Hill a destination for sports, youth sports, and recreation and shared that additional updates would be provided as the effort progresses.

Council Member Iwanaga reported participating in the Edward Boss Prado Foundation clothing giveaway and shared information about the upcoming free backpack giveaway. She also shared information about an upcoming citywide community event organized by Dori Prado that encouraged community members to visit and learn more about activities at local churches.

CITY MANAGER'S REPORT

City Manager Turner reported that KTVU FOX 2 brought its Zip Trips series to Morgan Hill on August 7, showcasing the people, places, and local flavor of the community. She also announced the Centennial Recreation Center's upcoming 20th anniversary celebration on October 10, which will feature a full day of activities, including a ceremony and celebrity free throw contest. Recreation updates included the 20th Annual CrossFit Games held on July 22, with a portion of the event taking place at the Morgan Hill Outdoor Sports Center and Dennis Kennedy Aquatics Center, as well as the City's continued partnership with the San Jose Sharks to offer community ball hockey clinics at the Community and Cultural Center, with the next clinic scheduled for September 12.

Updates were also provided on several community projects and upcoming events. The Upper Llagas Flood Protection Project continued to progress, with Wright Avenue reopened to vehicle traffic and Hale Avenue scheduled to reopen in October. She shared information about the Back to School Night Twilight Market scheduled for August 20 in Downtown Morgan Hill, which will feature children's activities, giveaways, resource booths, and local small business vendors. She also shared information about the upcoming November 3, 2026 ballot measure, when Morgan Hill voters will decide whether the City Treasurer position should remain elected or become appointed.

She shared that the City is launching the ELEVATE Morgan Hill Spanish Leadership Academy, a free 10-week program conducted entirely in Spanish and focused on strengthening leadership skills, connecting residents with community resources, and encouraging civic engagement. The program will begin with an in-person retreat on August 29, followed by classes beginning September 15. In addition, Morgan Hill was selected to present its ELEVATE Morgan Hill economic mobility program at the International City/County Management Association National Economic Mobility Conference in Washington, D.C., with City representatives attending on behalf of Morgan Hill.

She reported that Heron Power announced an investment of more than \$100 million to

establish Heron Factory One in Morgan Hill. The project will convert a 286,000-square-foot facility at the former Young's Market on Jarvis into a high-tech manufacturing plant producing next-generation medium-voltage power conversion systems. PG&E and the Governor's Office of Business and Economic Development were recognized for their support in attracting the business to Morgan Hill. Lastly, Kelly Wright was introduced as the City's new Human Resources Director, bringing more than 25 years of public sector HR experience.

CITY ATTORNEY'S REPORT

None.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:25 p.m. The following people were called to speak:

Dan Cloutier
Chris Robell
Kathy Jasper
Bruce Cooley
Kaitlin
Linda Izquierdo
Susan Betz
Phil Orselli
Gerardo Leon
Ashley Antioch Sarabia
Trizha Aquino
Huy Tran
Heather Burns
Sean Baker
Julianne Saenz
Kevin Park (Zoom)

With no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The meeting recessed at 6:56 p.m. and reconvened at 7:00 p.m.

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.

Public comment opened at 7:07 p.m.

Rocke Garcia was called to speak.

With no further requests to speak, public comment closed.

MOTION:

Approving consent calendar items 1 through 5 and 7 through 15.

RESULT:	Passed
MOVER:	Council Member Iwanaga
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	Council Member Martinez Beltran

1. ACCEPT CENTENNIAL RECREATION CENTER (CRC) BATTERY STORAGE PROJECT

Recommendation:

1. Accept as complete the Centennial Recreation Center (CRC) Battery Storage Project;
2. Authorize the Public Services Director 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. ACCEPT GRANT FUNDING OF \$798,000 FROM CAL FIRE AND ADOPT THE BUDGET AMENDMENT RESOLUTION TO APPROPRIATE \$998,000 IN THE AGRICULTURAL PRESERVATION AND OPEN SPACE FUND TO SUPPORT A FIRE PROTECTION PROJECT

Recommendation:

1. Accept Grant Funding of \$798,000 from CAL FIRE for a fuel reduction project on City right of way and open space areas; and
2. Amend the Fiscal Year 2026-2027 Capital Improvement Budget, appropriating \$998,000 in expense and \$798,000 in grant revenue from the Agricultural Preservation and Open Space Fund for fire protection project.

3. **ACCEPT THE CALIFORNIA HIGHWAY PATROL CANNABIS TAX GRANT IN THE AMOUNT OF \$170,429**

Recommendation:

1. Adopt a resolution accepting the California Highway Patrol's Cannabis Tax Grant in the amount of \$170,429; and
2. Authorize the City Manager to execute the California Highway Patrol's Cannabis Tax Fund Grant Program agreement.

4. **ACCEPT THE CALIFORNIA OFFICE OF TRAFFIC SAFETY TRAFFIC ENFORCEMENT GRANT IN THE AMOUNT OF \$79,300**

Recommendation:

1. Adopt a resolution accepting the California Office of Traffic Safety's Selective Traffic Enforcement Grant in the amount of \$79,300; and
2. Authorize the City Manager to execute the California Office of Traffic Safety's Selective Traffic Enforcement Grant Program agreement.

5. **ADOPT ORDINANCE 2376, NEW SERIES, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF MORGAN HILL AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Recommendation:

Waive the reading, adopt Ordinance No. 2376, 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.

7. **APPROVE COMMISSION WORK PLANS FOR FISCAL YEAR 2026-27**

Recommendation:

Review and approve the FY 2026-27 Work Plans for the Library, Culture and Arts Commission and the Parks and Recreation Commission.

8. **APPROVE CONSULTANT AGREEMENTS WITH TL ENGINEERING CORP. AND HEXAGON TRANSPORTATION CONSULTANTS. INC., FOR ON-CALL TRANSPORTATION/TRAFFIC ENGINEERING SERVICES**

Recommendation:

1. Approve and authorize the City Manager to execute and administer an agreement with TL Engineering in the amount of \$300,000 to provide On-Call Transportation/Traffic Engineering Services for various Capital Improvement Program Projects and On-Call Engineering Plan Review and Technical Support Services for Land Development Engineering; and
2. Approve and authorize the City Manager to execute and administer an agreement with Hexagon Transportation Consultants, Inc. in the amount of \$300,000 to provide On-Call Transportation/Traffic Engineering Services for various Capital Improvement Program Projects and On-Call Engineering Plan Review and Technical Support Services for Land Development Engineering.

9. **APPROVE CONSULTANT AGREEMENT WITH HYDROSCIENCE ENGINEERS, INC. FOR THE NOT TO EXCEED AMOUNT OF \$671,147 FOR CONDIT AND LLAGAS BOOSTER STATION DESIGN AND PROFESSIONAL SERVICES**

Recommendation:

Award and authorize the City Manager to execute a Consultant Agreement for Design Professionals with HydroScience Engineers, Inc. for the not to exceed amount of \$671,147 for Condit and Llagas booster station design and professional services.

10. **APPROVE FINAL MAP FOR SPRING VIEW – TRACT NO. 10589 AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT (335 SPRING AVENUE)**

Recommendation:

1. Approve the Final Map;
2. Approve a Subdivision Improvements Agreement with 335 Spring LLC, a California limited liability company;
3. Authorize the City Manager to execute the Subdivision Improvements Agreement; and
4. Authorize the recordation of the Final Map and Subdivision Improvements Agreement.

11. **APPROVE PURCHASE OF REPLACEMENT PUMPS FOR LIFT STATIONS C AND H FROM SHAPE INC. IN THE AMOUNT OF \$105,135**

Recommendation:

Approve and authorize the City Manager to execute a purchase order to Shape Inc. in the amount of \$105,135 for Lift Station C and H replacement pumps.

12. APPROVE RESPONSES TO 2025-26 CIVIL GRAND JURY REPORTS, "POTHOLE DAMAGE: IMPROVING CLAIMS PROCESSES WITHIN SANTA CLARA COUNTY," AND "VTA'S MANAGEMENT AND OVERSIGHT OF BART SILICON VALLEY PHASE II"

Recommendation:

1. Approve response to 2025-26 Santa Clara County Civil Grand Jury Report "Pothole Damage: Improving claims processes within Santa Clara County,";
2. Approve response to 2025-26 Santa Clara County Civil Grand Jury Report "VTA's Management and Oversight of BART Silicon Valley Phase II,"; and
3. Authorize the Mayor to sign the responses.

13. APPROVE THE AMENDMENT TO GRANT OF MAINTENANCE AND ACCESS EASEMENT WITH SUNSWEET MORGAN HILL DEVELOPMENT LLC TO ABANDON CERTAIN PORTIONS OF AN EXISTING MAINTENANCE EASEMENT AND AN ACCESS EASEMENT BOTH RUNNING ALONG THE WESTERLY SIDE OF THE SUNSWEET MIXED-USE APARTMENT BUILDING LOCATED AT 90 E. 3RD STREET (DESIGNATED AS ASSESSOR'S PARCEL NUMBER 726-13-058) AND ACCEPT COMPENSATION IN THE AMOUNT OF \$5,216

Recommendation:

1. Approve the Amendment to Grant of Maintenance and Access Easement with Sunsweet Morgan Hill Development LLC that will reduce the square footages of an existing 3,600 sq. ft. Maintenance Easement Area and an existing 2,880 sq. ft. Access Easement Area, granted to the City on August 27, 2014 by Glenrock Builders, Inc. (original Sunsweet Property Owner/Developer), with both easements running along the westerly side of the Sunsweet Mixed-Use Apartment Building located at 90 E. 3rd Street (designated as Assessor's Parcel Number: 726-13-058);
2. Accept a fair market value compensation in the amount of \$5,216 from Sunsweet Morgan Hill Development LLC (current Sunsweet Property Owner);
3. Authorize the City Manager to execute the Amendment to Grant of Maintenance and Access Easement; and
4. Authorize the recordation of the Amendment to Grant of Maintenance and Access Easement in the Official Records of the County contingent upon the receipt of the \$5,216 compensation from Sunsweet Morgan Hill Development LLC.

14. APPROVE THE JUNE 17, 2026 CITY COUNCIL MEETING AND JUNE 24, 2026 SPECIAL CITY COUNCIL MEETING MINUTES

Recommendation:

Approve the June 17, 2026 City Council Meeting and June 24, 2026 Special City Council Meeting Minutes.

15. RATIFY CITY POSITIONS ON PENDING LEGISLATION

Recommendation:

1. Ratify the City's position opposing pending legislation Senate Bill 1117 (Cervantes) Accessory dwelling units and junior accessory dwelling units;
2. Ratify the City's position opposing pending legislation Assembly Bill 1621 (Wilson) Planning and Zoning Law: Post-entitlement Phase Permits: Housing Accountability Act;
3. Ratify the City's position opposing pending legislation Assembly Bill 1751 (Quirk-Silva) Missing Middle Townhome Ownership Act;
4. Ratify the City's position supporting Assembly Bill 1436 (Avila Faris) State Air Resources Board: air pollution regulations: private fleets: exception; and
5. Ratify the City signing on to the League of California Cities coalition letter urging the Legislature to reject proposed wildfire liability reforms.

ITEM PULLED FOR DISCUSSION

6. APPROVE AN IMPACT FEE FREEZE AGREEMENT WITH REGENCY CENTERS, L.P., FOR A 55,314 SQUARE FOOT RETAIL DEVELOPMENT ON 7.82 ACRES PARCEL IDENTIFIED BY ASSESSOR PARCEL NUMBER (APN) 728-31-020

Recommendation:

Approve and authorize the City Manager to execute an Impact Fee Freeze Agreement with Regency Centers, L.P. for an approximately 55,314 square foot retail development on 7.82 acres located at the southwest corner of Cochrane Road and DePaul Road on APN 728-31-020.

City Manager Turner provided a report.

Public comment opened at 7:07 p.m. With no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
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MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

16. APPOINT VOTING DELEGATES FOR THE 2026 CALCITIES (LEAGUE) ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE RESOLUTION TO BE CONSIDERED

Recommendation:

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the CalCities Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to CalCities;
3. Confirm "support" for the resolution to be considered calling for a working group to consider a state constitutional amendment or other form of initiative to ensure final local authority over housing and land use decisions; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the CalCities annual conference.

City Clerk/Public Information Officer Bigelow provided a report.

Public comment opened at 7:08 p.m. With no requests to speak, public comment closed.

MOTION:

Appointing the Mayor to serve as the voting delegate and the Mayor Pro Tem to serve as the alternate voting delegate and directing the recommended actions.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None

ABSENT:	None
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17. RECEIVE MONTHLY BUDGET UPDATE; PRELIMINARY FY 2025-26 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Finance Director Nguyen provided a report and presentation.

Public comment opened at 7:20 p.m. With no requests to speak, public comment closed.

Report accepted.

18. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEMS

Recommendation:

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

1. Review and update regulatory framework for utility-scale and specialized high-impact land uses; and
2. Funding for the Morgan Hill Gateway Vintage Sign Project.

City Manager Turner provided a report.

Public comment opened at 7:29 p.m. The following people were called to speak:

Dan Cloutier

Bruce Cooley

Linda Izquierdo

Susan Betz

Greg Felios

Kaitlin

Gerardo

George Panos

Camilla James

Dolores Alvarado

Sharon Luna (Zoom)

Kevin Park (Zoom)

With no further requests to speak, public comment closed.

Council approved agendizing both items for discussion at a future City Council meeting. City Council directed staff to return on August 26, 2026, with an interim ordinance imposing a temporary moratorium on data centers and battery storage systems.

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 7:58 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk



City Council

Meeting Minutes

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

Wednesday, August 26, 2026

5:30 p.m.

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:30 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:30 p.m. Closed Session

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 5:30 p.m.

ROLL CALL ATTENDANCE

City Clerk Bigelow called the roll.

PRESENT	Mark Turner, Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega
ABSENT	None

DECLARATION OF POSTING AGENDA

City Clerk Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CLOSED SESSION

City Attorney Tolentino announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

Public comment opened at 5:31 p.m. With no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:31 p.m.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

[Government Code section 54956.9(d)(4)]

Initiation of Litigation

One case

REGULAR MEETING

The regular meeting convened at 6:02 p.m.

CLOSED SESSION REPORT OUT

City Attorney Tolentino reported that the City Council authorized the initiation of litigation in one action and stated that the action, defendants, and other information would be disclosed upon inquiry following the filing of the lawsuit, pursuant to Government Code Section 54957.1.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:05 p.m.

Daniel Cloutier was called to speak.

With no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran

SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

CONSENT

MOTION:

Approving the consent calendar.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

1. **AUTHORIZE THE CITY MANAGER TO EXECUTE AND ADMINISTER AN AMENDMENT TO THE AGREEMENT WITH THE COUNTY OF SANTA CLARA FOR SOUTH COUNTY YOUTH TASK FORCE FUNDING**

Recommendation:

Authorize the City Manager to further execute and administer an amendment to service agreement with the Santa Clara County District Attorney's Office to receive and administer grant funding in support of the South County Youth Task Force.

OTHER BUSINESS

2. **CONSIDERATION TO APPROVE AN INTERIM URGENCY ORDINANCE IMPOSING A 45-DAY TEMPORARY MORATORIUM ON THE PROCESSING AND APPROVAL OF NEW LAND USE APPLICATIONS FOR FREE STANDING DATA CENTERS AND GRID-SCALE BATTERY ENERGY STORAGE SYSTEMS (BESS) WITHIN THE CITY LIMITS DURING THE CITY'S REVIEW AND ADOPTION OF REGULATIONS FOR SUCH USES**

Recommendation:

1. Determine the adoption of this Urgency Ordinance is exempt from California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3);
2. Introduce by title only, and waive further reading of Urgency Ordinance, imposing a 45-day moratorium prohibiting processing, approval, and acceptance of new Data Center and Grid-Scale Battery Energy Storage Systems land use applications;
3. Direct staff to develop policy and regulations relating to data centers and grid-scale battery energy storage; and
4. Direct the Planning Commission to review draft policies and regulations and make recommendations to City Council in accordance with the Morgan Hill Municipal Code.

City Manager Turner introduced the item.

Development Services Director Carman provided the report.

Public comment opened at 6:22 p.m. The following people were called to speak:

Dan Cloutier

Lauren Howsman

Greg Felios

Deborah Africa

With no further requests to speak, public comment closed.

MOTION:

Determining that the adoption of this Urgency Ordinance is exempt from California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3).

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Vega
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Introducing by title only, and waive further reading of Urgency Ordinance, imposing a 45-day moratorium prohibiting processing, approval, and acceptance of new Data Center and Grid-Scale Battery Energy Storage Systems land use applications.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Directing staff to develop policy and regulations relating to data centers and grid-scale battery energy storage and directing the Planning Commission to review draft policies and regulations and make recommendations to City Council in accordance with the Morgan Hill Municipal Code.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Iwanaga
AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The meeting recessed at 6:32 p.m. and reconvened at 6:39 p.m.

WORKSHOP

3. CITY COUNCIL MID-YEAR GOAL CHECK-IN

Recommendation:

Receive and review the Sustainable Morgan Hill ongoing and strategic priorities, departmental updates, workplan status updates, economic development and housing updates, and discuss emergency preparedness.

City Manager Turner reviewed the City's Sustainable Morgan Hill Ongoing and Strategic Priorities. She then highlighted some department updates. After the updates, she reviewed the Department Workplan items.

Economic Development Director Mahood provided an economic development update including the Economic Blueprint, jobs and revenue, and fiscal

sustainability and quality of life in Morgan Hill.

Housing and Economic Mobility Director Lang provided an overview of the Housing Policy Updates the team will be bringing forward.

Emergency Operations Coordinator Ponce provided an update on the City's Emergency Operations and the City Council's role in an emergency.

Public comment opened at 8:22 p.m. The following people were called to speak:

Elizabeth Stone

Doug Muirhead (Zoom)

With no further requests to speak, public comment closed.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 8:29 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Cynthia Iwanaga, Management Analyst

APPROVED BY: City Manager

APPROVE THIRD AMENDMENT TO THE SERVICE AGREEMENT WITH CARBONIC SERVICE, INC. FOR CARBON DIOXIDE (CO²) SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$100,000

RECOMMENDATION(S)

1. Approve the Third Amendment to the Service Agreement with Carbonic Service, Inc. for an additional year of carbon dioxide (CO²) services for \$25,000, for a total agreement amount of \$100,000; and
2. Authorize the City Manager to execute and administer the Service Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider a Third Amendment to the City's Service Agreement with Carbonic Service, Inc. ("Carbonic") for the rental of three (3) 1,000 lb. carbon dioxide (CO²) tanks at the Aquatics Center and the provision of CO² for the Aquatics Center, Centennial Recreation Center, and Community and Cultural Center. CO² is used at the pools and splash pads to maintain water chemistry.

The City has contracted with Carbonic since November 2016 to provide CO² services. The last request for bids was issued in September 2022. The City entered into the current agreement with Carbonic in January 2023.

The City's current agreement with Carbonic expires on December 31, 2026. The original amount of the agreement was \$60,000 for the initial two-year term with three optional one-year extensions. Since the amount of the original agreement was below the \$75,000 threshold for City Council approval, it was approved per authority of the City

Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.

On December 13, 2024, the First Amendment extended the term by one year to December 31, 2025. On December 18, 2025, the Second Amendment extended the term by one year to December 31, 2026, and increased the amount of the agreement to \$75,000. During Fiscal Year 2025-2026, \$22,000 was expended against this agreement. For the fifth year of the agreement, staff recommends increasing the total agreement amount to \$100,000 via a Third Amendment. Since the new amount would exceed the maximum City Manager authority of \$75,000, the Amendment requires City Council approval. In addition to increasing the maximum compensation, the Third Amendment would also authorize the City Manager to execute and administer one (1) additional one-year extension of the service agreement in an annual amount that would not increase the price of the agreement by more than five (5%) percent annually.

For the Third Amendment's pricing, Carbonic has agreed to cap the increase on the CO² cost per lb. to an additional 2 cents per lb. The cost per lb. will increase from 30 cents per lb. to 32 cents per lb. for the term from January 1, 2027 to December 31, 2027.

Maintenance staff has been satisfied with the service that Carbonic has provided to date, and recommends approval of this Third Amendment to be able to efficiently maintain water chemistry for the City's pools and splash pads.

COMMUNITY ENGAGEMENT:

Not Applicable

As the provision of CO² is a regular and expected City Service, no efforts were made to inform the community about this proposed amendment.

ALTERNATIVE ACTIONS:

The City Council could decline to approve the Third Amendment and instead direct staff to proceed with a request for proposals (RFP) for the rental of tanks and the provision of CO². This is not recommended as maintenance staff continues to be satisfied with the current vendor's service and does not believe an RFP will result in improved pricing.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has not taken prior action on this agreement. The original agreement and subsequent amendments were approved per City Manager authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.

FISCAL AND RESOURCE IMPACT:

Funding for these services is included in the FY 2026-2027 and FY 2027-2028 Adopted Budget within the General Fund (010) Aquatics Center, Centennial Recreation Center, and Community and Cultural Center Building Maintenance budgets.

CEQA (California Environmental Quality Act):

Categorical Exemption

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

**THIRD AMENDMENT TO AGREEMENT
CARBONIC SERVICE, INC.**

This THIRD AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICE, INC., a California Corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Third Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of January 18, 2023, for services, for a maximum compensation of Sixty Thousand Dollars (\$60,000.00) ("SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of December 13, 2024, under which the term of the Agreement was extended until December 31, 2025. This First Amendment to Agreement was entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
4. The CITY and SERVICE PROVIDER entered into a "Second Amendment to Agreement" made as of December 18, 2025, under which the maximum compensation under the SERVICE AGREEMENT, as amended, was increased to Seventy-Five Thousand Dollars (\$75,000.00), the term of the Agreement was extended until December 31, 2026, and the SERVICE PROVIDER'S billing rates were increased. This Second Amendment to Agreement was entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code. The SERVICE AGREEMENT, and the First, and Second Amendments thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the SERVICE AGREEMENT, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. Term of Agreement. This Agreement shall be effective and cover services rendered from January 18, 2023, until December 31, 2027. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both parties to this Agreement."
 - B. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. Amount. Compensation under this Agreement shall not exceed One Hundred Thousand Dollars (\$100, 000.00) and shall be billed based on the rate and basis set

forth in **Exhibit B-2**, effective January 1, 2027. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to Service Provider during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed 105% of the maximum compensation allowed to be paid to Service Provider for the immediately preceding prior year of service.”

C. Paragraph 4.2 shall be amended to have all references to “Exhibit B” be updated to reference the revised rates and basis set forth in **Exhibit B-2**, that is herein incorporated by this reference.

D. Paragraph 17 shall be amended to add the following subsection:

“17.4 Public Record. The City, as a public agency, is subject to the disclosure requirements of the California Public Records Act (“CPRA”). This Agreement, including Service Provider’s rates and fees, and any documents submitted to the City, are public records under the California Public Records Act. If Service Provider has proprietary information contained in these documents, and Service Provider wishes to claim that such information falls within one or more CPRA exemptions, Service Provider 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 City will make reasonable efforts to provide notice to Service Provider prior to such disclosure.”

2. **Electronic Signatures.** Unless otherwise prohibited by law 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.

3. **Conflicts.** In the event of a conflict between the terms and provisions of this Third Amendment to Agreement and the terms and provisions of the SERVICE AGREEMENT or any earlier amendment, the terms of this Third Amendment to Agreement shall govern and control.

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4. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all the Parties, constitute a single binding agreement.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

Michelle Bigelow, City Clerk

Christina Turner, City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

CARBONIC SERVICE, INC.

Elisa Tolentino, City Attorney

By: _____

Title: _____


GERDEL ROSSMAN - OWNER - PRESIDENT

Print Name and Title of Signer.

If Corporate: Chairman, President,
or Vice President

Date: 8/26/26

By: _____

Title: _____


ALLAN SKULL - CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer, or
Assistant Treasurer

Date: 8/26/26

EXHIBIT B-2
SCHEDULE OF COMPENSATION RATES

Carbonic Service, Inc.
Effective January 1, 2027-December 31, 2027

The 2027 rates represent a 5% increase over the 2026 rates:

1. Three (3) 1,000 lb. liquid CO2 microbulk tanks: Monthly rental cost per tank is \$150.45.
2. Liquid bulk CO2 food grade or higher grade is thirty-two cents (0.32) per pound.
3. Rental of Pre-filled 50 lb. CO2 food grade or higher grade cylinders is:

Gas: \$47.25 per cylinder to fill a 50 lb. cylinder
Rental: \$10.24 per cylinder per month
4. The Delivery Charge has increased to \$41.60 and includes:

Hazmat Fee: \$8.00

Fuel Surcharge: \$33.80

Item	1/26-12/26 Current Rate	1/27-12/27 5% Increase
Three (3) 1,000 lb. Co2 Tanks - cost per tank	\$ 143.29	\$ 150.45
Liquid Bulk Co2 Food Grade - cost per lb.	\$ 0.30	\$ 0.32
<i>Rental of Pre-filled 50 lb cylinders is:</i>		
Gas: Cost per cylinder to fill 50 lb cylinder	\$ 45.00	\$ 47.25
Rental: Cost per cylinder per month	\$ 9.75	\$ 10.24
<i>Delivery Charge</i>		
Hazmat Fee - Fixed	\$ 8.00	\$ 8.00
Fuel Surcharge	\$ 32.00	\$ 33.60

**SECOND AMENDMENT TO AGREEMENT
CARBONIC SERVICE, INC.**

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on 12/18/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICE, INC., a California Corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of January 18, 2023, for services for a maximum compensation of Sixty Thousand Dollars (\$60,000.00) ("SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of December 13, 2024, under which the term of the Agreement was extended until December 31, 2025. The SERVICE AGREEMENT and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the SERVICE AGREEMENT, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

- A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from January 18, 2023, until December 31, 2026. The City Manager is authorized to extend the term of this Agreement, provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code. Any such extension shall be in writing and signed by both parties to this Agreement."

- B. Paragraph 4.1 shall be amended to reflect the increased total compensation that shall not exceed Seventy-Five Thousand Dollars (\$75,000.00).
- C. Paragraph 4.1 and 4.2. shall be amended to have all references to "Exhibit B" be updated to reference the revised rates and basis set forth in **Exhibit "B-1"** effective January 1, 2026, that is incorporated herein by this reference.
- D. Paragraph 13 shall be amended and replaced in its entirety by the following:

"13. **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)."

2. **Electronic Signatures.** Unless otherwise prohibited by law 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.
3. **Conflicts.** In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the SERVICE AGREEMENT or any earlier amendment, the terms of this Second Amendment to Agreement shall govern and control.

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4. Counterpart Signatures. This Agreement may be signed in multiple counterparts, which shall when executed by all the Parties, constitute a single binding agreement.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.

ATTEST:

Signed by:
Michelle Bigelow
Michelle Bigelow, City Clerk

Date: 12/16/2025

APPROVED AS TO FORM:
Donald Larkin, City Attorney

DocuSigned by:
Donald Larkin
43C7C-05736A7484

Date: 12/16/2025

CITY OF MORGAN HILL

DocuSigned by:
Christina Turner
Christina Turner, City Manager

Date: 12/16/2025

CARBONIC SERVICE, INC.

Donald C. Bramanti
By:
Title: OWNER
Print Name and Title of Signer.
If Corporate: Chairman, President,
or Vice President

Date: 12/12/25

Caren Fink
By:
Title: CFO
Print Name and Title of Signer.
If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer, or
Assistant Treasurer

Date: 12/12/25

EXHIBIT B-1
SCHEDULE OF COMPENSATION RATES

Carbonic Service, Inc.
January 1, 2026-December 31, 2026

1. Three (3) 1,000 lb. liquid CO₂ microbulk tanks: Monthly rental cost per tank is \$143.29
2. Liquid bulk CO₂ food grade or higher grade is thirty cents (0.30) per pound.
3. Rental of Pre-filled 50 lb. CO₂ food grade or higher-grade cylinders is:

Gas: \$45.00 per cylinder to fill a 50 lb. cylinder
Rental: \$9.75 per cylinder per month
4. The Delivery Charge has increased to \$40.00 and includes:

Hazmat Fee: \$8.00

Fuel Surcharge: \$32.00

EXHIBIT 1

FIRST AMENDMENT TO AGREEMENT CARBONIC SERVICE, INC.

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 12/13/2024 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and CARBONIC SERVICE, INC. a California corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of January 18, 2023, for services for a maximum compensation of Sixty Thousand dollars (\$60,000.00) ("SERVICE AGREEMENT"). The SERVICE AGREEMENT is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the SERVICE AGREEMENT, as attached as Exhibit "1", shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from January 18, 2023, until December 31, 2025. The City Manager is authorized to extend the term of this Agreement, provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code. Any such extension shall be in writing and signed by both Parties to this Agreement."
2. **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 CITY PII, PHI and/or PCI, SERVICE PROVIDER shall immediately, but in no event later than forty-eight (48) hours from suspicion, discovery or notification of the incident or potential breach, notify CITY of such incident or potential breach. SERVICE PROVIDER shall, upon CITY's request, 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 assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any privacy incident or security breach with respect to any CITY PII, PHI and/or PCI to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies. SERVICE PROVIDER agrees that it shall reimburse CITY for all expenses, costs, attorneys' fees, and resulting fines, penalties, and damages associated with such incident, breach, investigation and/or notification.
3. **Electronic Signatures.** Unless otherwise prohibited by law 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.

4. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the SERVICE AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.
5. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all Parties, constitute a single binding agreement.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND**
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

Signed by:

Michelle Bigelow
Michelle Bigelow, City Clerk
Date: 12/16/2024

APPROVED AS TO FORM:

Donald Larkin, City Attorney

DocuSigned by:

Cynthia Harrison
BFE66AF9672C451...
Date: 12/12/2024

CITY OF MORGAN HILL

DocuSigned by:

Christina Turner
Christina Turner, City Manager
Date: 12/13/2024

CARBONIC SERVICE, INC.

By: Geordel Rossmann
Title: Geordel Rossmann - President
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: 11/21/2024

By: Delayne Jennings
Title: Delayne Jennings - CFO
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 11/21/2024

128-04-23-002

EXHIBIT 1

SERVICE AGREEMENT
Carbonic Service, Inc.

1/18/2023

THIS AGREEMENT is entered into and becomes effective on 01/01/2023 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Carbonic Service, Inc. a California corporation ("SERVICE PROVIDER") hereinafter referred to collectively as "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 authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2024 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be the rental of three 1,000 lb. carbon dioxide tanks and the provision of liquid carbon dioxide at per pound pricing and 50 lb CO2 cylinders as further described in **Exhibit A**.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$60,000.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Sixty thousand dollars and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice 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 monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. 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 monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth 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 CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

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 payments due under this Agreement, CITY will immediately notify SERVICE PROVIDER of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

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 the 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. If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER's equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of CITY's City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER's sole risk.

7. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use, transport, removal, handling, disposal or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

8. **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 the 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 the CITY.

8.1. **Insurance Types and Amounts.**

- 8.1.1. **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.
- 8.1.2. **Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) 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.
- 8.1.3. **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.
- 8.1.4. **Pollution (Environmental) Liability.** If the performance of SERVICE PROVIDER's work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the SERVICE PROVIDER'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be 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.
- 8.1.5. **Professional Liability.**
- 8.1.5.1. If the performance of SERVICE PROVIDER's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), SERVICE PROVIDER shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, 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. Further, if SERVICE PROVIDER maintains a claims-made policy, SERVICE PROVIDER shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

8.1.5.2. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, 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.

8.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, 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.

8.1.7. Crime/Fidelity Bond. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to or involves handling of CITY monies, SERVICE PROVIDER shall procure and maintain Crime insurance, in the minimum amount of: (i) three hundred thousand dollars (\$300,000.00) per occurrence, covering all SERVICE PROVIDERS' officers and employees, for loss of CITY monies caused by dishonesty and/or theft.

8.2. Endorsements. SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

8.2.1. General Liability and pollution liability (when pollution liability applies).

8.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

8.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and

8.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.

8.2.2. Workers Compensation.

If the performance of SERVICE PROVIDER'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

- 8.3. **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.
- 8.4. **Certificates.** SERVICE PROVIDER shall furnish CITY of Morgan Hill 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 the 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

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

10. **Compliance with Law.**

- 10.1. 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 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.
- 10.2. 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.

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

12. **Confidentiality.** All data, documents, or other information received by SERVICE PROVIDER from CITY or prepared in connection with SERVICE PROVIDER'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by SERVICE PROVIDER without prior written consent by CITY.

13. **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.

14. **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:

Carbonic Service, Inc.
1920 De La Cruz Blvd.
Santa Clara, CA 95050

Address of CITY is as follows:

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

15. **Licenses, Permits and Fees.** SERVICE PROVIDER shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

16. **Service Provider's Proposal.** If applicable, this Agreement shall include SERVICE PROVIDER'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

17. **Maintenance of Records.**

17.1. **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.

17.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the 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 the CITY or as part of any audit of the 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.

17.3. **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 CITY.

SERVICE PROVIDER shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

18. **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.

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

20. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

21. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

22. **Defense and Indemnification.**

22.1. **Defense and Indemnification.** SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

22.2. **Exceptions.** SERVICE PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

22.3. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMs alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by SERVICE PROVIDER.

22.4. **Right to Offset.** CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER's failure to pay CITY promptly any indemnification arising under this Section (22) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

22.5. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the SERVICE PROVIDER to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

23. **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.

24. **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.

25. **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.

26. **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.

27. **Binding Agreement.** Notwithstanding the provisions of Section 20 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.

28. **Electronic Signatures.** Unless otherwise prohibited by law 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.

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[Signatures on Next Page]

29. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

DocuSigned by:
Michelle Bigelow
 City Clerk/Deputy City Clerk

Michelle Bigelow
 Print Name

Date: 1/18/2023

APPROVED AS TO FORM:

DocuSigned by:
Donald A. Larkin
 City Attorney

Donald A. Larkin
 Print Name

Date: 1/18/2023

CITY OF MORGAN HILL

DocuSigned by:
Christina Turner
 City Manager

Christina J. Turner
 Print Name

Date: 1/18/2023

CARBONIC SERVICE, INC.

Geordel Rossman
 By:

Geordel Rossman - President

Print Name and Title of Signer.
 If Corporate: Chairman, President or
 Vice President

Date: 12/6/2022

Delayne Jennings
 By:

Delayne Jennings - CFO

Print Name and Title of Signer.
 If Corporate: Secretary, Assistant
 Secretary, Chief Financial Officer or
 Assistant Treasurer

Date: 12/6/2022

EXHIBIT A SCOPE OF SERVICES

General Scope of Work:

The monthly rental of three (3) 1,000 lb. liquid carbon dioxide (CO2) microbulk tanks previously installed by Carbonic Service, Inc., and located at the Aquatic Center in the existing outside containment area. Also, the weekly or bi-monthly (twice a month) provision of food grade or higher grade CO2 to City of Morgan Hill facilities.

Locations:

The scope of services are to be provided at:

1. Morgan Hill Aquatic Center located at 16200 Condit Road, Morgan Hill
2. Centennial Recreation Center located at 171 West Edmundson Avenue, Morgan Hill
3. Community and Cultural Center located at 17000 Monterey Road, Morgan Hill

Scope of Work for Each Location:

Morgan Hill Aquatic Center: The scope includes the monthly rental of three (3) 1,000 lb liquid CO2 microbulk tanks previously installed by Carbonic Service, Inc., and located at the Aquatic Center in the existing outside containment area, and the weekly or bimonthly provision of food grade or higher grade CO2. The CO2 service is to be provided from the gaseous side of the tanks. The tanks are plumbed to independently service three (3) separate, existing points of connection.

Community and Cultural Center: The scope includes the provision to rent three pre-filled 50 lb. CO2 cylinders with CO2 food grade or higher grade CO2 on an as needed basis.

Centennial Recreation Center: The scope includes the provision to provide liquid CO2 microbulk food grade or higher grade for a city-owned CO2 tank on an as needed basis.

All service calls and technical support as needed for facilities.

Authorized Work Days and Hours:

Work days and hours to be scheduled with and agreed to by the City Maintenance Manager, City Facilities Maintenance Specialist or other designated City representative.

Service Schedule:

Service schedules to be coordinated with and approved in advance by the City Maintenance Manager, City Facilities Maintenance Specialist or other designated City representative.

Time is of the essence in the provision of services by Service Provider to the City. If Service Provider is unable to perform any required service or in the case of default by Service Provider, the City may seek services from a qualified third party. Service Provider must allow the third-party provider to access and utilize Service Provider's installed on-site equipment, including but not limited to filling the installed tanks.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

1. Three (3) 1,000 lb. liquid CO2 microbulk tanks: Monthly rental cost per tank is \$143.29

2. Liquid bulk CO2 food grade or higher grade is thirty cents (0.30) per pound.

3. Rental of Pre-Filled 50 lb. CO2 food grade or higher grade cylinders is:

Gas: \$45.00 per cylinder to fill a 50 lb. cylinder

Rental: \$9.75 per cylinder per month

4. Delivery Charge is \$35.00 and includes:

Hazmat Fee: \$8.00

Fuel Surcharge: \$27.00

EXHIBIT C
SCHEDULE OF PERFORMANCE

Work days and hours scheduled with, and agreed to by City Maintenance Manager, City Facilities Maintenance Specialist or other designated City Representative.

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE PACIFIC GAS AND ELECTRIC COMPANY (PG&E) AGREEMENT FOR UNDERGROUNDING DRY UTILITIES FOR THE UPPER LLAGAS CREEK FLOOD CONTROL PHASE 2B PROJECT BETWEEN WRIGHT AND MAIN AVENUES IN AN AMOUNT OF \$388,390.48

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a Pacific Gas and Electric Company Agreement to underground dry utilities on Hale Avenue between Main Avenue and Wright Avenue for \$388,390.48.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life
Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Public Safety
Transportation

Guiding Documents

Storm Drain Master Plan
Transportation Master Plan

REPORT NARRATIVE:

The City is currently partnering with Valley Water in efforts to complete the Upper Llagas Creek Flood Protection Project. The completion of this project will provide flood control for the West Little Llagas Creek running through Morgan Hill, protecting homes and businesses. Valley Water is currently under construction with Phase 2B of the Flood Control Project and is scheduled to be complete by January 2027.

Included in the project is the reconstruction of Hale Avenue, the undergrounding of overhead utilities along the west side of Hale Avenue between Main Avenue and Wright Avenue, and the installation of a new traffic signal at the Wright Avenue and Hale Avenue intersection (Attachment 1-Project Location Map). The City previously entered a contract for this work with PG&E for \$589,199 in August 2022. However, as the project

progressed, PG&E discovered additional design work, construction work and easement acquisitions necessary for the project to be fully completed. PG&E has been working on the redesign for this project for years and has finally presented increased costs to the City. These costs for the additional scope total \$388,390.48.

City staff have reviewed the scope from PG&E. While frustrated with the time and delay and increased costs this redesign is pushing onto the City, the additional scope and costs are appropriate. Without this increased work from PG&E for the final portion of the project, the traffic signal on Wright Avenue and other project components will be delayed and infeasible to construct. In addition, much of the other undergrounding work approved by the City in June of this year on the opposite side of the roadway will not be able to proceed without this undergrounding work. This undergrounding work in totality is required in order to eliminate identified conflicts between the new traffic signal poles and the overhead electrical lines at the Wright intersection as well as to complete finalization of sidewalk improvements along Hale Avenue. For this PG&E contract, the vaults and conduits will be installed by Valley Water's electrical contractor (which are within the existing project contract) and PG&E will install the cables, transformers and remove the overhead lines and poles.

Staff is requesting City Council approve the PG&E contract in order to continue to move forward on the project. The traffic signal installation is scheduled to begin in the Fall of 2026.

COMMUNITY ENGAGEMENT:

The City continues to engage the community on the work happening in association with Valley Water's Upper Llagas Creek Flood Control Project. Significant work has been completed thus far, with the Hale Avenue Roadway set to reopen in the next two months and project completion expected to occur in early 2027.

ALTERNATIVE ACTIONS:

The City Council could elect not to move forward with the undergrounding work. This would eliminate the possibility of installing a traffic signal at Wright Avenue. It would also create significant issues in restoring the sidewalk on Hale Avenue.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City has taken numerous actions over the last several decades in support of the Upper Llagas Flood Control Project. Previous actions with PG&E related to undergrounding the overhead lines adjacent to the project include:

- On August 17, 2022, the City Council approved a PG&E agreement to underground dry utilities along the west side of Hale Avenue between Main and Wright for \$589,199.
- On June 17, 2026, the City Council approved a PG&E agreement to underground dry utilities along the east side of Hale Avenue near the Wright intersection for \$384,876.

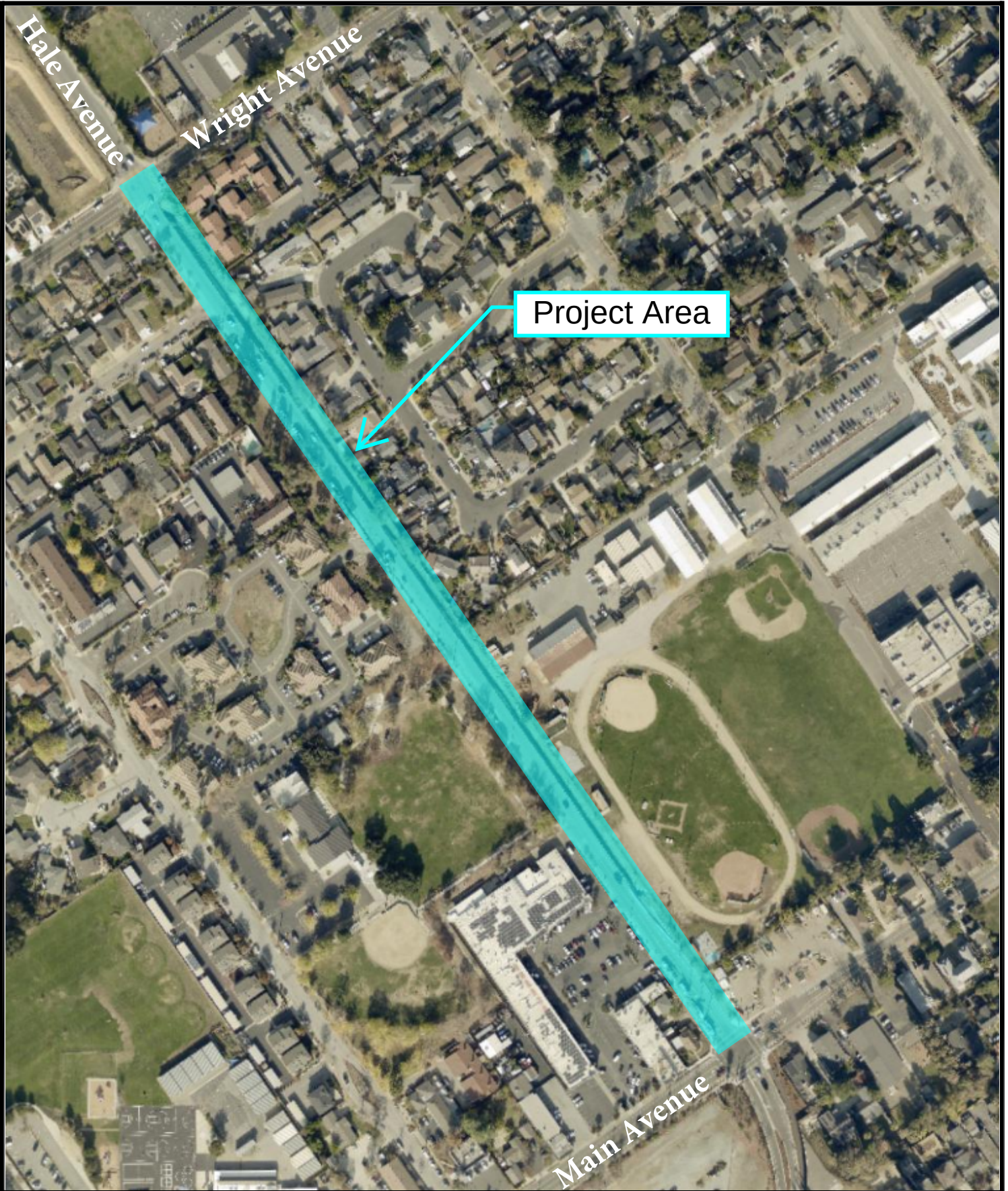
FISCAL AND RESOURCE IMPACT:

Funding for this project is allocated within the approved Capital Improvement Program in the Traffic Signal and Intersection Improvements Project, Traffic Impact Fee Fund (Fund 309).

CEQA (California Environmental Quality Act):

Environmental Impact Report & Categorical Exemption

An Environmental Impact Report (EIR) was certified for the Hale Avenue Extension and Santa Teresa Corridor Widening and Realignment Project in accordance with the California Environmental Quality Act (CEQA). Valley Water certified an Environmental Impact Report for the Flood Control Project. Additionally, relocation of infrastructure and utility work along existing roadways and associated with the Valley Water Project is exempt from CEQA per categorical exemption of Class 1, Existing Facilities.



City of Morgan Hill

Public Services Department



CITY OF MORGAN HILL

LOCATION PLAN

Hale Avenue Undergrounding

Date: 9/7/26

Drwn by: AE

PAGE 1 OF 1



U 39

**Pacific Gas and
Electric Company®**

San Francisco, California

Cancelling Revised
Revised

Cal. P.U.C. Sheet No. 48554-E
Cal. P.U.C. Sheet No. 46339-E

Electric Sample Form No. 62-4527
Agreement to Perform Tariff Schedule Related Work

Sheet 1

**Please Refer to Attached
Sample Form**

Advice 6050-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted February 4, 2021
Effective February 4, 2021
Resolution _____



DISTRIBUTION:

- ☐ Applicant (Original)
☐ Division (Original)
☐ Customer Care (Copy)

REFERENCE:

PM #35705733
Notification #118358618
Customer #2530290

AGREEMENT TO PERFORM TARIFF SCHEDULE RELATED WORK¹

CITY OF MORGAN HILL, (Applicant) has requested **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein.

PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefore, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Customer shall indemnify and hold harmless PG&E, its officers, agents, and employees, against all loss, damage, expense, and liability, resulting from injury to or death of person, including, but not limited to employees of PG&E, Customer, or any third party, or damage to property, including, but not limited to, property of PG&E, Customer, or any third party, arising out of or in any way connected with the Services to be provided under this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the Customer, its officers, employees or agents. Customer shall pay any costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees. [Pursuant to Resolution G-3561 of the California Public Utilities Commission the foregoing provision may be modified in agreements with governmental agencies to limit the scope of the indemnity to claims caused by the negligent or intentional acts or omissions of the governmental agency. Such modifications to this Agreement shall be submitted to the Commission for approval through a Tier 1 Advice Letter.]
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc.):

LOCATION: Along Hale Road, Between West Main Avenue and Wright Avenue, Morgan Hill, CA 95037

DESCRIPTION OF WORK: This supplemental contract reflects added costs of bringing the original design up to current standards including a new tie-in location and underground SCADA switching equipment.

The original project scope involved the undergrounding of overhead distribution facilities along Hale Road, between West Main Avenue and Wright Avenue in the City of Morgan Hill. When the job was originally designed in 2020, the R20B project tied into the Morgan Hill 2104 distribution feeder along West Main Avenue. Service reliability projects conducted by PG&E over the past few years have resulted in the relocation of the Morgan Hill 2104 distribution feeder and the addition of a new feeder – Morgan Hill 2103 – such that the original tie-in location for the City's R20B project is no longer available. The new tie-in point requires an additional 315 feet of conduit and 1056 feet of new circuit to connect the R20B alignment with the new feeder system. The reliability project also included the installation of an OH 3-way SCADA switch along the R20B alignment, facilitating improved service reliability and load adaptability for the people of Morgan Hill. Undergrounding of this SCADA technology, using subsurface rated switching equipment placed in a #7 vault, has also been added to the City's revised project scope. Because of the time elapsed since contracting the original R20B project, it is necessary under PG&E's CPUC-approved Tariffs to bring the original design up to current standards, hence the new tie-in location and undergrounding of SCADA switching equipment.

Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of Three Hundred Eighty-eight Thousand, Three Hundred Ninety dollars and forty-eight cents (\$388,390.48 including ITCC).

5. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

Upon completion of requested work, ownership shall vest in:

☒ PG&E

☐ Applicant

Executed this 9th day of September 2026.

This agreement is effective when accepted and executed by PG&E.

CITY OF MORGAN HILL

PACIFIC GAS AND ELECTRIC COMPANY

Customer/Company

Authorized by (Print)

Authorized by Brandon Tran

Signature

Title

Date

Brandon Tran

Service Planning and Design Supervisor

9/9/2026

Mailing Address:

† Information collected on this form is used in accordance with PG&E's Privacy Policy.
The Privacy Policy is available at pge.com/privacy.

¹Automated Document, Preliminary Statement, Part A

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Mariah Dabel, Public Services Administrative Manager

APPROVED BY: City Manager

AUTHORIZE CITY MANAGER TO EXECUTE FIRST AMENDMENT TO PROPERTY USE AGREEMENT WITH NEW CINGULAR WIRELESS PCS FOR CELL SITE AT 2275 ROLLING HILL DRIVE

RECOMMENDATION(S)

Authorize the City Manager to execute the First Amendment to New Cingular Wireless PCS's Property Use Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Strategic Priorities 2026-2027

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is to request City Council's authorization for the City Manager to execute the First Amendment with New Cingular Wireless PCS for the Property Use Agreement at 2275 Rolling Hills Drive. This item brings forward a revision to the First Amendment, previously approved by the City Council on June 17, 2026. After the item was approved, AT&T requested additional minor changes to the agreement's insurance provisions. The insurance revisions were further refined by the City and this updated First Amendment now requires City Council approval.

The City of Morgan Hill routinely has allowed cellular installations at the City's communications and tank facilities. Currently, New Cingular Wireless PCS (dba AT&T Wireless) has a cell tower at 2275 Rolling Hills Drive adjacent to the utilities tank equipment operated by the City of Morgan Hill. The cell tower installation was first approved in 2013.

New Cingular's current agreement for the site expires on July 2, 2028. With the end of the agreement approaching, New Cingular approached the City to ask for an extension. The following deal points are proposed: an initial 5-year term with up to four 5-year extensions resulting in a new expiration date of July 2, 2053 and continuation of payments increasing 3.5% annually.

With a time extension, New Cingular will have stability at the site and can invest in improvements that will maintain and enhance telecommunications services in the community. As the proposed amendment will increase City revenues and maintain services, staff recommends approval of the attached First Amendment.

COMMUNITY ENGAGEMENT:

This report serves to inform the community of the recommended contract amendment.

ALTERNATIVE ACTIONS:

The Council could decline to approve the Amendment and provide direction to staff on alternative negotiation parameters or direction on decommissioning the site as a cell tower location. Decommissioning the site would result in a loss of cellular service to the Morgan Hill community and a loss of revenue to the City.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City's agreement with New Cingular for initial installation of the telecommunications equipment was approved by the City Council in 2013. An earlier version of the First Amendment was approved by the City Council on June 17, 2026. The revenue is included in the City's five-year forecast. A very similar amendment providing a time extension at a different location (El Toro Mountain) was approved by the City Council in 2018.

FISCAL AND RESOURCE IMPACT:

The City's revenue from the property use agreement is \$60,442 in FY 2025-26. This income is credited to the City's Fund 650 Water Operations and helps pay for services, offsetting service fees for water utility customers. With this amendment extending the term, the City's revenue would increase by 3.5% annually. By the end of the proposed term of the agreement, annual revenue will exceed \$153,000.

The resources to negotiate and manage cellular tower property use agreements are included in the work plan of the Public Services Department.

CEQA (California Environmental Quality Act):

Not a Project

This Amendment is an administrative action that is not a project under the CEQA Guidelines. Any additional facilities located on the site will need to obtain a Conditional Use Permit and would engage in the CEQA process at that time.

Market: San Francisco / Sacr / Reno
Cell Site Number: CCL00750
Cell Site Name: MCKEAN ROAD 2
Fixed Asset Number: 10151482

**FIRST AMENDMENT TO INSTALLATION AND PROPERTY USE AGREEMENT
BETWEEN THE CITY OF MORGAN HILL AND
NEW CINGULAR WIRELESS PCS, LLC.**

THIS FIRST AMENDMENT TO INSTALLATION AND PROPERTY USE AGREEMENT (“**Amendment**”) dated as of the latter signature date below (the “**Effective Date**”) is by and between City of Morgan Hill, a municipal corporation having a mailing address at 17575 Peak Avenue, Morgan Hill, CA 95037 (“**City**”) and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address at 1025 Lenox Park Blvd NE, 3rd Floor, Atlanta, GA 30319 (“**Company**”).

WHEREAS, City and Company entered into an Installation and Property Use Agreement dated July 3, 2013, whereby City leased to Company certain Premises (“**Premises**”), therein described, that are a portion of the Property (“**Property**”) located at 2275 Rolling Hills Drive, Morgan Hill, CA 95037 (the “**Agreement**”); and

WHEREAS, the Term of the Agreement will expire on July 2, 2028, and the parties mutually desire to renew the Agreement, memorialize such renewal period and modify the Agreement in certain other respects, all on the terms and conditions contained herein; and

WHEREAS, City and Company desire to amend the Agreement to modify the notice section thereof; and

WHEREAS, City and Company desire to amend the Agreement to permit Company to add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services; and

WHEREAS, City and Company, in their mutual interest, wish to amend the Agreement as set forth below accordingly.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows:

1. **Extension Term.** At the end of the final Extension Term presently set forth in the Agreement, the Term will automatically renew for five (5) separate consecutive additional periods of five (5) years each (each being defined as a “**Extension Term**”) upon the same terms and conditions of the Agreement, unless Company notifies City in writing of Company’s intention not to renew the Agreement at least sixty (60) days prior to the expiration of the existing Term.

2. **Emergency 911 Service.** In the future, without the payment of additional rent, or any other consideration, and at a location mutually acceptable to City and Company, City agrees that Company may add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services.

3. **Acknowledgement.** City acknowledges that: 1) this Amendment is entered into of the City's free will and volition; 2) City has read and understands this Amendment and the underlying Agreement and, prior to execution of this Amendment, was free to consult with counsel of its choosing regarding City's decision to enter into this Amendment and to have counsel review the terms and conditions of this Amendment; 3) City has been advised and is informed that should City not enter into this Amendment, the underlying Agreement between City and Company, including any termination or non-renewal provision therein, would remain in full force and effect.

4. **Notices.** Section 15 of the Agreement is hereby deleted in its entirety and replaced with the following:

NOTICES. All notices, requests, payments of rent, demands, and other communications required or permitted hereunder shall be given as follows:

For Notices of Default to Company:

- a) To Company's Lease Administration Department at NoticeIntake@att.com; and
- b) To Company's Law Department via First Class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid:

New Cingular Wireless PCS, LLC
Attn.: Legal Dept – Network Operations
Re: Cell Site #: CCL00750; Cell Site Name: MCKEAN ROAD 2 (CA)
Fixed Asset #: 10151482
208 S. Akard Street
Dallas, TX 75202-4206

For Notices of Default to City:

- a) To City at

Mariah Dabel
City of Morgan Hill
17575 Peak Avenue,
Morgan Hill, CA 95037
mariah.dabel@morganhill.ca.gov;

and

- b) To City's Office of the City Attorney via First Class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid:

City Attorney's Office
City of Morgan Hill
17575 Peak Avenue,
Morgan Hill, CA 95037
cityattorney@morganhill.ca.gov

All other Notices will be sent:

- a) To Company's Lease Administration Department at NoticeIntake@att.com; and
- b) To City at mariah.dabel@morganhill.ca.gov

Notices by email will be effective on the first calendar day after it was sent unless the sender receives an automated message that the email has not been delivered. Electronic mail shall be sent with a read receipt, but a read receipt shall not be required to establish that notice was given and received. All other Notices shall be effective when received unless returned undelivered. Either party hereto may change the place for the giving of notice to it by thirty (30) days' prior written notice to the other party hereto as provided herein.

5. Section 24 is hereby deleted in its entirety and replaced its entirety with the following:

"COMPANY 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.*). COMPANY 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)."

6. Exhibit F of the Agreement is hereby deleted in its entirety and replaced with the revised Exhibit F attached hereto.

7. **Charges.** All charges payable under the Agreement such as utilities and taxes shall be billed by City within one (1) year from the end of the calendar year in which the charges were incurred; any charges beyond such period shall not be billed by City, and shall not be payable by Company. The foregoing shall not apply to annual rent which is due and payable without a requirement that it be billed by City. The provisions of this subsection shall survive the termination or expiration of the Agreement.

8. **Other Terms and Conditions Remain.** In the event of any inconsistencies between the Agreement and this Amendment, the terms of this Amendment shall control. Except as expressly

set forth in this Amendment, the Agreement otherwise is unmodified and remains in full force and effect. Each reference in the Agreement to itself shall be deemed also to refer to this Amendment.

9. **Capitalized Terms.** All capitalized terms used but not defined herein shall have the same meanings as defined in the Agreement.

10. **Public Record.** The City, as a public agency, is subject to the disclosure requirements of the California Public Records Act (“CPRA”). This Agreement, including COMPANY’s rates and fees, is a public record under the California Public Records Act. If COMPANY has proprietary information contained in these documents, and COMPANY wishes to claim that such information falls within one or more CPRA exemptions, COMPANY 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 CITY will make reasonable efforts to provide notice to COMPANY prior to such disclosure.

[NO MORE TEXT ON THIS PAGE - SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment to be effective as of the last date written below.

CITY:

City of Morgan Hill,
a municipal corporation

COMPANY:

New Cingular Wireless PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation
Its: Manager

By: _____

Print Name: _____

Its: _____

Date: _____

Signed by:
By: Vani Muller
A9072655ED2E4FE...

Print Name: Vani Muller

Its: Associate Dir

Date: 8/4/2026

APPROVED TO FORM

Print Name: Elisa Tolentino
Its: City Attorney
Date: _____

ATTEST

Print Name: Michelle Bigelow
Its: City Clerk
Date: _____

EXHIBIT F

1. INSURANCE.

COMPANY shall carry, at its own cost and expense, and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property, including the PROPERTY, which may arise from, or in connection with, the performance of the work hereunder by COMPANY, its agents, representatives, employees or subcontractors.

A. Scope of Insurance. Coverage shall

be at least as broad as:

Insurance Services Office (ISO) "occurrence" form CG 00 01, including

1. Explosion, Collapse & Underground ("X, C,U") coverage.
2. Insurance Services Office form number CA 00 01 covering Business Automobile Liability, code 1 "Any Auto" (including without limitation "owned autos," hired autos," and "non-owned autos.")
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
4. "All-risk" or "Causes of Loss - Special Form" property insurance covering all risks of loss to any improvements or betterments installed or constructed by COMPANY on the PROPERTY, including without limitation the ANTENNA FACILITY, which may be self-insurance provided by COMPANY or a parent entity of COMPANY for such property insurance.

B. Limits of Insurance.

COMPANY shall maintain limits of:

1. Commercial General Liability: Not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$1,000,000 products and completed operations aggregate for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be doubled.
2. Automobile Liability: Not less than \$1,000,000 each accident for bodily injury and property damage.
3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 coverage per accident, \$1,000,000 per disease per employee, and \$1,000,000 per disease policy limit.
4. Property Insurance: Full replacement cost with no co-insurance penalty provision or COMPANY's self-insurance program described in Section I(A)(4) above.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to the CITY. COMPANY shall be solely responsible for the payment of any and all deductibles or self-insured retentions.

D. Other Insurance Provisions.

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverage(s)

- a. The City of Morgan Hill, its officers, employees, agents, and contractors are to be included as additional insured(s) by endorsement as respects: Liability caused in whole or in part by activities performed by or on behalf of, COMPANY; products and completed operations of COMPANY; premises owned, leased or used by COMPANY; and automobiles owned, leased, hired or borrowed by COMPANY. Additional insured status shall: (i) be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by COMPANY, its employees, agents or independent contractors; and (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of CITY, its officers, employees, agents or contractors or where such coverage is prohibited by law, or to claims arising out of the sole negligence of CITY, its employees, agents, or independent contractors. The coverage shall contain no other special limitations on the scope of protection afforded to CITY, its officers, employees, agents and contractors. The Commercial General Liability shall be endorsed using ISO endorsement form CG 20 10 or CG 20 26 (or equivalent) for ongoing operations and CG 20 37 (or equivalent) for completed operations.
- b. COMPANY's required insurance coverage shall allow and be endorsed primary insurance as respects CITY, its officers, employees, agents and contractors. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or contractors shall be excess of COMPANY's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies by COMPANY shall not affect coverage provided CITY, its officers, employees, agents, or contractors.

- d. Coverage shall state that COMPANY's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. As provided for in Section C hereinabove, if COMPANY moves to a self-insurance program in the manner described in Section C hereinabove, and includes CITY as an additional insured, COMPANY shall: (i) maintain sufficient capital reserves as approved annually by Ernst & Young or any successor auditing firm; (ii) comply with applicable laws, including the timely filing of required government documents; (iii) ensure that COMPANY or any parent company providing such insurance maintains a net worth of at least \$500,000,000 throughout the term of this AGREEMENT; and (iv) use an independent third party administrator to manage all claims.

In the event that COMPANY elects, under and in the manner provided for in this EXHIBIT F, to self-insure its obligation to include CITY as an additional insured, the following provisions apply: CITY shall (i) promptly and no later than thirty (30) days after notice thereof provide COMPANY with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide COMPANY with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) not settle any such claim, demand, lawsuit, or the like without the prior written consent of COMPANY; and (iii) fully cooperate with COMPANY in the defense of the claim, demand, lawsuit, or the like.

2. All Coverage(s)

Each insurance policy required by this AGREEMENT shall provide and be endorsed with a waiver of subrogation in favor of the CITY, its officers, employees, agents, or contractors.

COMPANY shall provide 30 days written notice to CITY of cancellation of required coverage if not replaced. The COMPANY shall provide written notice to the CITY of a cancellation or reduction in limits no later than ten (10) business days before such event.

E. Acceptability of Insurers.

Insurance is to be placed with insurers rated at least A-VII by AM Best.

F. Verification Of Coverage.

COMPANY shall furnish CITY with certificates of insurance and with endorsements affecting coverage required by this AGREEMENT. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the Risk Manager:

CITY OF MORGAN HILL
Risk Manager
17575 Peak
Avenue
Morgan Hill, California 95112-5509

G. Subcontractors.

COMPANY shall obtain separate certificates and endorsements for each subcontractor in accordance with the requirements herein.

EXHIBIT 1

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

INSTALLATION AND PROPERTY USE AGREEMENT BETWEEN THE CITY OF MORGAN HILL AND

NEW CINGULAR WIRELESS PCS, LLC.

This INSTALLATION AND PROPERTY USE AGREEMENT (the "AGREEMENT") is made and entered into by and between the CITY OF MORGAN HILL, a municipal corporation ("CITY"), and NEW CINGULAR WIRELESS PCS, LLC, a Delaware limited liability company, having a mailing address of 575 Morosgo Drive NE, Suite 13-F, West Tower, Atlanta, GA 303244 ("COMPANY"), upon and as of the latter of the signature dates of CITY and COMPANY set forth below on the signature page of the parties to this AGREEMENT ("EFFECTIVE DATE") for the specified purposes set forth herein.

RECITALS

WHEREAS, CITY is the owner of that certain real property located at 2275 Rolling Hills Drive, Morgan Hill, California, more particularly described on the "PROPERTY Description," attached hereto as Exhibit A and incorporated herein by this reference ("PROPERTY"); and

WHEREAS, COMPANY desires to construct, install, maintain and operate at no cost to CITY certain telecommunications facilities and appurtenant structures on PROPERTY owned by CITY to provide its services, which services are more particularly described in Exhibit B, attached hereto and incorporated herein, ("SERVICES") in and around CITY; and

WHEREAS, in order to provide SERVICES, COMPANY desires to obtain from CITY and CITY desires to grant to COMPANY the right to use certain portions of the PROPERTY, which portions are further described in Exhibit C (the "LICENSED AREA"), which is attached hereto and incorporated herein, for the purposes of installing, maintaining and operating a telecommunication facility and associated equipment to provide SERVICES, which telecommunication facility and associated equipment are more particularly described on the "ANTENNA FACILITY Description" attached hereto as Exhibit D and incorporated herein ("ANTENNA FACILITY"); and

WHEREAS, CITY desires to have the SERVICES available in CITY in accordance with the terms and conditions contained in this AGREEMENT.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RIGHT TO USE CITY PROPERTY.

A. Right to Use. CITY hereby authorizes COMPANY the right to (1) use the LICENSED AREA on an exclusive basis, for the purpose of installing, maintaining and operating the ANTENNA FACILITY to provide SERVICES and for no other purpose; and (2) use the LICENSED AREA including the right of COMPANY to install and operate transmission cables from the equipment shelters or cabinets to the antennas, electric lines from the main feed on the Property to the equipment shelters or cabinets and communication lines from the Property's main entry point to the equipment shelter or cabinet.

B. Access.

1. At all times throughout the term of this AGREEMENT, at no additional charge to COMPANY, and in accordance with the provision of Section 1(B)(2), (3) & (4) below, COMPANY and its employees, agents, and subcontractors, will have pedestrian and vehicular access ("**Access**") to and over the PROPERTY, from an open and improved public road, to the LICENSED AREA, for the installation, maintenance and operation of the ANTENNA FACILITY and any utilities serving the LICENSED AREA between the hours of 6:00 a.m. and 7:00 p.m. Monday - Saturday. CITY agrees to provide to COMPANY such codes, keys and other instruments necessary for such Access at no additional cost to COMPANY.

Notwithstanding the foregoing, all such activities shall be performed in compliance with Section 5. A below including without limitation all applicable City of Morgan Hill laws and building codes including those regulating days of the week and hours of the day during which construction and repairs may be performed.

2. COMPANY will be given reasonable access to the LICENSED AREA between the hours of 6:00 a.m. and 7:00 p.m. to repair, maintain or remove the ANTENNA FACILITY, provided COMPANY provides CITY with at least one (1) day prior written notice of the times that COMPANY will need access to the LICENSED AREA and at least forty-eight (48) hours' actual prior oral notice to CITY of the times that COMPANY will need access to any other portion of the PROPERTY. The CITY's Public Works Director (hereinafter "PROPERTY MANAGER") shall be CITY's contact for these purposes, unless CITY otherwise indicates to COMPANY in writing.

3. If an emergency repair of the ANTENNA FACILITY is necessary, COMPANY shall be allowed reasonable access to the LICENSED AREA during additional hours, provided COMPANY provides CITY with at least one (1) hour prior oral notice of the times that COMPANY will need access to that portion of the LICENSED AREA. For purposes of providing the advance oral notice set forth in this Section, CITY shall provide COMPANY with the telephone number

of the PROPERTY MANAGER, which telephone number shall permit contact with the PROPERTY MANAGER, or his/her designate, twenty-four (24) hours per day. For the purposes of this section, an emergency repair of the ANTENNA FACILITY is defined as a circumstance during which the ANTENNA FACILITY is not functioning.

4. COMPANY shall allow a representative of the CITY to observe any construction, installation, repair, maintenance or removal work performed at the LICENSED AREA or any other portion of the PROPERTY.

C. Relocation and Removal.

1. If CITY determines it is necessary to relocate all or a portion of the ANTENNA FACILITY, CITY will have the right, subject to the following provisions of this Section, and exercisable at any time after the INITIAL TERM, but exercisable only one (1) time during the term of this AGREEMENT, and only after providing COMPANY with not less than twelve (12) months' prior written notice, to relocate the ANTENNA FACILITY, or any part thereof, to an alternate location (the "**Relocation Premises**") on CITY's PROPERTY; provided, however, that: (i) one hundred percent (100%) of all reasonable costs and expenses associated with or arising out of such relocation (including costs associated with any required zoning approvals and other governmental approvals and costs for any tests, surveys, reports, and studies of the Relocation Premises) shall be paid by CITY by reimbursing COMPANY within thirty (30) days of CITY'S receipt of a written invoice from COMPANY; (ii) such relocation will be performed exclusively by COMPANY or its agents; (iii) such relocation will not unreasonably result in any interruption of the communications service of COMPANY on CITY's PROPERTY; and (iv) such relocation will not impair, or in any manner alter, the quality of communications service provided by COMPANY on and from CITY's PROPERTY. CITY will exercise its relocation right by delivering written notice pursuant to the terms of this AGREEMENT to COMPANY. In the notice, CITY will identify the proposed Relocation Premises on CITY's PROPERTY to which COMPANY may relocate the ANTENNA FACILITY. CITY and COMPANY hereby agree that a survey (prepared at the sole cost and expense of CITY) of the Relocation Premises (including the access and utility easements) will supplement Exhibit A hereto and become a part hereof, and the Relocation Premises shall be considered the Premises for all purposes hereunder after said relocation.

2. If in COMPANY's reasonable judgment no suitable Relocation Premises can be found, CITY may not exercise its relocation right described in this Section and CITY may not relocate or cause the relocation of the ANTENNA FACILITY; provided, however, that if CITY is exercising its relocation right described in this Section in order for CITY to comply with then-currently applicable governmental laws, rules, statutes and regulations, and in COMPANY's reasonable judgment no suitable Relocation Premises can be found, COMPANY shall have the right to terminate this AGREEMENT upon written notice to CITY, without penalty or further obligation.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

D. Title to the ANTENNA FACILITY.

Title to the ANTENNA FACILITY, subject to the terms of this AGREEMENT, shall be and remain with COMPANY while the ANTENNA FACILITY is installed and maintained at the PROPERTY. CITY waives any and all lien rights it may have, statutory or otherwise, concerning the ANTENNA FACILITY or any portion thereof.

E. Title to Improvements to the PROPERTY.

Notwithstanding Section 1.D above, title to the improvements to the PROPERTY, or LICENSED AREA required for approval for the placement of the ANTENNA FACILITY, including buildings or other structures placed thereon by the City, shall be and remain with CITY. Title to all equipment installed for purposes of operating and providing wireless communications services pursuant to this AGREEMENT shall be and remain with COMPANY.

Notwithstanding any of the foregoing, improvements installed at the PROPERTY by COMPANY for the provision of SERVICE shall be for the exclusive use of, and under the exclusive control of COMPANY, subject to the provisions in Section 1G and Section 7 throughout the term of this AGREEMENT.

F. No Warranties of Suitability of PROPERTY.

It is COMPANY's election to install and maintain the ANTENNA FACILITY at the PROPERTY and COMPANY does so solely at its own risk. CITY makes no representations or warranties regarding the suitability, condition or fitness of the PROPERTY for the installation, maintenance or use of the ANTENNA FACILITY.

G. Right of CITY Access.

CITY reserves, and COMPANY agrees to, the right of CITY, its authorized officers, employees, agents or contractors, to enter into and access the LICENSED AREA and the PROPERTY at any time. CITY agrees to provide COMPANY with at least forty-eight (48) hours' prior oral notice of CITY's plan to access the LICENSED AREA. For purposes of providing the oral notice set forth in this Section, COMPANY shall provide PROPERTY MANAGER with a current telephone number of an appropriate COMPANY representative. Without limiting the foregoing, CITY and COMPANY agree that CITY has reserved its rights to and may: (1) inspect the PROPERTY, LICENSED AREA and ANTENNA FACILITY for COMPANY's compliance with the terms of this AGREEMENT; (2) make repairs, alterations or additions to the PROPERTY or LICENSED AREA or maintain or use the PROPERTY in any manner not prohibited by the terms of this AGREEMENT, all without a claim by COMPANY for any loss of occupation or use of, or any abatement of, the USE CHARGE for use of the LICENSED AREA.

SECTION 2. TERM.

A. Initial Term.

The term of this AGREEMENT shall commence on the EFFECTIVE DATE set forth above, and shall continue for five (5) years ("INITIAL TERM"), expiring at 11:59 p.m. on the fifth anniversary of said EFFECTIVE DATE ("EXPIRATION DATE"), unless earlier terminated as pursuant to the terms of this AGREEMENT.

B. Option to Extend.

This AGREEMENT will automatically renew for two (2) additional five (5) year terms beyond the INITIAL TERM described herein on the same terms, covenants and conditions that are contained in this AGREEMENT (each an "Extension Term") unless either party notifies the other in writing of its intention not to renew this AGREEMENT at least ninety (90) days prior to the expiration of the existing term and subject to CITY's and COMPANY's other termination rights set forth in this AGREEMENT.

CITY shall increase the USE CHARGE in the manner provided in Section 3B below.

SECTION 3. USE CHARGE.

A. Charge and Payment.

Commencing upon the date upon which COMPANY starts work to construct or install the ANTENNA FACILITY on the PROPERTY ("USE CHARGE COMMENCEMENT"), COMPANY shall pay CITY the sum of forty thousand dollars (\$40,000) per year calculated in accordance with the CITY's Rate Schedule as shown in Exhibit E, which is subject to annual adjustment by CITY as provided below ("USE CHARGE"). The USE CHARGE shall be due and payable from COMPANY to CITY, and COMPANY shall pay such USE CHARGE, in full on the USE CHARGE COMMENCEMENT date and then on each anniversary of the USE CHARGE COMMENCEMENT date ("Anniversary Date") without offset, in advance. COMPANY shall make all payments to CITY at the following address:

City of Morgan Hill
Finance Department
17575 Peak Avenue
Morgan Hill, California 95037

Initial payment by COMPANY for adjustments made for addition of antennae, pursuant to Exhibit E shall be due and payable at the address set forth above on the USE CHARGE COMMENCEMENT date. If CITY approves placement of said additional antennae on the ANTENNA FACILITIES, payment shall be prorated to reflect the remainder of the year of the term ("Term Year"). CITY shall reimburse COMPANY for Adjustments reflecting removal of antenna(e) no later than sixty (60) days after CITY is

notified by COMPANY in writing of the completion of such removal. Adjustments to reflect removal of antenna(e) shall be prorated to reflect the portion of the Term Year remaining after CITY receives said written notice of such removal. Any partial Term Year or INITIAL TERM or Extension Term shall be prorated.

B. Adjustment of USE CHARGE.

1. Beginning in year two (2) of the INITIAL TERM, and each year thereafter, including throughout any Extension Term exercised, the annual USE CHARGE will increase by three and a half percent (3 ½%) over the USE CHARGE paid during the previous year. COMPANY may choose to pay for all five (5) years of the INITIAL TERM or an Extension Term in advance and in that case the USE CHARGE shall be the rate in effect for the first year of that particular term less a twenty percent (20%) discount. However, if COMPANY paid in advance for all five (5) years of the Initial Term or an Extension Term, then beginning in year one of any subsequent Extension Term exercised, the USE CHARGE will increase by three and a half percent (3 ½%) for each year of the previous Initial Term or Extension Term. (Therefore, if the previous Initial Term or Extension Term, whichever is applicable, was for five (5) years and COMPANY paid for the five (5) years in advance, the Use Charge for the first year of any subsequent Extension Term would increase by $3.5\% \times 5 = 17.5\%$.)

C. Penalty for Delinquent Payment.

If COMPANY fails to pay to CITY within ten (10) days after the due date any USE CHARGE payment hereunder, then, thereafter, COMPANY shall owe and pay to CITY along with its delinquent USE CHARGE payment, and in addition to the unpaid USE CHARGE payment, an amount equal to five percent (5%) of the past due USE CHARGE amount, which late charge payment is mutually agreed to by CITY and COMPANY as an incentive for timely payment and in recognition of the additional costs to CITY to track and service delinquent payments.

SECTION 4. RIGHT TO USE APPLICABLE ONLY TO PROPERTY.

This AGREEMENT shall not be construed to permit construction, installation, maintenance or use of an antenna facility on any property other than the ANTENNA FACILITY on the LICENSED AREA of the PROPERTY.

SECTION 5. COMPLIANCE WITH APPLICABLE LAW AND APPROVALS.

A. Facility to be Constructed in Accordance with Law.

COMPANY shall construct, install, operate, maintain and remove the ANTENNA FACILITY in accordance with all applicable federal, state and local governmental laws, rules and regulations now in existence or as hereafter enacted or amended. Without limiting the foregoing, COMPANY shall obtain, maintain and fully comply with any and all permits or approvals required from CITY.

B. Utility User's Tax.

COMPANY acknowledges and agrees that CITY does not currently require users of communications services such as the SERVICES to pay to CITY a utility users' tax. However, without limiting the other provisions of this SECTION, should the CITY ever institute such a tax, COMPANY agrees that COMPANY shall collect from the users of the SERVICES and remit to CITY said utility users' tax all in the manner described in, and in compliance with, the CITY's requirements.

C. Licensing and Authorization.

COMPANY represents and warrants for the benefit of CITY that COMPANY holds and maintains in good standing, or will hold and maintain in a timely fashion, all requisite licenses and other approvals under federal, state and local laws and regulations to undertake all of the actions and to provide the SERVICES set forth in this AGREEMENT and, more specifically and without limiting the foregoing, that COMPANY is licensed by the Federal Communications Commission ("FCC") to operate the ANTENNA FACILITIES and provide the SERVICES, and COMPANY agrees to provide documentation evidencing such licensing and authorization within thirty (30) days of receiving a request by CITY for such documentation, but in no event shall City make a request more than once annually. Notwithstanding any CITY request for such documentation, COMPANY shall maintain in full force and effect at all times during any term of this AGREEMENT all requisite licenses and approvals from the FCC, as well as any other applicable governmental entity, needed to operate the ANTENNA FACILITY and/or to provide the SERVICES and shall conduct any and all activities under this AGREEMENT in full and timely conformance with such FCC licenses and approvals.

SECTION 6. MAINTENANCE AND REPAIR.

A. COMPANY shall maintain and repair the ANTENNA FACILITY, at no cost to CITY (except as specifically provided otherwise in this AGREEMENT) and to CITY's reasonable satisfaction, any and all damage to the PROPERTY or the LICENSED AREA that may result from any operation, maintenance, relocation or removal of the ANTENNA FACILITY or COMPANY's exercise of any of the rights and privileges hereby granted, including, without limitation, damage to any walls, floors, ceilings, doors, roads, gates, water tanks and equipment, fences or electrical system in the PROPERTY or the LICENSED AREA. Upon removal of the ANTENNA FACILITY, or any portion thereof, or the termination of this AGREEMENT, COMPANY shall restore the affected areas of the PROPERTY to at least as good condition and repair as before COMPANY's use thereof, except for reasonable wear and tear and loss by casualty or other causes beyond COMPANY'S control excepted. Notwithstanding the foregoing, COMPANY will not be responsible for the replacement of any trees, shrubs or other vegetation, nor will COMPANY be required to remove from the LICENSED AREA or the PROPERTY any structural steel or any foundations to a depth of more than one (1) foot below grade or underground utilities. The provisions of this Section shall survive termination of this AGREEMENT.

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B. COMPANY agrees to and shall: (1) keep the ANTENNA FACILITY and the LICENSED AREA in a safe, neat, clean and orderly condition at all times; (2) not cause rubbish, garbage or debris to accumulate or remain on or around the ANTENNA FACILITY, LICENSED AREA or PROPERTY at any time; (3) not commit, suffer or allow any acts to be done at or around the ANTENNA FACILITY, LICENSED AREA or PROPERTY in violation of any law, regulation, permit or rule; and, (4) not use or allow the use of the ANTENNA FACILITY, LICENSED AREA or PROPERTY for any illegal or immoral purpose.

C. COMPANY shall install utility tape 12 inches below ground to mark cabling located outside the LICENSED AREA and identify the antenna with ownership markings.

D. Prior to any installation COMPANY shall submit plans and specifications to the CITY for approval of any proposed cable runs. In addition, the COMPANY must provide to CITY a set of as-builts after installation that shows the precise location of cable runs, as well as other details.

E. Should the COMPANY, in the CITY'S reasonable judgment, fail to maintain the ANTENNA FACILITY and PROPERTY to the above standards, then following COMPANY'S receipt of written notice of such failure (which receipt shall be deemed to be two (2) business days following the date of a notice sent to COMPANY in full accordance with the provisions of Section 15 of this AGREEMENT) and COMPANY'S continued failure to correct such maintenance of the ANTENNA FACILITY and the PROPERTY within thirty (30) days of such receipt, CITY may enter upon the PROPERTY and effectuate such acts as it deems necessary to comply with such standards. Any costs incurred by the CITY will be payable by the COMPANY within thirty (30) days of receipt of an itemized bill therefor.

F. CITY will maintain and repair the PROPERTY and Access thereto and all areas of the LICENSED AREA where COMPANY does not have exclusive control, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements.

SECTION 7. TERMINATION.

A. Termination with Cause.

Except as otherwise provided in this AGREEMENT, CITY or COMPANY shall have the right to terminate this AGREEMENT immediately (i) if the other party fails to cure a material breach of any term or condition hereof, within thirty (30) days after notice to the other party of such breach has been received (which receipt shall be deemed to be two (2) business days following the date of a notice sent to COMPANY in full accordance with the provisions of Section 15 of this AGREEMENT); or (ii) if said cure cannot be reasonably be completed within thirty (30) days, curative actions have not commenced within said thirty (30) days and thereafter diligently prosecuted to

completion; or (iii) if COMPANY's operation is reasonably deemed by CITY to endanger or pose a threat to the public health, safety or welfare, including, without limitation, and as an example, if operation of the ANTENNA FACILITY adversely interferes with, or otherwise adversely affects CITY communications or operations and such threat or danger cannot reasonably be cured in accordance with the provisions of Section 7.A.1.i and Section 7.A.1.ii above; (iv) if CITY is mandated by law, a court order or decision, or the federal, state or local government to take certain actions that will cause or require the removal of the ANTENNA FACILITY from the LICENSED AREA; or (v) upon 12 months' prior written notice if the removal of the ANTENNA FACILITY from the LICENSED AREA is needed to accommodate the construction, installation, operation, repair or maintenance of any improvement desired by CITY.

B. Termination - General.

1. This AGREEMENT may be terminated by COMPANY upon receipt of written notice by CITY (which receipt shall be deemed to be two (2) business days following the date of a notice sent to CITY in full accordance with the provisions of Section 15 of this AGREEMENT), if COMPANY is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the ANTENNA FACILITY as now or hereafter intended by COMPANY; or if COMPANY determines, in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable. Notwithstanding the foregoing, COMPANY will use commercially reasonable efforts to obtain the necessary government approvals, licenses or permits in a reasonable and timely manner;
2. This AGREEMENT may be terminated by COMPANY, upon receipt of written notice by CITY (which receipt shall be deemed to be two (2) business days following the date of a notice sent to CITY in full accordance with the provisions of Section 15 of this AGREEMENT), if COMPANY determines, in its sole discretion, due to the title report results or survey results, that the condition of the LICENSED AREA is unsatisfactory for COMPANY's intended uses;
3. This AGREEMENT may be terminated by COMPANY upon receipt of written notice by CITY (which receipt shall be deemed to be two (2) business days following the date of a notice sent to CITY in full accordance with the provisions of Section 15 of this AGREEMENT) for any reason or no reason, at any time prior to commencement of construction by COMPANY; or
4. This AGREEMENT may be terminated by COMPANY upon receipt by CITY (which receipt shall be deemed to be two (2) business days following the date of a notice sent to CITY in full accordance with the provisions of Section 15 of this AGREEMENT) of at least sixty (60) days' prior written notice from COMPANY for any reason or no reason.

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C. Removal of Facility Upon Termination.

COMPANY shall remove the ANTENNA FACILITY and repair and restore the affected areas of the LICENSED AREA and the PROPERTY prior to the expiration of this AGREEMENT. If this AGREEMENT is terminated by either party earlier than the expiration of the term, COMPANY shall promptly remove the ANTENNA FACILITY and repair and restore the affected areas of the LICENSED AREA and the PROPERTY to its condition at the commencement of this AGREEMENT, reasonable wear and tear and loss by casualty or other causes beyond COMPANY'S control excepted. Notwithstanding the foregoing, COMPANY will not be responsible for the replacement of any trees, shrubs or other vegetation or removal of underground utilities on or under the LICENSED AREA, except if damaged by COMPANY. COMPANY will remove footings, foundations, and concrete to a depth of up to one (1) foot below grade no later than one hundred twenty (120) days after notice of termination. Removal of the ANTENNA FACILITY shall be at COMPANY's sole cost and expense, except as specifically provided otherwise in this AGREEMENT. Should the COMPANY, or its successor in interest or assign, in the CITY'S sole but reasonable judgment, fail to remove, repair or restore, CITY may enter upon the PROPERTY and effectuate such acts as it reasonably deems necessary to comply with such standards. Any costs incurred by the CITY will be payable by the COMPANY within thirty (30) days of receipt (which receipt shall be deemed to be two (2) business days following the date of a notice sent to COMPANY in full accordance with the provisions of Section 15 of this AGREEMENT) of an itemized bill therefor. The obligation of COMPANY to pay CITY for such costs shall survive termination of this AGREEMENT.

D. Prorated Use Charge Reimbursement.

In the event of the early termination of this AGREEMENT, CITY will reimburse COMPANY the unused portion of the USE CHARGE after proration and proper computation.

SECTION 8. NO LIABILITY.

A. Liability.

CITY, its agents, officers, employees or contractors, shall not be liable for any damage from any cause whatsoever to the ANTENNA FACILITY, specifically including, without limitation, damage, if any, resulting from CITY's maintenance operations adjacent to the ANTENNA FACILITY or from vandalism or unauthorized use of the ANTENNA FACILITY, except to the extent such damage is caused by the negligence or willful misconduct of CITY, its agents, officers, employees or contractors.

B. Security.

COMPANY shall take reasonable precautions against damage to or unauthorized use of the ANTENNA FACILITY and LICENSED AREA. CITY shall not be liable for any

vandalism or other damage that may occur to the ANTENNA FACILITY or in the LICENSED AREA or any unauthorized use of the ANTENNA FACILITY or LICENSED AREA except as provided in Section 8.A., above.

SECTION 9. PLANS AND SPECIFICATIONS; PERMITS.

A. CITY shall have the right of prior review and approval of all Plans and Specifications and shall have the right to inspect the ANTENNA FACILITY and LICENSED AREA at any time during and after installation to ensure compliance with such Plans and Specifications upon forty-eight (48) hours prior notice to COMPANY. COMPANY shall not commence installation or alteration of the ANTENNA FACILITY, or any portion thereof, until CITY has first approved the Plans and Specifications and COMPANY has obtained all applicable permits. Approval of Plans, Specifications and Permits shall not release COMPANY from the responsibility for, or the correction of, any errors, omissions or other mistakes that may be contained in the Plans, Specifications and/or Permits. COMPANY shall be responsible for notifying CITY and all other relevant parties promptly upon discovery of such omissions and/or errors. CITY will not unreasonably withhold, condition or delay its approval of the Plans and Specifications. If the CITY has not approved such Plans and Specifications within thirty (30) days of receipt, such Plans and Specifications shall be deemed approved to the extent allowed by law. The Plans and Specifications for the original ANTENNA FACILITY, as provided to the City on December 2, 2011, are deemed approved.

B. COMPANY agrees to and shall perform any work in furtherance of the Plans, Specifications and Permits at COMPANY's sole expense and in accordance with and in a manner CITY is satisfied conforms to Plans, Specifications and Permits as may be approved by CITY in furtherance of this AGREEMENT. CITY will provide COMPANY an official notice, signed by the City Manager, if CITY is not satisfied that work completed by the COMPANY conforms to Plans, Specifications and Permits approved by the CITY.

C. COMPANY will submit four (4) sets of such Plans and Specifications to the CITY at the address set forth for Notices in Section 15 herein, which CITY shall use for description and acceptance of the ANTENNA FACILITY. COMPANY shall supply the CITY any additional information it may reasonably request before approving the Plans and Specifications in a format which is reasonably acceptable to the CITY.

D. COMPANY shall apply for and obtain all applicable permits as are required by CITY to perform the work described in this AGREEMENT and shall comply with all of the terms and conditions set forth in such permits, including, without limitation, allowing CITY personnel to inspect the installation of the ANTENNA FACILITY on the LICENSED AREA or PROPERTY. COMPANY shall arrange for, obtain and bear costs of all: permits (including without limitation any fees as required by any federal, state or local law, statute, ordinance, rule or regulation); plan check and inspection fees; licenses; environmental impact reports; site preparation; surface treatment and relocation of any facilities on the LICENSED AREA or PROPERTY, as necessary or

required for health or safety in the construction or alteration of the LICENSED AREA, and as a result of COMPANY'S work on the LICENSED AREA or PROPERTY. As a condition of this AGREEMENT, COMPANY agrees to perform the covenants and conditions contained in any permit issued or to be issued to COMPANY by CITY's Chief Engineer or his designees.

E. COMPANY shall not commence physical installation of the ANTENNA FACILITY before approval of Plans and Specifications pursuant to Subsection 9.A, and obtaining approval of all applicable permits pursuant to Subsection 9.D. Approval of Plans and Specifications by CITY Departments shall not release COMPANY from the responsibility for, or the correction of, any errors, omissions or other mistakes that may be contained in Plans and Specifications. COMPANY agrees to perform any work at COMPANY'S sole cost and at COMPANY'S sole expense and in accordance with and in a manner CITY is satisfied conforms to Plans and Specifications as may be approved by CITY in furtherance of this AGREEMENT.

SECTION 10. INDEMNIFICATION.

COMPANY shall protect, defend, indemnify, and hold harmless CITY, its officers, employees and agents against any claim, loss or liability arising from or related to any damage, injury or loss caused by, or resulting from, the installation, maintenance, operation or use of the ANTENNA FACILITY, the provision of SERVICES, or resulting in any way from COMPANY's occupation or use of the PROPERTY or the LICENSED AREA, including, without limitation, that which is due, in whole or in part, to the willful misconduct or negligent acts (active or passive) or omissions by COMPANY, its officers, employees, consultants or agents. COMPANY's obligation to indemnify and hold harmless excludes only such claim, loss or liability that is due to the negligence or willful misconduct of CITY and/or its officers, employees, consultants or agents. All of COMPANY's obligations under this SECTION are intended to apply to the fullest extent permitted by law and shall survive the expiration or sooner termination of this AGREEMENT.

CITY shall protect, defend, indemnify and hold harmless COMPANY, its officers, employees and agents from and against any claim, loss or liability arising from or related to any damage, injury or loss caused by, or resulting from, CITY's installation, maintenance, operation or use of the PROPERTY, the provision of CITY's services, or resulting in any way from CITY's occupation or use of the Property including without limitation, that which is due, in whole or in part, to the willful misconduct or negligent acts (active or passive) or omissions of CITY and/or its officers, employees, consultants or agents. CITY's obligation to indemnify and hold harmless excludes only such claim, loss or liability that is due to the negligence or willful misconduct of COMPANY and/or its officers, employees, consultants or agents. All of CITY's obligations under this SECTION are intended to apply to the fullest extent permitted by law and shall survive the expiration or sooner termination of this AGREEMENT.

SECTION 11. TAXES.

A. COMPANY shall pay before delinquency any and all taxes, assessments, licenses, fees and other public charges which may be levied, assessed or imposed upon any of COMPANY's interests herein, upon COMPANY's businesses, upon COMPANY for the privilege of conducting business, or upon any property of COMPANY at the PROPERTY. COMPANY is advised that this AGREEMENT may, but is not intended to, create a possessory interest in the LICENSED AREA, for which COMPANY may be subject to payment of possessory interest taxes therefore, for which CITY shall not be liable. Payment of any possessory interest tax shall not reduce in any way any charges or other fees required to be paid by COMPANY hereunder.

B. COMPANY shall not permit or suffer any liens to be imposed upon the PROPERTY or any portion thereof, without promptly discharging the same, provided, however, that COMPANY may, if it so desires, contest the legality of same following prior written notice to CITY. In the event of a contest of a lien, COMPANY shall provide a bond in an amount and in a form reasonably acceptable to CITY immediately following request therefor by CITY.

SECTION 12. INSURANCE.

A. COMPANY, at COMPANY's own expense throughout the Term of this AGREEMENT, as extended, shall comply with the insurance requirements attached hereto as Exhibit F and incorporated by reference herein. The procuring of the policy or policies of insurance required by Exhibit F shall neither be construed to limit COMPANY's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT. Notwithstanding the policy or policies of insurance, COMPANY shall be obligated for the full and total amount of any damage, injury or loss caused by its negligence or willful misconduct arising out of this AGREEMENT or COMPANY's use of the PROPERTY or the LICENSED AREA.

B. COMPANY shall deposit with CITY, on or before the EFFECTIVE DATE, certificates of insurance and the required endorsements in forms reasonably satisfactory to CITY, indicating compliance with the insurance provisions of this AGREEMENT. COMPANY shall keep the insurance in effect, and the certificates evidencing the insurance on deposit with CITY, during the Term of the AGREEMENT and as the same may be extended.

SECTION 13. FREQUENCY INTERFERENCE.

A. COMPANY will not cause, permit or allow the installation, operation, maintenance or use of the ANTENNA FACILITIES or any other equipment installed pursuant to this AGREEMENT to interfere with: (1) any CITY use of the PROPERTY except that the foregoing shall not hinder or restrict COMPANY'S normal use of the LICENSED AREA as contemplated by this AGREEMENT and provided in Section 1; (2), CITY equipment used at the PROPERTY except that the foregoing shall not hinder

or restrict COMPANY'S normal use of the LICENSED AREA as contemplated by this AGREEMENT and provided in Section 1; (3) CITY communications provided that the CITY communications operate and continue to operate within the applicable frequencies and in accordance with all applicable laws and regulations; and/or (4) or any pre-existing third party uses of the PROPERTY, including uses of communications equipment, which uses were authorized or planned by CITY prior to the execution of this AGREEMENT, provided that the third party communications users operate and continue to operate within the applicable frequencies and in accordance with all applicable laws and regulations. COMPANY shall immediately provide, in writing, to the CITY at the address set forth for notices in Section 15 herein, the frequencies utilized in the operation of the ANTENNA FACILITIES. COMPANY shall also provide the CITY, at the same address, with written notice of any intended changes in those frequencies, a description of those frequencies and the dates that those frequency changes are anticipated to occur, at least thirty (30) days prior to the date that those frequency changes are anticipated to occur. COMPANY shall not begin any work on the PROPERTY pursuant to this AGREEMENT until these frequencies have been approved in writing by CITY's Public Works Director or any other person that may be designated to make such approval by CITY's City Manager, which approval shall not be unreasonably withheld, conditioned or delayed.

B. Provided that the existing communications users (including the City) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations, COMPANY shall ensure that its use of the ANTENNA FACILITY does not interfere with any communication transmissions from the PROPERTY, including, if applicable and without limitation, the CITY's public safety transmissions, police and fire communications, CITY's internal or external communications, or communications by CITY's tenants or contractors.

C. If COMPANY's construction, installation, maintenance, operation, use or removal of the ANTENNA FACILITY violates this Section 13, COMPANY shall, within forty-eight (48) hours after receipt of written notice of such violation from CITY, eliminate such violation or interference. In the event any such violation or interference does not cease within the aforementioned cure period, COMPANY shall cease all operations which are suspected of causing such violation or interference (except for intermittent testing to determine the cause of such interference) until the interference has been corrected.

D. Notwithstanding anything contained to the contrary herein, CITY will not use, nor will CITY permit its employees, tenants, licensees, invitees, agents or independent contractors to use, any portion of the PROPERTY in any way which interferes with the ANTENNA FACILITY, the operations of COMPANY or the rights of COMPANY under this AGREEMENT. CITY will cause such interference to cease within forty-eight (48) hours after receipt of written notice of interference from COMPANY. In the event any such interference does not cease within the aforementioned cure period, CITY shall cease all operations which are suspected of causing interference (except for

intermittent testing to determine the cause of such interference) until the interference has been corrected.

E. COMPANY shall use its best efforts to operate its communications equipment in a manner that is consistent with all applicable frequencies assigned to it by the Federal Communications Commission ("FCC"), if any, and, in any event, shall at all times operate in compliance with all applicable FCC rules and regulations.

SECTION 14. EMERGENCY.

A. Notwithstanding Section 13, COMPANY agrees that in the event that an "emergency situation" (as defined below) occurs, and there are frequency interferences between CITY's communication equipment and that of COMPANY, CITY shall have the right to immediately shut off any power to the LICENSED AREA, and any equipment of COMPANY's located on the PROPERTY. CITY shall provide COMPANY immediate oral notice of the interference and power shut down and shall restore power as soon as reasonably possible once the frequency interference problem creating the emergency situation has been corrected. For purposes of this Section, CITY shall provide oral notice to AT&T Mobility Network Triage Center at 800-638-2822, Option #9 of COMPANY at the telephone number provided by COMPANY to PROJECT MANAGER. Except to the extent caused by the gross negligence or intentional acts or omissions of CITY and/or its agents, employees, and/or contractors, if an emergency situation occurs, and there are frequency interferences between CITY'S communication equipment and that of COMPANY, and as a result CITY shuts off power to the LICENSED AREA and any equipment of COMPANY's located on the PROPERTY, COMPANY agrees not to hold CITY responsible or liable for and shall protect, defend, indemnify and hold CITY harmless pursuant to SECTION 10 for any damage, loss, claim or liability of any nature suffered as a result of the loss of the use of, or of the power outage to, the LICENSED AREA or communication facilities on the LICENSED AREA at PROPERTY, including without limitation losses arising out of the inability to use facilities on the LICENSED AREA, including without limitation the ANTENNA FACILITY, and/or the inability of third parties to receive SERVICES, including SERVICES, from facilities located on the LICENSED AREA. At the CITY'S discretion, COMPANY agrees to install a master power "cut-off" switch on their equipment for the purpose of assisting CITY in such an emergency.

B. Unless otherwise specifically provided in a notice of termination of this AGREEMENT, CITY's exercise of the right to shut off any power to the ANTENNA FACILITY pursuant to this SECTION is not intended to constitute a termination of this AGREEMENT by either party. COMPANY and CITY shall meet after the CITY determines that an emergency situation has ended to establish the time and manner in which power shall be restored to the ANTENNA FACILITY.

C. For the purposes of this section, CITY shall have the sole discretion to determine what constitutes an "emergency situation" pursuant to this Section. These

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situations shall be limited to situations in which public safety or public utility communications are interrupted.

SECTION 15. NOTICES.

Except as otherwise specifically set forth and allowed under this AGREEMENT, all written notices, requests and demands herein required will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

To CITY: City Manager
 City of Morgan Hill
 17575 Peak Avenue
 Morgan Hill, CA 95037

With a copy to: Office of the City Attorney
 City of Morgan Hill
 17575 Peak Avenue
 Morgan Hill, CA 95037

To COMPANY: New Cingular Wireless PCS, LLC
 Attn: Network Real Estate Administration
 Re: Cell Site #: CC0750
 Cell Site Name: McKean Rd 2 (CA)
 Fixed Asset #: 10151482
 575 Morosgo Drive NE
 Suite 13-F, West Tower
 Atlanta, GA 30324

With a copy to AT&T Legal Department:

If sent via registered or certified mail to:

New Cingular Wireless PCS, LLC
AT&T Legal Department – Network Operations
Attn: Network Counsel
Re: Cell Site #: CC0750;
Cell Site Name: McKean Rd 2 (CA)
Fixed Asset #: 10151482
208 S. Akard Street
Dallas, TX 75202-4206

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Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

If sent via nationally recognized overnight courier to:

New Cingular Wireless PCS, LLC
AT&T Legal Department – Network Operations
Attn: Network Counsel
Re: Cell Site #:CC0750
Cell Site Name: McKean Rd 2 (CA)
Fixed Asset #: 10151482
208 S. Akard Street
Dallas, TX 75202-4206

The copy sent to the AT&T Legal Department or to the Office of the City Attorney is an administrative step which alone does not constitute legal notice. Either party hereto may change the place for the giving of notice to it by thirty (30) days prior written notice to the other as provided herein.

SECTION 16. RIGHT TO USE SUBORDINATE.

The right to use the PROPERTY(excluding the LICENSED AREA) herein granted by CITY to COMPANY, and all rights and privileges hereunder, are and shall be subordinate to the rights of CITY and to other existing tenants to use and occupy, and to any occupancy by them of, the PROPERTY (excluding the LICENSED AREA.)

SECTION 17. ASSIGNMENT.

COMPANY shall not voluntarily or by operation of law, assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of COMPANY's interest in this AGREEMENT or in the LICENSED AREA, without CITY's prior written consent, which will not be unreasonably withheld, delayed or conditioned; provided, however, COMPANY shall have the right to sublease or assign its rights under this AGREEMENT to any of its subsidiaries, affiliates or successor legal entities or to any entity acquiring substantially all of the assets of COMPANY.

SECTION 18. GOVERNING LAW.

This AGREEMENT shall be construed by, and in accordance with, the laws of the State of California.

SECTION 19. NO INTEREST IN PROPERTY.

Nothing herein shall be deemed to create a lease or easement of any property, or to grant any interest in the PROPERTY, other than a real property license to use the LICENSED AREA, terminable as set forth herein.

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SECTION 20. INSPECTION.

The LICENSED AREA shall be at all times under control of the CITY, whose officials, employees and agents shall have the right to enter the LICENSED AREA, and all portions thereof on forty-eight (48) hours advance oral notice, for purposes of inspection (and other purposes contemplated by this AGREEMENT) at all times during the period covered by this AGREEMENT.

SECTION 21. UTILITIES.

COMPANY shall be solely responsible for ensuring that the LICENSED AREA has adequate electrical power and any other utility service necessary or useful to operation of the ANTENNA FACILITY. CITY is not obligated to make electricity or other utilities available if there is an interruption in such service to the LICENSED AREA or to the PROPERTY. COMPANY shall not do, nor shall it permit anything to be done, which may interfere with the effectiveness or accessibility of the utility, heating, ventilation, diesel exhaust or air conditioning systems or portions thereof of the PROPERTY.

CITY grants to any company providing utility or similar services, including electric power and telecommunications, to COMPANY a license over the Property, from an open and improved public road to the LICENSED AREA, and upon the LICENSED AREA, for the purpose of constructing, operating and maintaining such lines, wires, circuits, and conduits, associated equipment cabinets and such appurtenances thereto, as such companies may from time to time require in order to provide such services to the LICENSED AREA.

SECTION 22. NOT AGENT OF CITY.

Neither anything in this AGREEMENT nor any acts of COMPANY shall authorize COMPANY or any of its employees, agents or contractors to act as agent, contractor, joint venture or employee of CITY for any purpose.

SECTION 23. RESERVATION OF RIGHTS.

COMPANY understands, acknowledges and agrees that any and all authorizations granted to COMPANY under this AGREEMENT shall remain subject to all prior and continuing regulatory and proprietary rights and powers of CITY to regulate, govern and use CITY property, as well as any existing encumbrances, deeds, covenants, restrictions, easements, dedications and other claims of title that may affect CITY property. CITY and COMPANY agree that nothing contained in, or contemplated by, this AGREEMENT is intended to confer, convey, create or grant to COMPANY any perpetual interest in any CITY property or in any of CITY's public rights of way.

SECTION 24. CONFLICT OF INTEREST.

COMPANY shall avoid all conflict of interest or the appearance of conflict of interest in the performance of this AGREEMENT.

SECTION 25. ENVIRONMENTAL

A. CITY represents and warrants that to the best of its knowledge: (i) the PROPERTY, as of the date of this AGREEMENT, is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the PROPERTY has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Except for emergency back-up power supplies and cleaning solvents commonly used in telecommunication operations, COMPANY represents and warrants that COMPANY shall not bring any hazardous substances, including asbestos-containing materials and lead paint, onto any portion of the PROPERTY. CITY and COMPANY agree that each will be responsible for compliance with any and all applicable governmental laws, rules, statutes, regulations, codes, ordinances, or principles of common law regulating or imposing standards of liability or standards of conduct with regard to protection of the environment or worker health and safety, as may now or at any time hereafter be in effect, to the extent such apply to that party's activity conducted in or on the PROPERTY.

B. CITY and COMPANY agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of the indemnifying party for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding ("**Claims**"), to the extent arising from that party's breach of its obligations or representations under Section 25. CITY agrees to hold harmless and indemnify COMPANY from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of CITY for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from subsurface or other contamination of the PROPERTY with hazardous substances prior to the EFFECTIVE DATE of this AGREEMENT or from such contamination caused by the acts or omissions of CITY during the term. COMPANY agrees to hold harmless and indemnify CITY from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of COMPANY for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from hazardous substances brought onto the PROPERTY by COMPANY.

C. The indemnifications of this Section 25 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of PROPERTY conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Section 25 will survive the expiration or termination of this AGREEMENT.

D. In the event COMPANY becomes aware of any hazardous materials or substances on the PROPERTY, or any environmental, health or safety condition or matter relating to the PROPERTY, that, in COMPANY's sole determination, renders the condition of the LICENSED AREA or PROPERTY unsuitable for COMPANY's use, or if COMPANY believes that the licensing or continued licensing of the LICENSED AREA would expose COMPANY to undue risks of liability to a government agency or third party, COMPANY will have the right, in addition to any other rights it may have at law or in equity, to terminate this AGREEMENT upon written notice to CITY.

SECTION 26. MISCELLANEOUS.

A. Whenever the singular number is used in this AGREEMENT and when required by the context, the same shall include the plural and the masculine gender shall include the feminine and neuter genders.

B. If there be more than one (1) entity designated in, or signatory to, this AGREEMENT, the obligations hereunder imposed upon COMPANY shall be joint and several; and the term COMPANY as used herein shall refer to each and every of said signatory parties, severally as well as jointly.

C. This instrument contains all of the agreements and conditions entered into and made by and between the parties and may not be modified orally, or in any manner, other than by an agreement in writing signed by all the parties hereto or their respective successors-in interest.

D. Time is, and shall be, of the essence for each term and provision of this AGREEMENT.

E. Each and every term, condition, covenant and provision of this AGREEMENT is and shall be deemed to be a material part of the consideration for CITY's entry into this AGREEMENT and any breach hereof by COMPANY shall be deemed to be a material breach. Each term and provision of this AGREEMENT performable by COMPANY shall be construed to be both a covenant and a condition.

F. The headings of the several paragraphs and sections of this AGREEMENT are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this AGREEMENT and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

G. In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such covenant, condition or provision does not materially prejudice either CITY or COMPANY in its respective rights and

obligations contained in the valid covenants, conditions and provisions of this AGREEMENT.

H. All exhibits and addenda referred to herein, and any exhibits or schedules which may from time to time be referred to in any duly executed amendment hereto, are by such reference incorporated herein and shall be deemed a part of this AGREEMENT as if set forth fully herein.

I. This AGREEMENT shall be interpreted and construed only by the contents hereof, and there shall be no presumption or standard of construction in favor of or against either party.

J. Days, unless otherwise specified, shall mean calendar days.

K. Whenever in this AGREEMENT the approval or consent of a party is required, such approval or consent must be in advance, shall be in writing, and shall be executed by a person having the express authority to grant such approval or consent unless the terms of this AGREEMENT specifically allow an oral approval or consent of a party.

L. This AGREEMENT may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

M. The parties each agree that all activities undertaken and services provided pursuant to this AGREEMENT by that party shall be undertaken and provided by or on behalf of that party only in a manner that fully comports with all applicable laws.

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Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

SECTION 27. MEMORANDUM/SHORT FORM LICENSE.

Contemporaneously with the execution of this Agreement, the parties will execute a recordable Memorandum or Short Form of License in the form attached as Exhibit G (the "Memorandum"). Either party may record this Memorandum or Short Form License at any time during the term, in its absolute discretion; provided, however, that the recording party shall provide the other party to this AGREEMENT with a true, accurate and conformed copy of the recorded Memorandum within five (5) business days of its recordation. Thereafter during the term of this AGREEMENT, either party will, at any time upon thirty (30) business days' prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum or Short Form of License.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the EFFECTIVE DATE.

ATTEST:



City Clerk
Date: 7/3/13

THE CITY OF MORGAN HILL



City Manager
Date: 7/3/13

APPROVED:



Risk Manager
Date: 7.3.2013

"COMPANY"

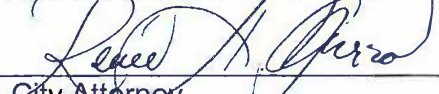
New Cingular Wireless PCS, LLC,
a Delaware limited liability
company

BY; AT&T Mobility Corporation
Its: Manager



By: Michael Guibord
Date: 7-2-13 Director
Title: Construction & Engineering

APPROVED AS TO FORM:



City Attorney
Date: 7.3.2013

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT A

PROPERTY DESCRIPTION

Location: 2275 Rolling Hills Drive, Morgan Hill, CA

The Property is legally described as: (See next page attached hereto and incorporated herein.)

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

LEGAL DESCRIPTION

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

PARCEL 1:

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3", AND RECORDED IN BOOK G OF MAPS, PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS, THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES: NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST 534.04 FEET; NORTH 61° 14' 26" WEST, 347.00; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID TRUE POINT OF BEGINNING, CONTINUING ALONG THE LAST MENTIONED LOT LINE, NORTH 61° 14' 26" WEST, 70.00 FEET; THENCE LEAVING SAID COMMON LOT LINE, NORTH 28° 45' 34" EAST, 60.00 FEET; THENCE SOUTH 61° 14' 26" EAST, 70.00 FEET; THENCE SOUTH 28° 45' 34" WEST, 60.00' TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT, FOR THE PURPOSE OF INGRESS AND EGRESS, AND THE INSTALLATION AND MAINTENANCE OF WATER PIPELINES AND APPURTENANCES THERETO, APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 HEREIN DESCRIBED, OVER THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3", AND RECORDED IN BOOK G OF MAPS PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS, THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES; NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST, 534.04 FEET; NORTH 61° 14' 26" WEST, 60.00 FEET; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE LEAVING SAID TRUE POINT OF BEGINNING, CONTINUING ALONG THE LAST MENTIONED LOT LINE NORTH 61° 14' 26" WEST, 368.55 FEET; THENCE LEAVING SAID COMMON LOT LINE ALONG THE FOLLOWING COURSES AND DISTANCES; NORTH 61° 14' 26" WEST, 95.00 FEET; NORTH 27° 16' 00" EAST, 55.00 FEET; NORTH 88° 46' 00" EAST, 166.50 FEET; SOUTH 47° 28' 11" EAST, 328.66 FEET; SOUTH 27° 16' 00" WEST 60.00 FEET; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL OF LAND.

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3" AND RECORDED IN BOOK G OF MAPS, PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS; THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES: NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST 534.04 FEET; NORTH 61° 14' 26" WEST, 417 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING NORTH 61° 14' 26" WEST, 50 FEET; THENCE NORTH 28° 45' 34" EAST, 30 FEET; THENCE SOUTH 61° 14' 26" EAST, 50 FEET; THENCE SOUTH 28° 45' 34" WEST, 30 FEET TO THE TRUE POINT OF BEGINNING.

APN: 764-02-011

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT B

DESCRIPTION OF THE SERVICES

Company shall provide services in connection with its federally licensed communications business including, but not limited to, two-way radio signal transmission and reception in its licensed frequencies disclosed to City per Section 13.A above, and in the manner permitted under its licensure by the Federal Communications Commission and the California Public Utilities Commission.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT C

DESCRIPTION OF LICENSED AREA

The LICENSED AREA includes both the concrete pad/equipment cabinet area and the monopole antenna. This includes at least 12 antennas and at least 240 square feet of ground space as shown and described in detail on Exhibit C-1, attached hereto and incorporated herein by reference.

Exhibit C-1



Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

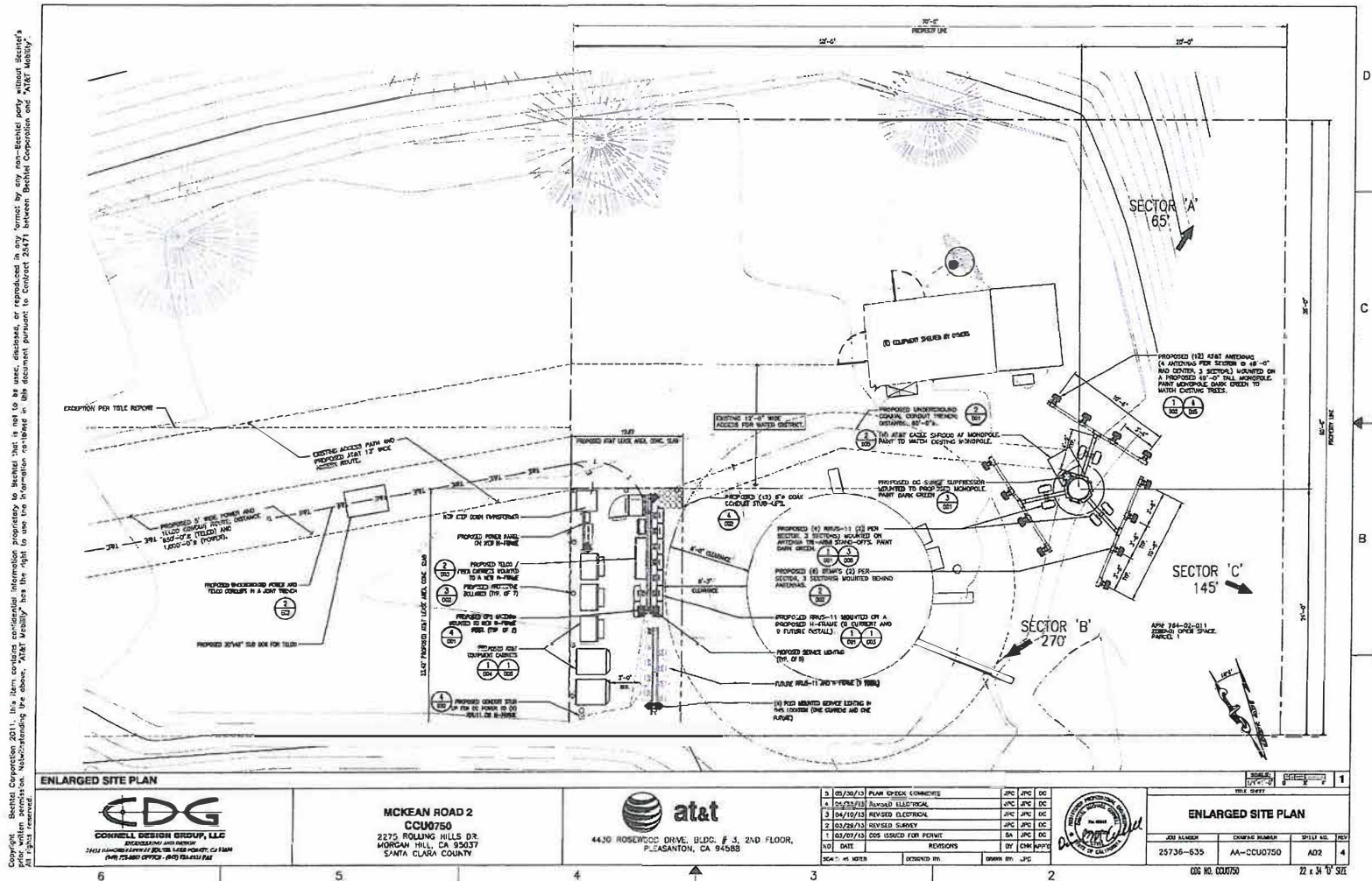
EXHIBIT D

ANTENNA FACILITY

Telecommunications facilities including, without limitation, a new 50' tall monopole with 12 antennas, as shown on the attached Exhibit D-1, attached hereto and incorporated herein by reference.

Market: San Francisco, Sacramento (South Bay)
 Cell Site Number: CC0750
 Cell Site Name: McKean Rd 2
 Fixed Asset Number: 10151482

Exhibit D-1



Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT E

1.2 RATE SCHEDULE

CHARGES FOR ATTACHMENT OF TELECOMMUNICATION ANTENNAS/EQUIPMENT TO CITY OF MORGAN HILL OWNED PROPERTIES*

*

12 to 14 antennae and/or fenced area containing equipment or cabinet is less than 270 square feet	\$40,000 per annum
15 to 18 antennae and/or fenced area containing equipment or cabinet is 270 to 499 square feet	\$48,000 per annum
19 or more antennae and/or fenced area containing equipment or cabinet is 500+ square feet but not more than 24 antennas and 2000 square feet	\$56,000 per annum
Requests for facilities containing more than 24 antennae and/or foundation/surface area containing equipment in excess of 2000 square feet shall be reviewed and priced on a case-by-case basis	

•Licensees which choose to pay for 5 years upon the Use Charge Commencement shall be charged the above rates less a 20% discount without any applicable annual increases. Notwithstanding anything to the contrary contained herein, the Use Charge shall be prorated for any partial portion of the 5 years (if this payment option is elected by COMPANY) or any partial year or month occurring after the commencement of the Use Charge. Nothing contained in this Exhibit E shall require, or shall be construed to require, CITY to approve any additional antenna beyond the ANTENNA FACILITY.

EXHIBIT F

1. INSURANCE.

COMPANY shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to PROPERTY, which may arise from, or in connection with, the performance of the work hereunder by COMPANY, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance.

Coverage shall be at least as broad as:

Insurance Services Office form number GL 0002 covering commercial General Liability and Insurance Services Office form number GL 0404 covering Broad Form Commercial General Liability; or insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including, X, C, U.

1. Explosion, Collapse & Underground coverage.
2. Insurance Services Office form number CA 0001 (Ed. 12/90) covering Automobile Liability, code 1 "any auto" (including without limitation "hired autos" and "non-owned autos.")
3. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
4. "All-risk" or "Causes of Loss – Special Form" property insurance covering all risks of loss to any improvements or betterments installed or constructed by COMPANY on the PROPERTY, including without limitation the ANTENNA FACILITY, which may be self-insurance provided by COMPANY or a parent entity of COMPANY for such property insurance.

B. Minimum Limits of Insurance.

COMPANY shall maintain limits of at least:

1. Commercial General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$100,000 per accident.

4. Property Insurance: Full replacement cost with no co-insurance penalty provision or COMPANY's self insurance program described in Section 1(A)(4) above.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to, and approved by, the CITY. At the option of the CITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the CITY, its officials, employees, agents and contractors; or COMPANY shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the CITY.

The parties to this AGREEMENT acknowledge and agree that at some point in the future COMPANY may determine that it is in COMPANY's best interests to move to a self-insurance program for other insurance in addition to its currently self-insured property insurance listed in Sections 1(A)(4) and 1(B)(4) above.. COMPANY shall timely and fully coordinate with CITY if COMPANY opts to move to a self insurance program in the future and shall in that case allow CITY a reasonable opportunity and period of time: (1) to perform reasonable due diligence to confirm that the criteria set forth in Section D.1.e set forth below would be met; and (2) to review such program in advance of making any such change. CITY reserves the right to require COMPANY to maintain the scope of insurance set forth in this EXHIBIT F, rather than move to a self-insurance program if, in the CITY'S determination a proposed self insurance program would not adequately meet the criteria set forth in Section D.1.e herein below.

D. Other Insurance Provisions.

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverage(s)

a. The City of Morgan Hill, its officers, employees, agents and contractors are to be covered as additional insured(s) as respects: Liability arising out of activities performed by or on behalf of, COMPANY; products and completed operations of COMPANY; premises owned, leased or used by COMPANY; and automobiles owned, leased, hired or borrowed by COMPANY. Additional insured status shall: (i) be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by COMPANY, its employees, agents or independent contractors; (ii) not extend to claims for punitive or exemplary damages arising out of the acts or omissions of CITY, its officers, employees, agents or contractors or

where such coverage is prohibited by law, or to claims arising out of the gross negligence of CITY, its employees, agents or independent contractors; (iii) not exceed COMPANY's indemnification obligation under this AGREEMENT, if any. The coverage shall contain no other special limitations on the scope of protection afforded to CITY, its officers, employees, agents and contractors.

b. COMPANY's required insurance coverage shall be primary insurance as respects CITY, its officers, employees, agents and contractors. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or contractors shall be excess of COMPANY's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies by COMPANY shall not affect coverage provided CITY, its officers, employees, agents, or contractors.

d. Coverage shall state that COMPANY's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. As provided for in Section C hereinabove, if COMPANY moves to a self-insurance program in the manner described in Section C hereinabove, and includes CITY as an additional insured, COMPANY shall: (i) maintain sufficient capital reserves as approved annually by Ernst & Young or any successor auditing firm; (ii) comply with applicable laws, including the timely filing of required government documents; (iii) ensure that COMPANY or any parent company providing such insurance maintains a net worth of at least \$500,000,000 throughout the term of this AGREEMENT; and (iv) use an independent third party administrator to manage all claims.

In the event that COMPANY elects, under and in the manner provided for in this EXHIBIT F, to self-insure its obligation to include CITY as an additional insured, the following provisions apply: CITY shall (i) promptly and no later than thirty (30) days after notice thereof provide COMPANY with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide COMPANY with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like; (ii) not settle any such claim, demand, lawsuit, or the like without the prior written consent of COMPANY; and (iii) fully cooperate with COMPANY in the defense of the claim, demand, lawsuit, or the like.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

2. All Coverage(s)

Each insurance policy required by this AGREEMENT shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) days' prior written notice has been given to CITY.

E. Acceptability of Insurers.

Insurance is to be placed with insurers rated at least A-VII by AM Best..

F. Verification of Coverage.

COMPANY shall furnish CITY with certificates of insurance and with endorsements affecting coverage required by this AGREEMENT. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the Risk Manager:

CITY OF MORGAN HILL
Risk Manager
17555 Peak Avenue
Morgan Hill, California 95112-5509

G. Subcontractors.

COMPANY shall include all subcontractors as insured(s) under its policies or shall obtain separate certificates and endorsements for each subcontractor.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT G

When Recorded Return to:

New Cingular Wireless PCS, LLC
Attn: Network Real Estate Administration
575 Morosgo Drive NE, 13F, West Tower
Atlanta, GA 30324

APN: 764 02 011

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

Cell Site #: CC0750

Cell Site Name: McKean Rd 2

Fixed Asset #: 10151582

State: California

County: Santa Clara

MEMORANDUM OF LICENSE

This Memorandum of License is entered into, effective on the latest signature date below, by and between City of Morgan Hill, a municipal corporation, having a mailing address of 17575 Peak Avenue, Morgan Hill, CA 95037 (hereinafter referred to as "**City**") and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address of 575 Morosgo Drive NE, 13F, West Tower, Atlanta, GA 30324 (hereinafter referred to as "**Company**").

1. City and Company entered into a certain Installation and Property Use Agreement ("**Agreement**") on the _____ day of _____, 20____, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Agreement.
2. The initial term will be five (5) years ("**Initial Term**") commencing on the Effective Date, which is the last signature date on the signature page of the Agreement, with two (2) successive five (5) year options to renew.
3. The portion of the land being licensed to Company (the "**Licensed**") is described in **Exhibit 1** annexed hereto.
4. This Memorandum of License is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of License and the provisions of the Agreement, the provisions of the Agreement shall control. The Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Agreement.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

IN WITNESS WHEREOF, the parties have executed this Memorandum of License as of the day and year written below.

CITY:

City of Morgan Hill,
a municipal corporation

COMPANY:

New Cingular Wireless PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation
Its: Manager

By: _____
Print Name:
Its: City Clerk
Date:

By: _____
Print Name:
Its:
Date:

Prepared by:

Busch Law Firm
22525 SE 64th Place, Suite 288
Issaquah, WA 98027

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

CITY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____

Name _____
(typed or printed)

(Seal)

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

COMPANY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____

Name _____
(typed or printed)

(Seal)

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

EXHIBIT 1

DESCRIPTION OF LICENSED AREA

Page 1 of 3

to the Memorandum of License dated _____, 201__, by and between City of Morgan Hill, a municipal corporation, as City, and New Cingular Wireless PCS, LLC, a Delaware limited liability company, as Company.

The License Area is described and/or depicted as follows:

Property Legal Description: See next page attached hereto and incorporated herein by reference.

Market: San Francisco, Sacramento (South Bay) _____
Cell Site Number: CC0750
Cell Site Name: McKean Rd 2
Fixed Asset Number: 10151482 _____

LEGAL DESCRIPTION

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

PARCEL 1:

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3", AND RECORDED IN BOOK G OF MAPS, PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS, THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES: NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST 534.04 FEET; NORTH 61° 14' 26" WEST, 347.00; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID TRUE POINT OF BEGINNING, CONTINUING ALONG THE LAST MENTIONED LOT LINE, NORTH 61° 14' 26" WEST, 70.00 FEET; THENCE LEAVING SAID COMMON LOT LINE, NORTH 28° 45' 34" EAST, 60.00 FEET; THENCE SOUTH 61° 14' 26" EAST, 70.00 FEET; THENCE SOUTH 28° 45' 34" WEST, 60.00' TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT, FOR THE PURPOSE OF INGRESS AND EGRESS, AND THE INSTALLATION AND MAINTENANCE OF WATER PIPELINES AND APPURTENANCES THERETO, APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 HEREIN DESCRIBED, OVER THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3", AND RECORDED IN BOOK G OF MAPS PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS, THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES; NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST, 534.04 FEET; NORTH 61° 14' 26" WEST, 60.00 FEET; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE LEAVING SAID TRUE POINT OF BEGINNING, CONTINUING ALONG THE LAST MENTIONED LOT LINE NORTH 61° 14' 26" WEST, 368.55 FEET; THENCE LEAVING SAID COMMON LOT LINE ALONG THE FOLLOWING COURSES AND DISTANCES; NORTH 61° 14' 26" WEST, 95.00 FEET; NORTH 27° 16' 00" EAST, 55.00 FEET; NORTH 88° 46' 00" EAST, 166.50 FEET; SOUTH 47° 28' 11" EAST, 328.66 FEET; SOUTH 27° 16' 00" WEST 60.00 FEET; TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

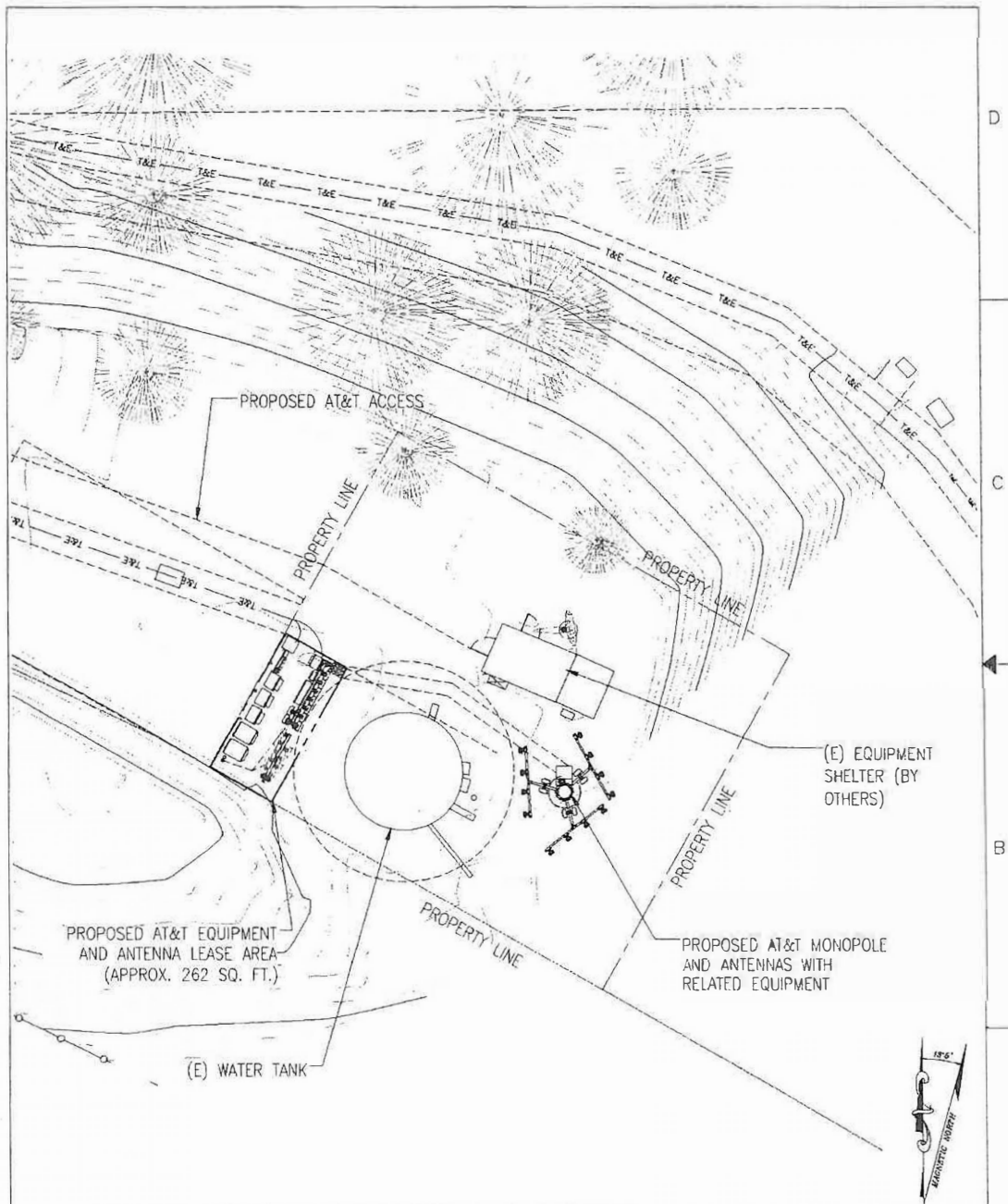
EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL OF LAND.

BEGINNING AT THE EASTERLY TERMINUS OF THE LINE COMMON TO LOTS 101 AND 102, BEING A POINT IN THE CENTERLINE OF LLAGAS AVENUE AS SAID LOTS AND AVENUE ARE SHOWN ON THE MAP ENTITLED, "MORGAN HILL RANCH MAP NO. 3" AND RECORDED IN BOOK G OF MAPS, PAGES 20 AND 21, SANTA CLARA COUNTY RECORDS; THENCE ALONG SAID COMMON LOT LINE THE FOLLOWING COURSES AND DISTANCES: NORTH 73° 00' 00" WEST, 61.38 FEET; SOUTH 84° 32' 10" WEST, 859.53 FEET; NORTH 68° 57' 14" WEST, 1040.59 FEET; NORTH 59° 19' 11" WEST 534.04 FEET; NORTH 61° 14' 26" WEST, 417 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING NORTH 61° 14' 26" WEST, 50 FEET; THENCE NORTH 28° 45' 34" EAST, 30 FEET; THENCE SOUTH 61° 14' 26" EAST, 50 FEET; THENCE SOUTH 28° 45' 34" WEST, 30 FEET TO THE TRUE POINT OF BEGINNING.

APN: 764-02-011

Market: San Francisco, Sacramento (South Bay) _____
 Cell Site Number: CC0750
 Cell Site Name: McKean Rd 2
 Fixed Asset Number: 10151482

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SITE PLAN

CDG
CONNELL DESIGN GROUP, LLC
 ENGINEERING AND DESIGN
 21415 RANCHO FAIRWAY SOUTH LAKE FOREST, CA 92650
 (949) 733-8807 OFFICE - (949) 733-8823 FAX

MCKEAN ROAD 2
CCU0750
 2275 ROLLING HILLS DR.
 MORGAN HILL, CA 95037
 SANTA CLARA COUNTY

4430 ROSEWOOD DRIVE,
 BLDG. # 3, 2ND FLOOR,
 PLEASANTON, CA 94588

TITLE SHEET

LEASE EXHIBIT

JOB NUMBER	DRAWING NUMBER	SHEET NO.	REV
25736-635-AA	CNU0750	LED1	0

4

3

2

1



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/28/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA Inc. 701 Market Street, Suite 1100 St. Louis, MO 63101 Attn: ATT.CertRequest@marsh.com		CONTACT NAME:	
018566-GAW-CRT-13-14 X X		PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Old Republic Insurance Co	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CHI-004707755-02 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC			MWZY 60244	06/01/2013	06/01/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COM/OP AGG \$ 1,000,000
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			MWTB 21932	06/01/2013	06/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☒ N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	MWC 118473 00	06/01/2013	06/01/2014	☒ WC STATU-TORY LIMITS ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037

The City of Morgan Hill, its officers, employees, agents and contractors are included as Additional Insured under the General Liability and Automobile Liability policies but only with respect to the requirements of the contract between the Certificate Holder and the Insured. This insurance is primary with respect to the interest of the Additional Insured and any other insurance maintained by Additional Insured is excess and non-contributory with this insurance.

CERTIFICATE HOLDER

City of Morgan Hill
Attn: City Manager
17575 Peak Ave.
Morgan Hill, CA 95037

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

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AGENCY CUSTOMER ID: 018566

LOC #: St. Louis



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh USA Inc.		NAMED INSURED New Cingular Wireless PCS, LLC One AT&T Plaza 208 South Akard, Room 2731 Dallas, TX 75202	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

Coverage evidenced applies to Subsidiaries of AT&T Inc., EXCLUDING Pacific Bell Telephone Company, Nevada Bell Telephone Company, Southwestern Bell Telephone Company, Illinois Bell Telephone Company, Indiana Bell Telephone Company, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc., The Southern New England Telephone Company and BellSouth Telecommunications, LLC, WITH THE EXCEPTION OF Workers' Compensation.

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO CERTIFICATE HOLDERS

This endorsement modifies the notice of cancellation of insurance provided hereunder by adding the following:

- A.** In the event this policy is cancelled for any permissible reason, other than for nonpayment of premium, we shall endeavor to provide advance written notice of cancellation to certificate holders set out in the schedule on file with the Company, after notifying the first Named Insured of such cancellation. Notice of cancellation to certificate holders may be made by any commercially reasonable means, including mail, electronic mail, facsimile transmission or courier service.
- B.** This advance written notification of a cancellation of coverage is intended as a courtesy only. Our failure to provide such advance written notification will not extend the policy cancellation date, nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO CERTIFICATE HOLDERS

This endorsement modifies the notice of cancellation of insurance provided hereunder by adding the following:

- A.** In the event this policy is cancelled for any permissible reason, other than for nonpayment of premium, we shall endeavor to provide advance written notice of cancellation to certificate holders set out in the schedule on file with the Company, after notifying the first Named Insured of such cancellation. Notice of cancellation to certificate holders may be made by any commercially reasonable means, including mail, electronic mail, facsimile transmission or courier service.
- B.** This advance written notification of a cancellation of coverage is intended as a courtesy only. Our failure to provide such advance written notification will not extend the policy cancellation date, nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

NOTICE OF CANCELATION TO CERTIFICATE HOLDERS

This endorsement modifies the notice of cancellation of insurance provided hereunder by adding the following:

- A.** In the event this policy is canceled for any permissible reason, other than for nonpayment of premium, we shall endeavor to provide advance written notice of cancellation to certificate holders set out in the schedule on file with the Company, after notifying the Insured first named in item 1 of the Information Page of such cancellation. Notice of cancellation to certificate holders may be made by any commercially reasonable means, including mail, electronic mail, facsimile transmission or courier service.
- B.** This advance written notification of a cancellation of coverage is intended as a courtesy only. Our failure to provide such advance written notification will not extend the policy cancellation date, nor negate cancellation of the policy.

All other terms and conditions of this policy remain unchanged.

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Paragraph 2. of **SECTION II - WHO IS AN INSURED** is amended to include any person or organization for whom you have agreed under contract or agreement to provide insurance. However, the insurance provided shall not exceed the scope of coverage or limits of this policy. Notwithstanding the foregoing sentence, in no event shall the insurance provided exceed the scope of coverage or limits required by said contract or agreement.

Where required by contract, we will consider our policy to be primary under any other insurance maintained by the additional insured for injury or damage covered by this endorsement and that their policy will be noncontributing with this insurance.

CA 739 003 0609

MWTB 21932 AT&T Inc. 06/01/2013 - 06/01/2014

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance, c. is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of "loss" arising out of such accident. In no event shall the insurance provided exceed the scope of coverage or limits required by said contract or agreement.

All other terms and conditions remain unchanged.

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED AMENDMENT - PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

As respects any person(s) or organization(s) included as an additional insured and with whom you have agreed in a written contract, agreement or permit to provide primary insurance on a non-contributory basis, this insurance will be primary to and non-contributing with any other insurance available to such person(s) or organization(s). In no event shall the insurance provided exceed the scope of coverage or limits required by said contract or agreement.

GL 739 042 0612

MWZY 60244

AT&T Inc.

06/01/2013 - 06/01/2014

IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Paragraph 2. of **SECTION II - WHO IS AN INSURED** is amended to include any person or organization for whom you have agreed under contract or agreement to provide insurance. However, the insurance provided shall not exceed the scope of coverage or limits of this policy. Notwithstanding the foregoing sentence, in no event shall the insurance provided exceed the scope of coverage or limits required by said contract or agreement.

Where required by contract, we will consider our policy to be primary under any other insurance maintained by the additional insured for injury or damage covered by this endorsement and that their policy will be noncontributing with this insurance.

GL 739 006a 0609

MWZY 60244

AT&T Inc

06/01/2013 - 06/01/2014

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Hilary Holeman, Administrative Analyst

APPROVED BY: City Manager

RATIFY CITY POSITION ON PENDING LEGISLATION

RECOMMENDATION(S)

Ratify the City's position supporting pending legislation Assembly Bill 1821 (Pacheco) California Public Records Act: agency response time.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving and Cultivating Public Trust

Advocating for Local, Regional, and State Legislative Initiatives

REPORT NARRATIVE:

Per Resolution No. 20-010 (Attachment 1), the City Council recognizes that occasional situations arise where communication indicating support or opposition to 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.

Throughout the legislative session, the League of California Cities (League) Regional Public Affairs Manager provides relevant updates on bills that may affect local governments. Staff reviews these measures, evaluates their potential impacts on the City of Morgan Hill, and determines whether City action is warranted.

AB 1821 (Pacheco) California Public Records Act: agency response time

Provides state and local agencies additional time to respond to California Public Records Act requests by changing the existing 10-day response deadline and allowable

14-day extension from calendar days to business days, while maintaining the requirement to promptly provide responsive public records.

Cities generally do not have staff available on weekends or holidays; however, California Public Records Act response deadlines continue to run during these periods. Establishing a business-day standard ensures that cities have the full, intended number of working days to conduct thorough and accurate searches for disclosable records. For this reason, on August 27, 2026, the City communicated its support for AB 1821 by submitting a letter to the Governor urging him to sign the bill (Attachment 2). The full text of AB 1821 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.

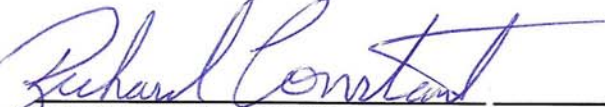
Section 3. This Resolution shall take effect immediately upon adoption.

City of Morgan Hill
Resolution No. 20-010
Page 3 of 3

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



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

August 27, 2026

Governor Gavin Newsom
1021 O St, Suite 900
Sacramento, CA 95814

**RE: AB 1821 (Pacheco) California Public Records Act: agency response time.
REQUEST FOR SIGNATURE**

Dear Governor Newsom,

The City of Morgan Hill respectfully requests your signature on AB 1821 (Pacheco), which would shift from “calendar days” to “business days” for initial determinations and extensions. This is a common-sense update that reflects the operational realities of cities. Cities generally do not have staff available on weekends or holidays, yet California Public Records Act deadlines continue to run during these periods. A business-day standard ensures cities have the full, intended number of working days to conduct thorough and accurate searches for disclosable records.

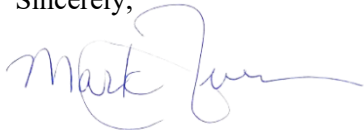
Under existing law, cities must determine within 10 days whether a request seeks disclosable records, with a possible 14-day extension in unusual circumstances. Neither time frame accounts for weekends or holidays when staff are unavailable. AB 1821 corrects this discrepancy by converting these periods to business days, helping cities comply with the law more effectively and consistently.

Modern government operations now generate far more electronic records, including emails, texts, and internal messages, which require extensive searching, review, and redaction of sensitive information such as attorney-client communications, personal identifiers, and medical or criminal data. At the same time, cities have lost key revenue sources that once offset these costs: Proposition 42 eliminated state reimbursement for CPRA compliance, and a 2020 California Supreme Court ruling restricted cities from recovering staff time or technical costs associated with producing records. As a result, local governments must absorb the full cost of increasingly time-intensive requests.

In 2025, the City of Morgan Hill received approximately 298 Public Records Act requests, many involving extensive email searches, police records, video, development records, and coordination among several departments. These requests are coordinated through the City Clerk’s Office and frequently require records and review from Police, Development Services, Finance, Information Technology, and the City Attorney’s Office. Because Morgan Hill operates with lean staffing, weekends and holidays can significantly reduce the time available to identify responsive records, coordinate departmental searches, complete necessary legal review, and protect confidential information. Calculating the response period in business days would provide a more practical timeframe while allowing the City to continue providing timely and accurate access to public records.

The business-day clarification in the bill is a narrow but meaningful improvement that will help cities comply with the law more effectively and consistently. For these reasons, the City of Morgan Hill respectfully requests your signature on AB 1821 (Pacheco).

Sincerely,



Mark Turner
Mayor

cc: Assemblymember Gail Pellerin
Assemblymember Blanca Pacheco
Senator Dave Cortese
Montana Cruz, Regional Public Affairs Manager, League of California Cities, mcruz@calcities.org
Meg Desmond, League of California Cities, cityletters@cacities.org

ENROLLED AUGUST 27, 2026
PASSED IN SENATE AUGUST 25, 2026
PASSED IN ASSEMBLY AUGUST 25, 2026
AMENDED IN SENATE JUNE 25, 2026
AMENDED IN SENATE JUNE 10, 2026
AMENDED IN ASSEMBLY APRIL 06, 2026
AMENDED IN ASSEMBLY MARCH 16, 2026

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 1821

Introduced by Assembly Member Pacheco

February 11, 2026

An act to amend Section 7922.535 of the Government Code, relating to public records.

LEGISLATIVE COUNSEL'S DIGEST

AB 1821, Pacheco. California Public Records Act: agency response time.

Existing law, the California Public Records Act, requires each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, to make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable, except with respect to public records exempt from disclosure by express provisions of law.

Existing law requires each agency, within 10 days of a request for a copy of records, to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person of the determination and the reasons therefor. Existing law authorizes that time limit to be extended by no more than 14 days under unusual circumstances, as defined.

This bill would instead require each agency to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person as described above within 10 business days of a request for a copy of records. The bill would instead authorize the time period for each agency to respond to be extended by no more than 14 business days.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7922.535 of the Government Code is amended to read:

7922.535. (a) Each agency, upon a request for a copy of records, shall, within 10 business days from receipt of the request, determine whether the request, in whole or in part, seeks copies of disclosable public records in the possession of the agency and shall promptly notify the person making the request of the determination and the reasons therefor. If the agency determines that the request seeks disclosable public records, the agency shall also state the estimated date and time when the records will be made available.

(b) In unusual circumstances, the time limit prescribed in this article and Article 1 (commencing with Section 7922.500) may be extended by written notice from the head of the agency or a designee to the person making the request, setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. The notice shall not specify a date that would result in an extension for more than 14 business days.

(c) As used in this section, “unusual circumstances” means the following, but only to the extent reasonably necessary to the proper processing of the particular request:

- (1) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.
- (2) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request.
- (3) The need for consultation, which shall be conducted with all practicable speed, with another agency having substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.
- (4) The need to compile data, to write programming language or a computer program, or to construct a computer report to extract data.
- (5) The inability of the agency, because of a cyberattack, to access its electronic servers or systems in order to search for and obtain a record that the agency believes is responsive to a request and is maintained on the servers or systems in an electronic format.

(A) This paragraph does not relieve the agency of its obligation to comply with subdivision (a) when the requested record is maintained in a location other than on the electronic server or system affected by the cyberattack, or maintained in a nonelectronic format.

(B) This paragraph applies only until the agency regains its ability to access its electronic servers or systems and search for and obtain electronic records that may be responsive to a request.

(6) The need to search for, collect, and appropriately examine records during a state of emergency proclaimed by the Governor in the jurisdiction where the agency is located when the state of emergency currently and directly affects, due to the state of emergency, the agency's ability to timely respond to requests due to staffing shortages or closure of facilities where the requested records are located.

(A) This paragraph shall not apply to a request for records created during and related to the state of emergency proclaimed by the Governor.

(B) For purposes of this paragraph, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2).

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 7922.535 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act balances the right of the public to access public records in a timely manner while acknowledging that state and local agencies provide a variety of public services and may need additional time to properly respond to requests.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which amends Section 7922.535 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the right of the public to access public records in a timely manner while acknowledging that state and local agencies provide a variety of public services and may need additional time to properly respond to requests.

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE AND AUGUST 2026 FINANCIAL AND INVESTMENT REPORTS

RECOMMENDATION(S)

Receive and file reports.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

Strategic Priorities 2026-2027

Fiscal Sustainability

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 August 2026 financial and investment reports.

August 2026 Financial Report

The Revenue and Expense Summary through August 2026 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total \$3.5 million or about 6% of the budget. Expenditures, including encumbrances, amounted to \$12.4 million, of which approximately \$2.9 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$11.5 million. This represents an increase of \$0.9 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$0.1 million, primarily due to overall cost increases.

Budget Update

On September 2, 2026, the Superior Court issued a tentative ruling in favor of the County, finding that the State cannot reduce the allocation of the Excess ERAF to cities and counties. If the ruling is finalized and ultimately upheld, the potential impact to the City is approximately \$700,000 per year in ongoing revenue, as well as approximately \$2.7 million currently set aside in reserves for potential Excess ERAF repayment. However, because the ruling is tentative and the litigation remains ongoing, there continues to be uncertainty regarding the ultimate fiscal impact.

Regarding water revenue, Morgan Hill residents consumed approximately 4% less water for the month of July 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
August 31, 2026 - 17% of Year Complete



CITY OF MORGAN HILL

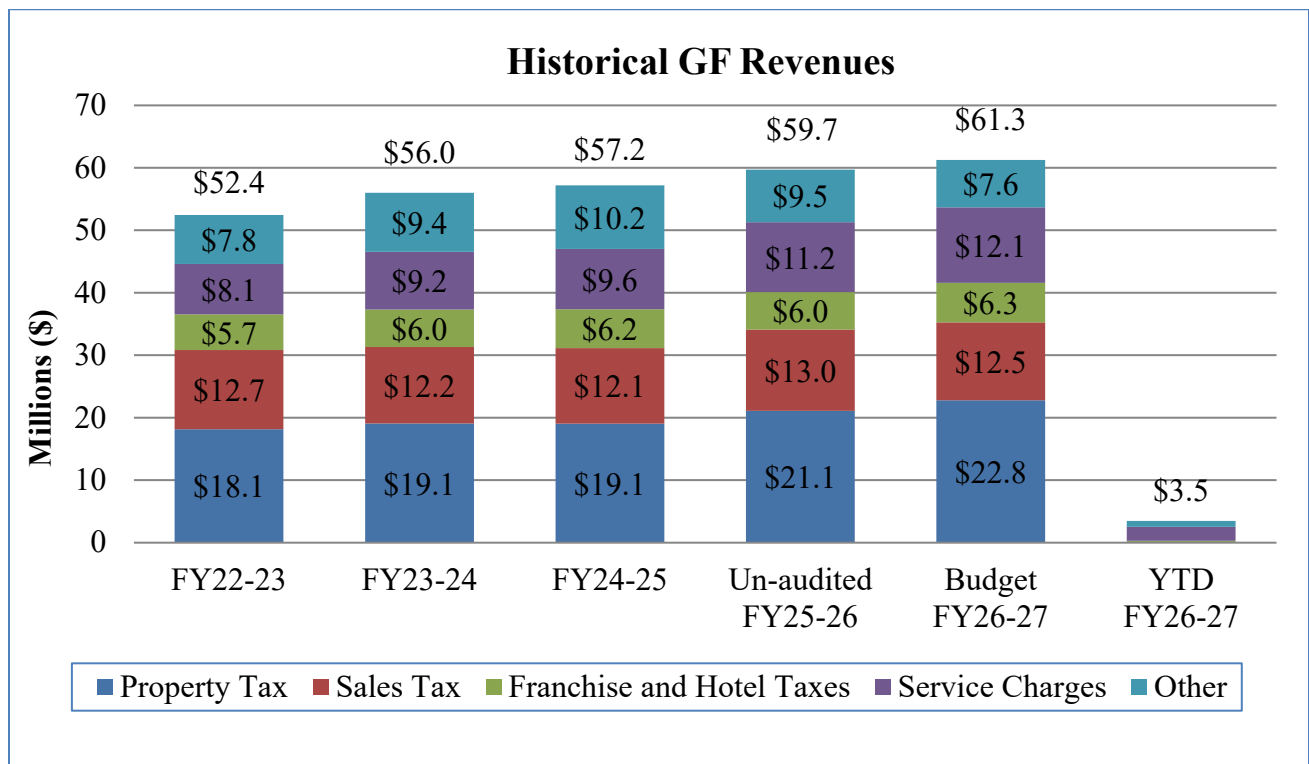
Prepared by:
FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2026-27
FOR THE MONTH ENDED AUGUST 2026 – 17% OF YEAR COMPLETE

- **General Fund** – Revenues through August totaled \$3.5 million, or about 6% of the budgeted as some of the major revenue categories such as property tax are received later in the fiscal year. Regarding property tax, the City’s current fiscal year revenue estimate, net of the Excess ERAF set-aside, is \$22.8 million. On September 2, 2026, the Superior Court issued a tentative ruling in favor of the County, finding that the State cannot reduce the allocation of these funds to cities and counties. If the ruling is finalized and ultimately upheld, the potential impact to the City is approximately \$700,000 per year in ongoing revenue, as well as approximately \$2.7 million currently set aside in reserves for potential Excess ERAF repayment. However, because the ruling is tentative and the litigation remains ongoing, there continues to be uncertainty regarding the ultimate fiscal impact. As for sales tax, there’s been no changes to prior forecast. The City's current fiscal year sales tax revenue estimate, before tax rebates, is \$12.5 million.

The chart below shows historical General Fund revenues by major revenue category from FY22-23 through FY24-25 Actual, Un-audited FY25-26, FY26-27 Budget, and YTD as of August 31, 2026.



General Fund expenditures and encumbrances through August totaled \$12.4 million, of which approximately \$2.9 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$11.5 million. This represents an increase of \$0.9 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$0.1 million, primarily due to overall cost increases.

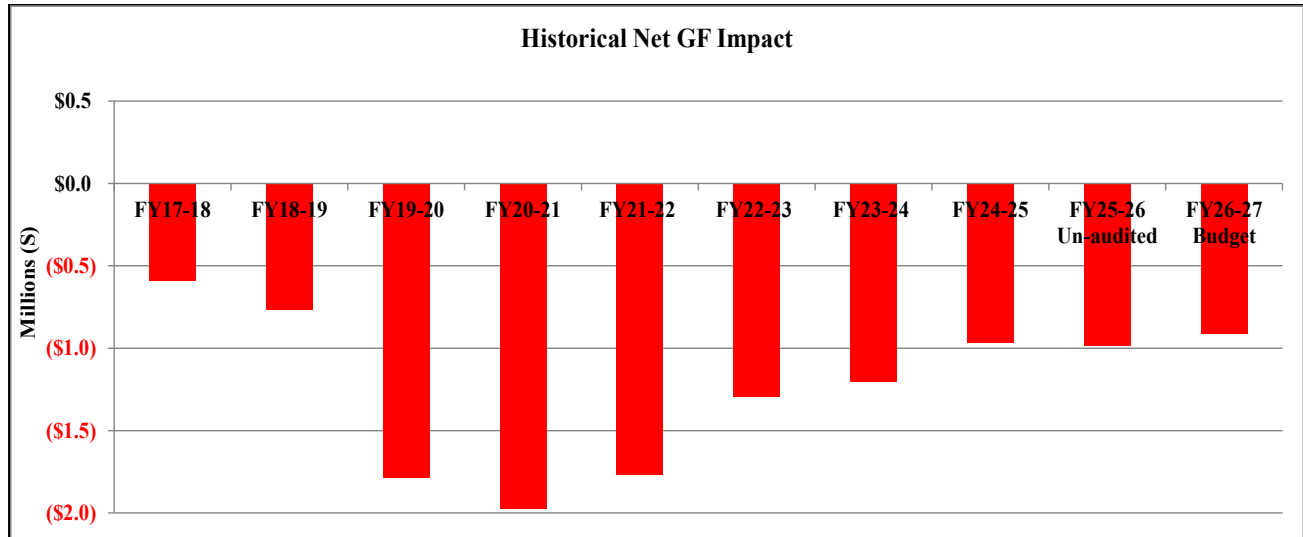
- **Community Services** – The Community Services Department’s recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, show a negative impact to the General Fund of approximately \$1.9 million as of August 31, 2026, including encumbrances. Excluding encumbrances, recreation operations generated approximately \$0.3 million



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2026-27
FOR THE MONTH ENDED AUGUST 2026 – 17% OF YEAR COMPLETE

in revenues over expenditures through August. Overall, recreation operations are expected to remain on target with the adopted 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 August totaled \$1.0 million compared to the prior year to date amount of approximately \$1.1 million. Expenditures, including encumbrances, totaled \$0.8 million.
- **Debt Service Funds** – Expenditures through August totaled \$1,412. 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 2026-27
FOR THE MONTH ENDED AUGUST 2026 – 17% OF YEAR COMPLETE

- **Wastewater Operations** – Revenues through August 31, 2026 totaled \$2.0 million. Expenditures and outstanding encumbrances totaled \$2.6 million or 12% of the budget. The table below shows historical Wastewater Operations revenues and expenditures from FY22-23 through FY24-25 Actual, Un-audited FY25-26, FY26-27 Budget, and YTD as of August 31, 2026.

(amount in millions)	FY22-23	FY23-24	FY24-25	Un-audited FY25-26	Budget FY26-27	YTD FY26-27
Revenues	15.3	15.2	18.2	21.2	22.8	2.0
Expenditures	16.0	14.9	18.1	20.2	22.6	2.6
Operating Margin	(0.7)	0.3	0.1	1.0	0.2	(0.6)
Operating Margin without Encumbrances	(0.7)	0.3	0.1	1.3	0.2	(0.5)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through August 31, 2026 totaled \$2.5 million. Water Operations expenditures, including outstanding encumbrances, totaled \$3.3 million. Morgan Hill residents consumed about 4% less water for the month of July 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 FY22-23 through FY24-25 Actual, Un-audited FY25-26, FY26-27 Budget, and YTD as of August 31, 2026.

(amount in millions)	FY22-23	FY23-24	FY24-25	Un-audited FY25-26	Budget FY26-27	YTD FY26-27
Revenues	18.1	18.7	21.5	22.4	23.5	2.5
Expenditures	18.0	19.1	21.5	22.1	23.6	3.3
Operating Margin	0.1	(0.4)	-	0.3	(0.1)	(0.8)
Operating Margin without Encumbrances	0.1	(0.4)	-	0.5	(0.1)	0.1

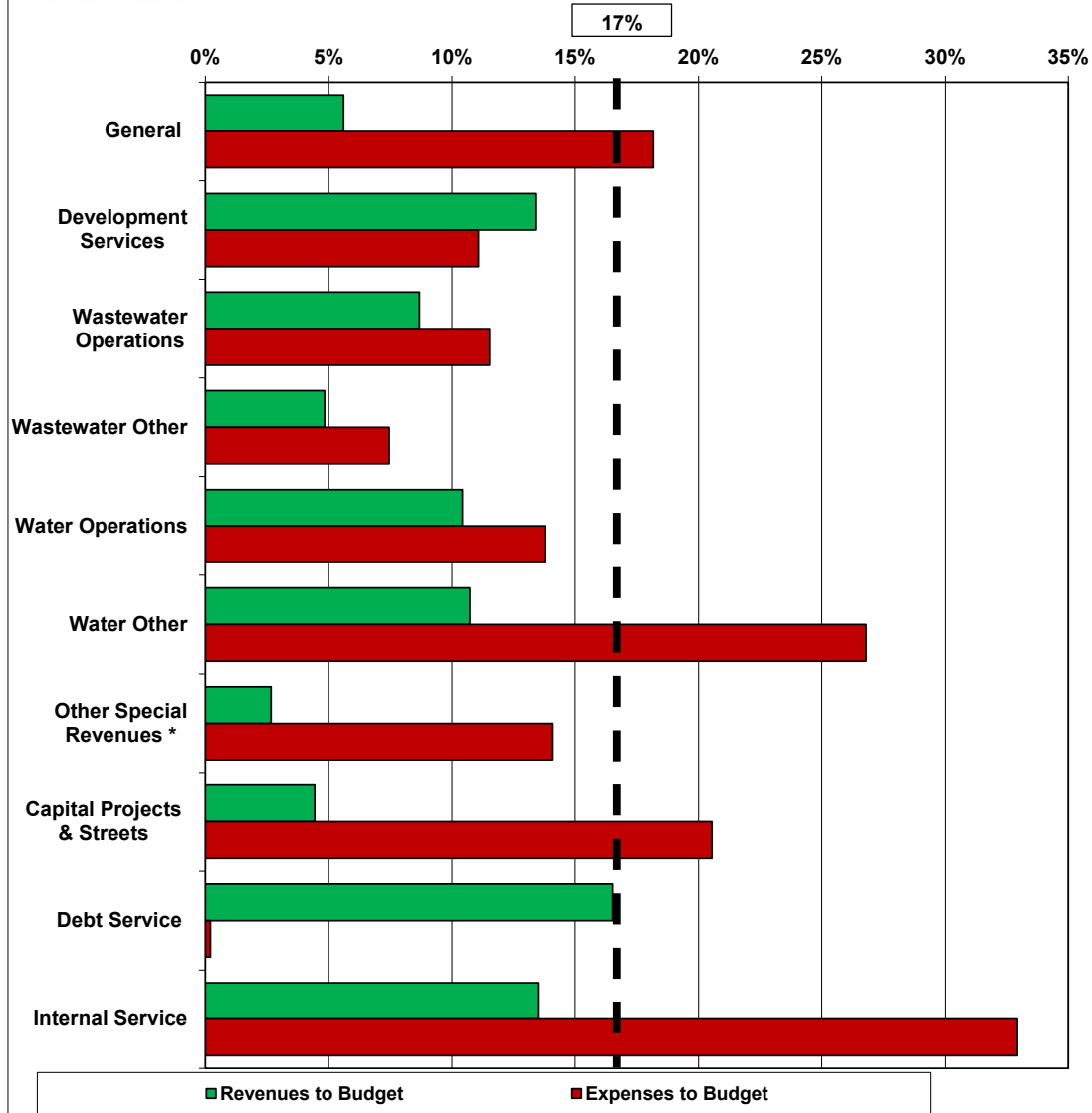
- **Investments** – Four securities were either called or matured, and two new securities were purchased. Total interest earnings received on investments were \$368,000 during the month.



Morgan Hill YTD Revenue & Expense Summary

August 31, 2026 - 17% of Year Complete

Percentage of Actual to Budget



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 3,460,322	6%	\$ 12,386,027	18%
Development Services	965,848	13%	817,484	11%
Wastewater Operations	1,976,690	9%	2,599,787	12%
Wastewater Other	2,060,012	5%	4,385,738	7%
Water Operations	2,451,786	10%	3,255,884	14%
Water Other	1,225,678	11%	5,387,113	27%
Other Special Revenues *	295,769	3%	2,775,657	14%
Capital Projects & Streets	1,191,713	4%	6,862,678	21%
Debt Service	113,424	17%	1,412	0%
Internal Service	2,087,528	13%	4,940,003	33%
TOTAL FOR ALL FUNDS	\$ 15,828,771	7%	\$ 43,411,783	17%

* Includes all Special Revenue Funds except Development Services Fund and Street Funds.

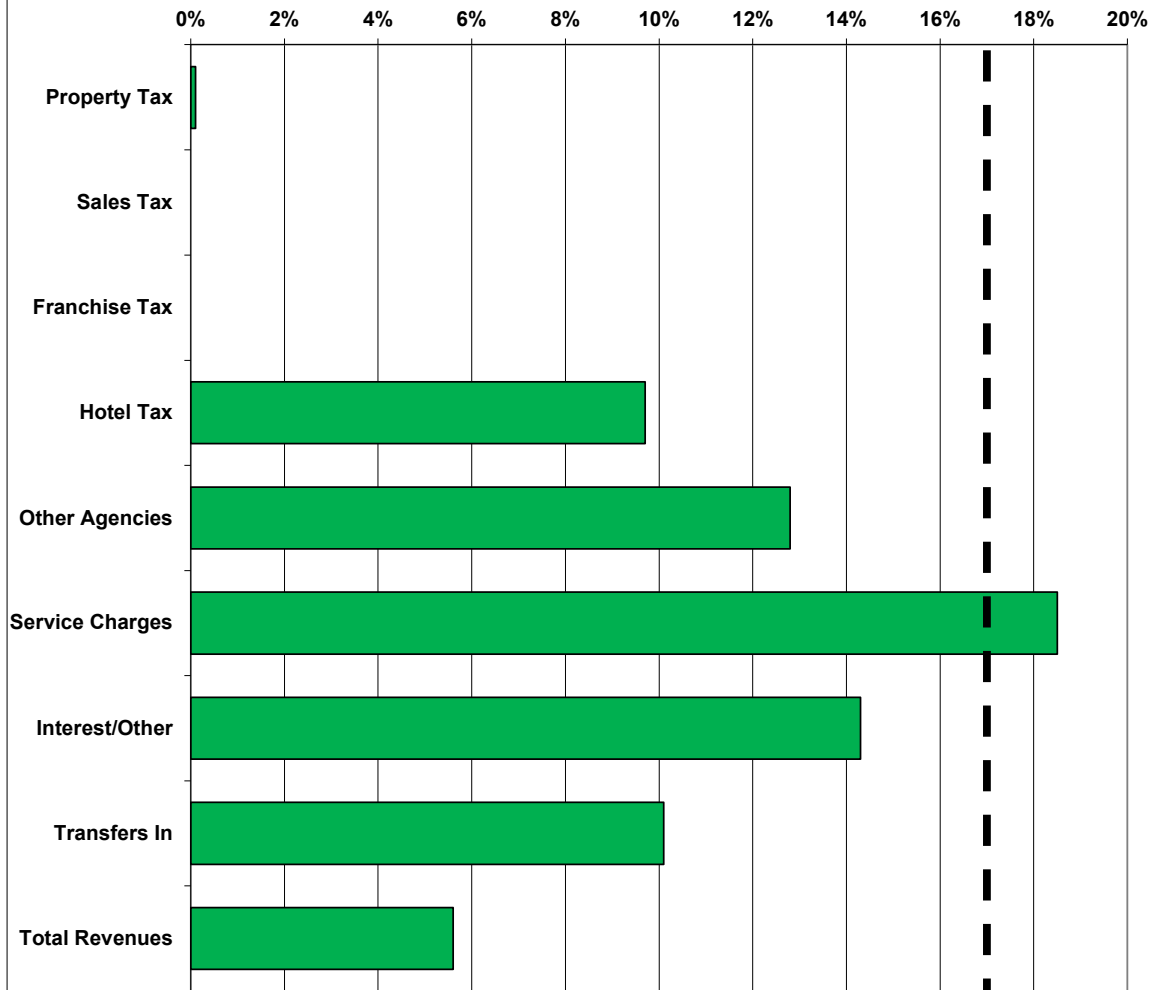


Morgan Hill YTD General Fund Revenues

August 31, 2026 - 17% of Year Complete

Percent of Actual to Budget

17%



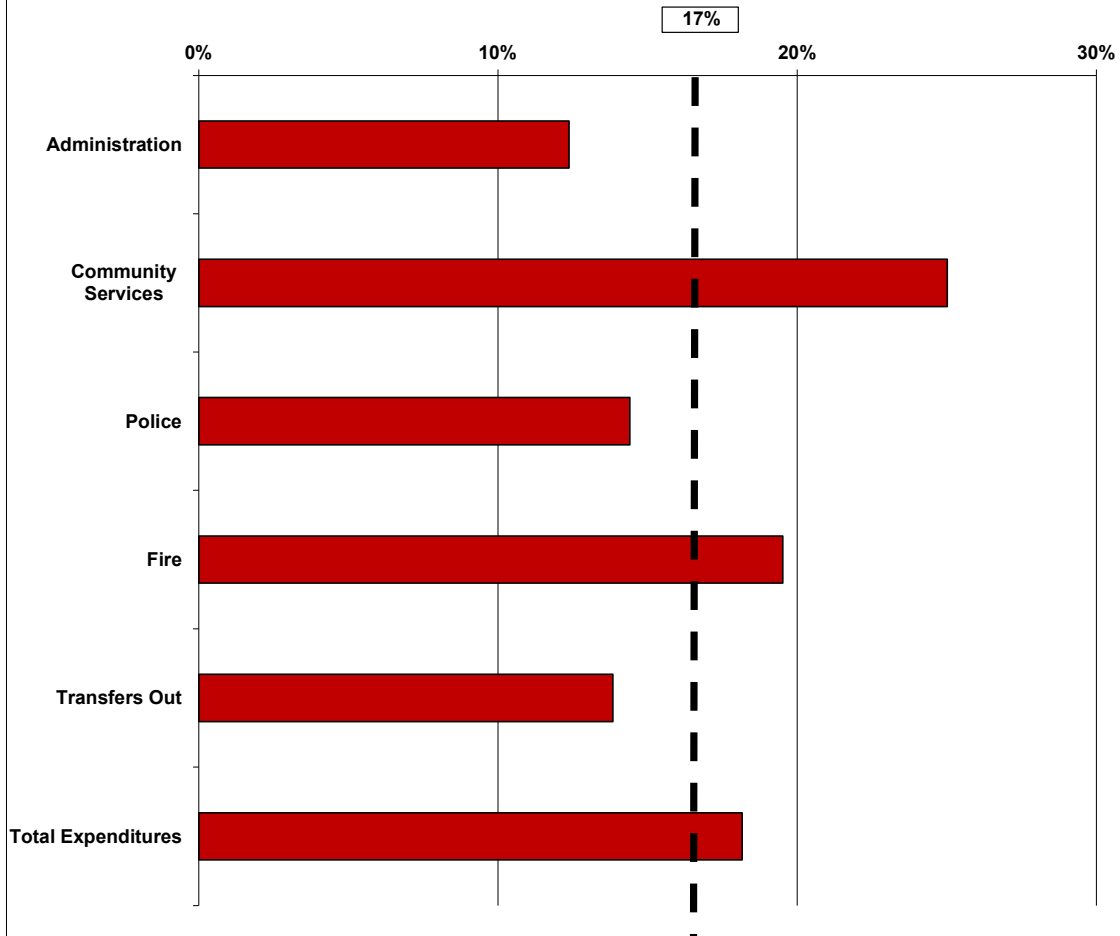
REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 22,780,000	\$ 16,245	0%	\$ 12,787	27%
Sales Tax	12,474,064	-		-	N/A
Franchise Tax	3,531,135	-		-	N/A
Hotel Tax	2,800,000	272,024	10%	242,341	12%
Other Agencies	1,024,693	130,759	13%	47,852	173%
Service Charges	12,099,035	2,234,638	19%	2,062,128	8%
Interest/Other	3,493,740	498,448	14%	478,683	4%
Transfers In	3,054,013	308,207	10%	413,140	-25%
TOTAL REVENUES	\$ 61,256,680	\$ 3,460,322	6%	\$ 3,256,931	6%



Morgan Hill YTD General Fund Expenditures

August 31, 2026 - 17% of Year Complete

Percent of Actual to Budget



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 7,716,943	\$ 955,199	12%	\$ 1,032,424	-7%
Community Services	19,993,112	5,001,923	25%	4,432,135	13%
Police	27,147,242	3,911,515	14%	3,865,205	1%
Fire	11,808,075	2,305,119	20%	1,997,512	15%
Transfers Out	1,533,626	212,271	14%	209,846	1%
TOTAL EXPENDITURES	\$ 68,198,997	\$ 12,386,027	18%	\$ 11,537,123	7%

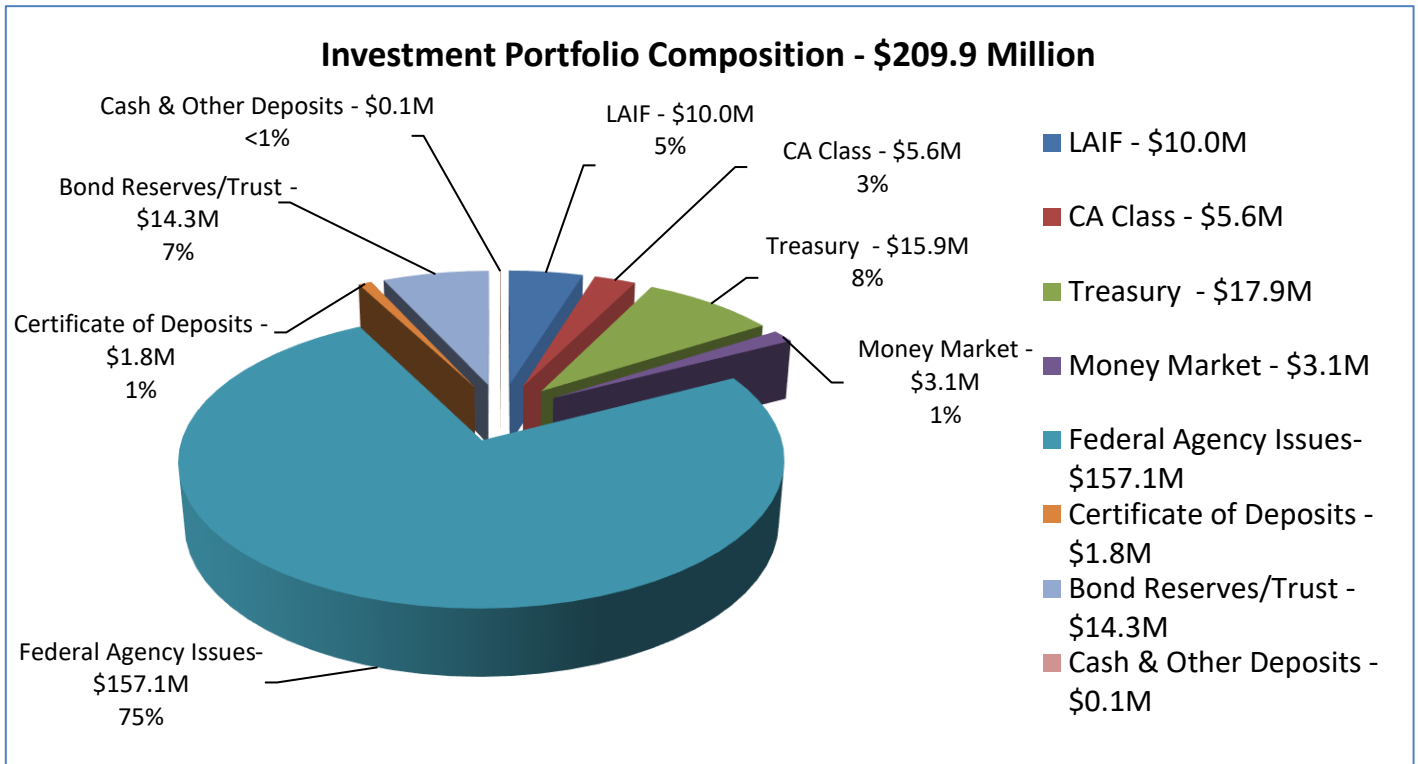


City of Morgan Hill
Recreation Report - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% of Year Complete

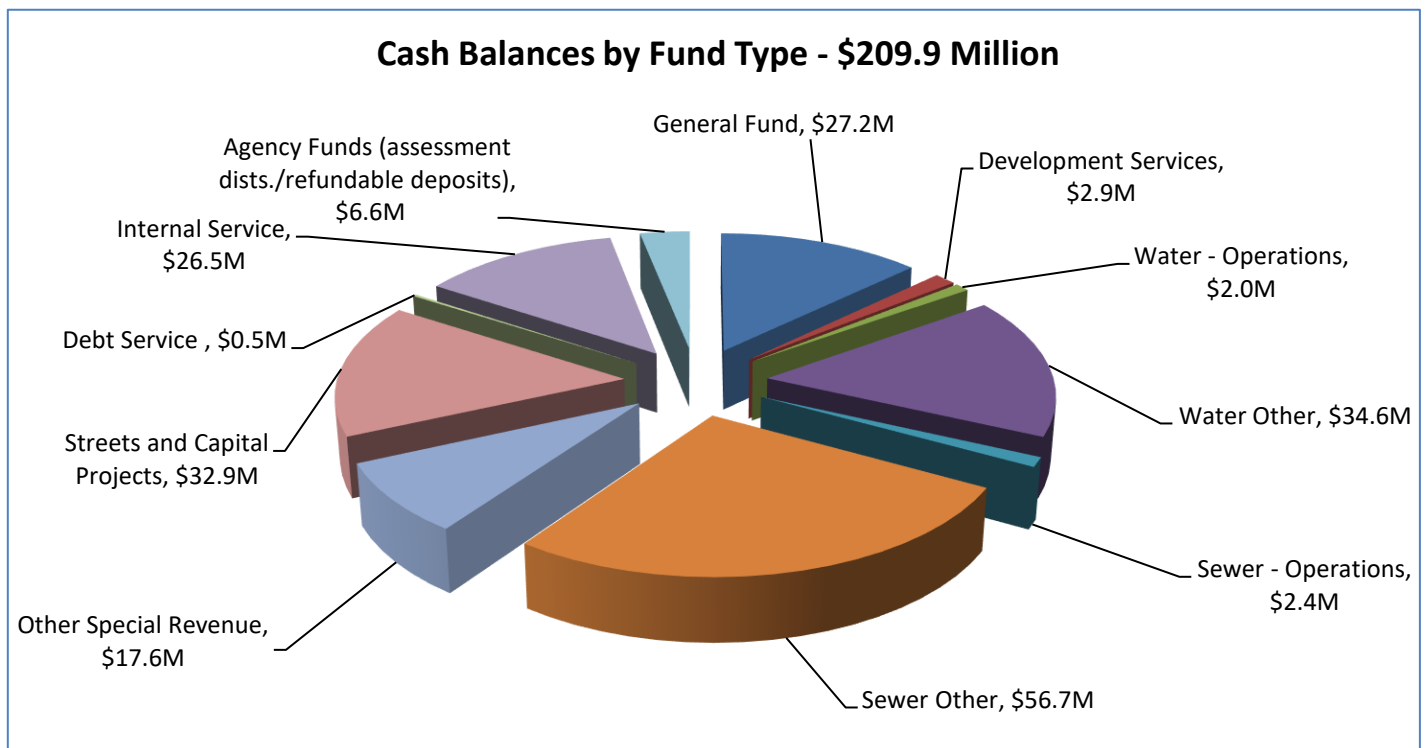
	<u>Budget</u>	<u>August 2026</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 7,127,339	\$ 749,238	\$ 1,360,846	
Facility Rentals	1,493,888	209,832	339,002	
Community Services	318,500	49,128	53,817	
Transfers in	100,000	8,333	16,667	
Total Revenues	<u>\$ 9,039,727</u>	<u>\$ 1,016,532</u>	<u>\$ 1,770,331</u>	20%
Less: Expenditures				
Membership & Program Services	\$ 7,640,405	\$ 907,402	\$ 1,240,203	
Facility Rentals	1,337,644	92,114	156,042	
Community Services	973,023	65,610	114,183	
Total Expenditures	<u>\$ 9,951,074</u>	<u>\$ 1,065,125</u>	<u>\$ 1,510,429</u>	15%
Net Impact without encumbrances	<u>\$ (911,347)</u>	<u>\$ (48,593)</u>	<u>\$ 259,903</u>	
Encumbrances	<u>-</u>	<u>-</u>	<u>2,192,564</u>	
Net Impact with encumbrances	<u>\$ (911,347)</u>	<u>\$ (48,593)</u>	<u>\$ (1,932,661)</u>	

City of Morgan Hill Monthly Investment Report - August 31, 2026

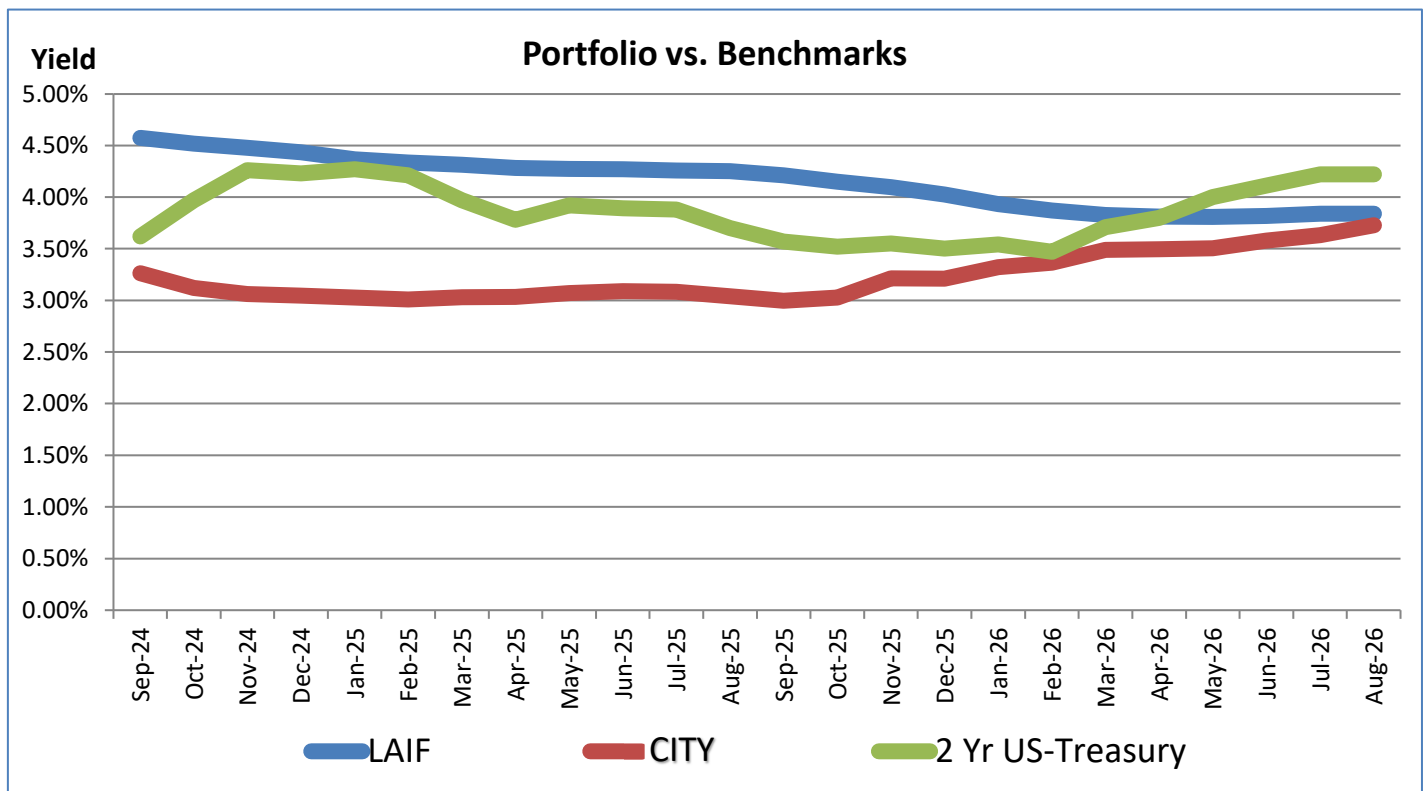
The following are the snapshots of City's investment portfolio as of August 31, 2026. The first chart shows the portfolio composition by investment type:



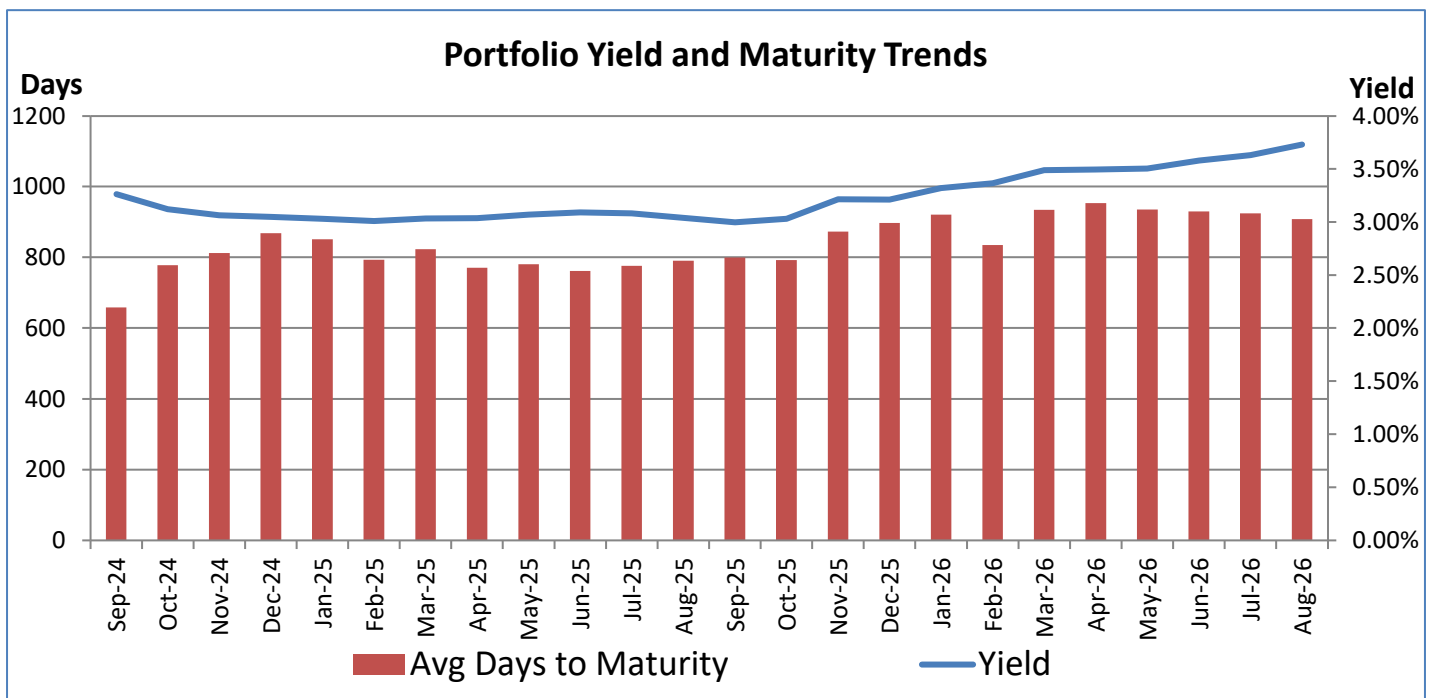
The chart below shows cash balances by fund type reconciled to City's financial system:



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 August 31, 2026

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			\$ 10,030,307	\$ 10,030,307	4.8%	\$ 10,018,997	3.84%		
California C L A S S			5,596,601	5,596,601	2.7%	5,596,601	3.75%		
WFB Money Market			1,094,285	1,094,285	0.5%	1,094,285	3.59%		
US Bank - Portfolio of Securities									
Dreyfus Treasury Agency MM	261908107		2,052,334	2,052,334	1.0%	2,052,334	3.56%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,999,796	1.0%	1,995,080	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,995,517	1.0%	1,992,160	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	2,019,559	1.0%	1,968,980	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,996,950	1.0%	1,983,160	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,908,009	0.9%	1,877,900	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	1,965,329	0.9%	1,928,440	3.76%	8/31/2029	8/31/2029
Treasury Note	91282CFY2	12/19/2024	1,959,077	1,970,461	0.9%	1,966,480	4.39%	11/30/2029	11/30/2029
Treasury Note	91282CJM4	12/9/2025	2,057,023	2,046,859	1.0%	1,991,880	3.77%	11/30/2030	11/30/2030
Treasury Note	91282CNH0	6/8/2026	2,026,314	1,990,300	0.9%	1,984,060	4.16%	6/15/2028	6/15/2028
Treasury Note	91282CCV1	8/19/2026	1,892,994	1,884,376	0.9%	1,877,900	4.17%	8/31/2028	8/31/2028
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,000,575	1.0%	1,998,900	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,999,914	1.0%	1,998,480	0.98%	9/10/2026	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.4%	2,993,280	1.13%	9/5/2026	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,995,220	0.88%	9/30/2026	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.4%	2,993,250	1.05%	9/30/2026	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.4%	2,993,190	1.02%	9/30/2026	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,992,460	1.00%	10/19/2026	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,988,800	1.30%	11/18/2026	11/18/2026
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,986,300	1.74%	1/19/2027	1/19/2027
FHLB Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	1,962,220	3.87%	9/10/2026	9/10/2029
FHLB Bond	3130B36N8	10/15/2024	1,944,000	1,996,253	1.0%	1,974,700	4.32%	10/15/2026	10/15/2029
FAMCMTN Bond	31424WZC9	5/7/2025	3,000,000	3,000,000	1.4%	2,959,650	4.55%	11/7/2026	5/7/2030
FAMCMTN Bond	31424WB50	5/28/2025	2,000,000	2,000,000	1.0%	1,978,760	4.74%	11/28/2026	5/28/2030
FAMCMTN Bond	31424WVG30	6/26/2025	1,200,000	1,200,000	0.6%	1,198,596	4.33%	9/26/2026	6/26/2028
FFCB Bond	3133ETMB0	6/27/2025	2,000,775	2,000,000	1.0%	1,986,000	4.65%	9/24/2026	6/24/2030
FAMCMTN Bond	31424WVG55	7/1/2025	2,000,000	2,000,000	1.0%	1,989,900	4.60%	10/1/2026	7/1/2030
FFCB Bond	3133ETNA1	7/2/2025	2,000,000	2,000,000	1.0%	1,988,400	4.50%	9/5/2026	1/2/2030
FNMA Bond	3136GAM22	8/12/2025	2,988,270	2,998,634	1.4%	2,952,000	4.14%	2/12/2027	8/12/2030
FAMCMTN Bond	31424WN81	8/12/2025	2,000,000	2,000,000	1.0%	1,978,620	4.39%	11/12/2026	8/12/2030
FNMA Bond	3136GAQF9	9/3/2025	2,000,000	2,000,000	1.0%	1,970,560	4.25%	6/3/2027	6/3/2030
FFCB Bond	3133ETXY8	9/16/2025	2,000,000	2,000,000	1.0%	1,958,040	4.00%	9/16/2026	9/16/2030
FHLB Bond	3130B7SF2	9/18/2025	2,000,222	2,000,000	1.0%	1,956,040	4.00%	9/17/2026	9/17/2030
FNMA Bond	3136GAUR8	9/25/2025	2,000,000	2,000,000	1.0%	1,936,000	4.20%	9/18/2026	9/18/2030
FNMA Bond	3136GAVD8	9/26/2025	2,000,000	2,000,000	1.0%	1,974,440	4.13%	6/26/2027	9/26/2030
FHLB Bond	3130B7YU2	10/15/2025	2,000,000	2,000,000	1.0%	1,969,720	4.33%	9/5/2026	10/15/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,960,380	4.12%	9/5/2026	10/21/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,960,380	4.12%	9/5/2026	10/21/2030
FNMA Bond	3136GAYT0	10/22/2025	2,000,000	2,000,000	1.0%	1,969,220	4.00%	10/23/2026	10/23/2028
FNMA Bond	3136GAZ44	10/24/2025	2,000,000	2,000,000	1.0%	1,962,920	4.00%	10/15/2026	10/15/2030
FHLMCMTN Bond	3134HB3J8	11/3/2025	2,000,000	2,000,000	1.0%	1,981,640	4.00%	11/1/2026	11/1/2028
FNMA Bond	3136GC3B9	11/5/2025	2,000,000	2,000,000	1.0%	1,978,740	4.25%	9/5/2026	11/5/2030
FNMA Bond	3136GC2M6	11/6/2025	2,000,000	2,000,000	1.0%	1,973,000	4.08%	11/6/2026	5/6/2030
FNMA Bond	3136GC3V5	11/6/2025	2,000,000	2,000,000	1.0%	1,968,000	4.13%	11/6/2026	11/6/2030
FNMA Bond	3136GC5Z4	11/18/2025	2,000,000	2,000,000	1.0%	1,978,800	4.13%	11/18/2026	5/18/2029
FHLMCMTN Bond	3134HB6G1	11/20/2025	2,000,000	2,000,000	1.0%	1,985,320	4.00%	9/20/2026	11/20/2028
FHLMCMTN Bond	3134HB7G0	11/20/2025	2,000,000	2,000,000	1.0%	1,965,480	4.15%	11/13/2026	11/13/2030
FAMCMTN Bond	31424W3P5	11/25/2025	1,000,000	1,000,000	0.5%	995,130	4.13%	11/25/2026	11/25/2030
FHLMCMTN Bond	3134HCFN4	12/10/2025	2,000,000	2,000,000	1.0%	1,980,300	4.08%	9/10/2026	12/10/2029
FNMA Bond	3136GCAE5	12/11/2025	2,000,000	2,000,000	1.0%	1,961,340	4.03%	6/11/2027	12/11/2030
FHLMCMTN Bond	3134HCGL7	12/11/2025	2,000,000	2,000,000	1.0%	1,976,820	4.05%	9/11/2026	12/11/2028
FHLMCMTN Bond	3134HCGL7	12/11/2025	2,000,000	2,000,000	1.0%	1,976,820	4.05%	9/11/2026	12/11/2028
FFCB Bond	3133ET3X3	12/12/2025	2,000,000	2,000,000	1.0%	1,977,240	4.26%	9/5/2026	12/12/2030
FHLMCMTN Bond	3134HCCW7	12/15/2025	2,000,000	2,000,000	1.0%	1,963,920	4.25%	9/2/2026	12/2/2030

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FHLMCMTN Bond	3134HCFX2	12/23/2025	2,000,000	2,000,000	1.0%	1,964,520	4.18%	12/23/2026	12/30/2030
FFCB Bond	3133ET6F9	1/8/2026	2,000,000	2,000,000	1.0%	1,968,880	4.06%	9/5/2026	7/8/2030
FNMA Bond	3136GCD93	1/8/2026	2,000,000	2,000,000	1.0%	1,956,560	4.06%	1/8/2027	1/8/2031
FHLB Bond	3130B9A83	1/28/2026	2,000,000	2,000,000	1.0%	1,956,600	4.00%	1/28/2028	1/28/2031
FHLMCMTN Bond	3134HCRN1	1/28/2026	2,000,000	2,000,000	1.0%	1,976,940	4.15%	1/28/2027	1/28/2031
FHLB Bond	3130B9EP1	2/6/2026	2,000,000	2,000,000	1.0%	1,972,480	4.00%	9/6/2026	8/6/2029
FNMA Bond	3136GCP66	2/26/2026	2,000,000	2,000,000	1.0%	1,973,940	3.88%	11/26/2026	2/26/2029
FNMA Bond	3136GCPB5	2/27/2026	2,000,000	2,000,000	1.0%	1,970,480	4.00%	9/27/2026	2/27/2030
FHLMCMTN Bond	3134HCXT1	3/9/2026	2,000,000	2,000,000	1.0%	1,977,960	4.00%	9/9/2026	3/9/2029
FHLB Bond	3130B9RG7	3/9/2026	2,000,000	2,000,000	1.0%	1,976,280	4.00%	9/9/2026	3/9/2029
FNMA Bond	3136GCSX4	3/10/2026	1,500,000	1,500,000	0.7%	1,473,690	4.00%	9/10/2027	3/10/2031
FHLB Bond	3130B9SX9	3/11/2026	1,500,000	1,500,000	0.7%	1,480,650	4.13%	3/11/2027	3/11/2031
FHLMCMTN Bond	3134HCZA0	3/12/2026	2,000,000	2,000,000	1.0%	1,991,620	4.15%	9/12/2026	3/12/2029
FHLMCMTN Bond	3134HCZB8	3/16/2026	2,000,000	2,000,000	1.0%	1,988,960	4.00%	9/16/2026	3/16/2028
FHLMCMTN Bond	31428JEC7	3/23/2026	2,000,000	2,000,000	1.0%	1,973,780	4.00%	3/23/2027	3/23/2029
FHLB Bond	3130B9XA3	3/24/2026	2,000,000	2,000,000	1.0%	1,992,320	4.00%	9/24/2026	3/24/2028
FHLMCMTN Bond	3134HCZT9	3/24/2026	2,000,000	2,000,000	1.0%	1,972,220	4.25%	3/24/2027	3/24/2031
FHLMCMTN Bond	3134HCC64	3/26/2026	2,000,000	2,000,000	1.0%	1,984,700	4.20%	3/26/2027	3/26/2029
FFCB Bond	3133EWJQ4	3/27/2026	2,000,000	2,000,000	1.0%	1,993,540	4.39%	3/27/2028	3/27/2029
FFCB Bond	3133EWLL2	4/16/2026	2,000,000	2,000,000	1.0%	1,980,260	4.09%	4/16/2027	4/16/2029
FHLB Bond	3130BACG0	4/23/2026	2,000,000	2,000,000	1.0%	1,968,200	4.25%	4/23/2027	4/23/2031
FHLMCMTN Bond	3134HCP29	4/27/2026	2,000,000	2,000,000	1.0%	1,973,580	4.05%	4/27/2027	4/27/2029
FNMA Bond	3136GD4B6	4/28/2026	2,000,000	2,000,000	1.0%	1,986,580	4.00%	10/28/2026	4/28/2028
FHLB Bond	3130BAHC4	4/30/2026	2,000,000	2,000,000	1.0%	1,982,260	4.13%	10/30/2026	4/30/2029
FAMCMTN Bond	31428JGW1	5/4/2026	2,000,000	2,000,000	1.0%	1,975,720	4.07%	5/4/2027	5/4/2029
FHLB Bond	3130BAK22	5/8/2026	2,000,000	2,000,000	1.0%	1,965,440	4.22%	5/8/2028	5/8/2031
FHLB Bond	3130BAMR5	5/12/2026	2,000,000	2,000,000	1.0%	1,988,180	4.05%	5/12/2027	5/12/2028
FHLB Bond	3130BAQU4	5/20/2026	2,000,000	2,000,000	1.0%	1,989,340	4.13%	5/20/2027	11/20/2028
FFCB Bond	3133EWRD4	6/1/2026	2,000,000	2,000,000	1.0%	1,987,520	4.42%	6/1/2027	6/1/2029
FAMC Bond	31428JKC0	6/5/2026	2,000,000	2,000,000	1.0%	1,975,880	4.36%	6/5/2029	6/5/2031
FFCB Bond	3133EWWV9	7/13/2026	2,000,000	2,000,000	1.0%	1,998,960	4.13%	7/13/2027	7/13/2027
FHLB Bond	3130BBPG4	7/30/2026	2,000,000	2,000,000	1.0%	1,999,140	4.30%	1/27/2027	8/27/2027
FFCB Bond	3133EWZT0	8/26/2026	3,000,000	3,000,000	1.4%	2,997,420	4.09%	11/25/2026	8/25/2027
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	253,838	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	253,838	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	253,580	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	253,615	5.00%	11/24/2028	11/24/2028
CD - JPMorgan Chase	46659CLN8	9/30/2025	250,000	250,000	0.1%	244,965	4.13%	9/30/2030	9/30/2030
CD - Sallie Mae	795451EE9	12/10/2025	250,000	250,000	0.1%	244,468	3.90%	12/10/2030	12/10/2030
CD - Toyotal Financial	89235MTV3	4/16/2026	250,000	250,000	0.1%	245,960	4.10%	4/16/2031	4/16/2031
Sub Total/Average			\$ 178,651,041	\$ 178,774,868	85.2%	\$ 176,872,213	3.72%		
Total City Managed/Average			\$ 195,372,234	\$ 195,496,062	93.2%	\$ 193,582,096	3.73%		
Bond Reserve Accounts - Held By Trustees			\$ 6,430,174	\$ 6,430,174	3.1%	\$ 6,430,174			
Cash/Deposits			\$ 40,123	\$ 40,123	0.0%	\$ 40,123			
PARS and CALPERS CERBT Trust			\$ 7,887,404	\$ 7,887,404	3.8%	\$ 11,527,154			
GRAND TOTAL/AVERAGE			\$ 209,729,936	\$ 209,853,763	100.0%	\$ 211,579,547			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF AUGUST 31, 2026
FOR THE FISCAL YEAR OF 2026-27

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	3.84%	\$ 10,030,307	4.8%	\$ 10,018,997
California CLASS	All Funds Pooled	3.75%	5,596,601	2.7%	5,596,601
US Bank - Portfolio of Securities	All Funds Pooled	3.72%	178,774,868	85.2%	176,872,213
WFB MMA	All Funds Pooled	3.59%	1,094,285	0.5%	1,094,285
	SUBTOTAL		\$ 195,496,062	93.2%	\$ 193,582,096
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	3.33%	58	0.0%	58
Blackrock Liq Fund	Debt Service	3.33%	74	0.0%	74
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	3.33%			
Blackrock Liq Fund	Agency Fund	3.30%	6,430,041	3.1%	6,430,041
BNY - RDA Bonds	SUBTOTAL		6,430,174	3.1%	6,430,174
Dreyfus Cash Mgmt 521					
Other Cash/Deposits					
General Checking	All Funds		(5,727)	0.0%	(5,727)
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%	7,758,337
PARS - PENSION Trust			2,650,000	1.3%	3,768,817
	SUBTOTAL		7,927,527	3.8%	11,567,277
Total Cash and Investments			\$ 209,853,763	100.0%	\$ 211,579,547

** As of 7/31/2026

CASH ACTIVITY SUMMARY
FY 2026-27

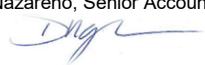
Fund Type	Unaudited 07/01/2026 Balance	Change in Cash Balance	7/30/2026 Balance
General Fund	\$ 30,297,897	\$ (3,152,969)	\$ 27,144,928
Development Services	3,082,174	(142,375)	2,939,799
Water - Operations	1,355,647	621,545	1,977,191
Water Other	34,218,298	409,562	34,627,860
Sewer - Operations	5,019,269	(2,656,079)	2,363,190
Sewer Other	53,238,999	3,490,015	56,729,014
Other Special Revenue	18,519,935	(925,947)	17,593,988
Streets and Capital Projects	32,371,396	545,069	32,916,465
Debt Service	362,999	111,630	474,628
Internal Service	29,748,957	(3,257,832)	26,491,125
Agency Funds (assessment dists./refundable deposits)	6,596,569	(994)	6,595,574
Total	\$ 214,812,138	\$ (4,958,375)	\$ 209,853,763

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:

Reviewed by: 
 Dat Nguyen, Finance Director


 Cindy Murphy, Treasurer



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	\$ 19,166,000	19,166,000	\$ -	n/a	\$ -	\$ -	n/a
Property Tax - RPTTF Residual Distribution	3,257,000	3,257,000	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	357,000	357,000	16,245	5%	12,787	3,458	27%
Sales Tax	12,014,063	12,014,063	-	n/a	-	-	n/a
Public Safety Sales Tax	460,001	460,001	-	n/a	-	-	n/a
Transient Occupancy Taxes	2,800,000	2,800,000	272,024	10%	242,341	29,683	12%
Franchise (Refuse ,Cable ,PG&E)	3,531,135	3,531,135	-	n/a	-	-	n/a
Property Transfer Tax	636,000	636,000	56,721	9%	61,549	(4,828)	-8%
TOTAL TAXES	42,221,199	42,221,199	344,990	1%	316,678	28,313	9%
LICENSES/PERMITS							
Business License	215,000	215,000	30,735	14%	48,981	(18,246)	-37%
Other Permits	188,443	188,443	80,238	43%	92,670	(12,432)	-13%
TOTAL LICENSES/PERMITS	403,443	403,443	110,973	28%	141,650	(30,678)	-22%
FINES AND PENALTIES							
Parking Enforcement	6,800	6,800	2,582	38%	408	2,174	533%
Bails & Fines	55,000	55,000	-	n/a	-	-	n/a
Administrative Citations	21,000	21,000	1,128	5%	3,700	(2,572)	-70%
TOTAL FINES AND PENALTIES	82,800	82,800	3,710	4%	4,108	(398)	-10%
OTHER AGENCIES							
Motor Vehicle in-Lieu	73,000	73,000	-	n/a	-	-	n/a
Other Revenue - Other Agencies	1,024,693	1,024,693	130,759	13%	47,852	82,908	173%
TOTAL OTHER AGENCIES	1,097,693	1,097,693	130,759	12%	47,852	82,908	173%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	33,500	33,500	2,712	8%	1,266	1,446	114%
Business License Application Review	67,000	67,000	13,405	20%	7,507	5,898	79%
Membership Services & Rec Programs	7,127,339	7,127,339	1,360,846	19%	1,383,577	(22,731)	-2%
Facility Rentals	1,493,888	1,493,888	339,002	23%	293,640	45,361	15%
Community Services	318,500	318,500	53,817	17%	9,788	44,029	450%
General Administration Overhead	2,272,653	2,272,653	379,106	17%	280,559	98,546	35%
Other Charges Current Services	786,155	786,155	85,750	11%	85,790	(40)	0%
TOTAL CURRENT SERVICES	12,099,035	12,099,035	2,234,638	18%	2,062,128	172,510	8%
OTHER REVENUE							
Use of money/property	1,426,142	1,426,142	289,904	20%	256,767	33,137	13%
Other Revenues	872,355	872,355	37,141	4%	14,608	22,533	154%
TOTAL OTHER REVENUE	2,298,497	2,298,497	327,045	14%	271,375	55,670	21%
TRANSFERS IN							
One Time Transfer	165,000	165,000	27,500	17%	27,500	-	0%
Public Safety Facilities Fund	50,000	50,000	8,333	17%	8,333	-	0%
Supplemental Law Enforcement Fund	300,000	300,000	-	n/a	-	-	n/a
Countywide Solid Waste	558,305	558,305	93,051	17%	93,994	(943)	-1%
Streets	904,768	904,768	-	n/a	-	-	n/a
Park Maintenance	-	-	-	n/a	108,333	(108,333)	-100%
Sewer Operations	447,420	447,420	74,570	17%	72,398	2,172	3%
Water Operations	447,420	447,420	74,570	17%	72,398	2,172	3%
Open Space	81,100	81,100	13,517	17%	13,517	-	n/a
Park Development	100,000	100,000	16,667	17%	16,667	-	n/a
TOTAL TRANSFERS IN	3,054,013	3,054,013	308,207	10%	413,140	(104,933)	-25%
TOTAL GENERAL FUND	61,256,680	61,256,680	3,460,322	6%	3,256,931	203,392	6%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	899,368	899,368	81,471	9%	74,785	6,687	9%
Interest / Other Revenue/Other Charges	10,605	10,605	414	4%	613	(199)	-32%
202 STREET MAINTENANCE	909,973	909,973	81,885	9%	75,397	6,488	9%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	19,927	19,927	2,585	13%	2,322	263	11%
Police Grant/SLEF/JAG	200,000	200,000	-	n/a	-	-	n/a
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	219,927	219,927	2,585	1%	2,322	263	11%
206 DEVELOPMENT SERVICES							
Building Fees	4,187,600	4,187,600	776,322	19%	515,636	260,686	51%
Planning Fees	1,559,395	1,559,395	58,750	4%	285,954	(227,204)	-79%
Engineering Fees	1,241,322	1,241,322	96,137	8%	192,566	(96,429)	-50%
Other Revenue/Current Charges	228,729	228,729	34,639	15%	65,146	(30,507)	-47%
206 DEVELOPMENT SERVICES	7,217,046	7,217,046	965,848	13%	1,059,301	(93,454)	-9%
207 LONG RANGE PLANNING	1,321,984	1,321,984	150,540	11%	146,741	3,799	3%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	1,214	1,214	295	24%	314	(20)	-6%
215 and 216 HCD BLOCK GRANT	1,214	1,214	295	24%	314	(20)	-6%
225 ASSET SEIZURE	3,829	3,829	446	12%	475	(30)	-6%
229 LIGHTING AND LANDSCAPE	176,265	176,265	855	0%	911	(56)	-6%
230 COMMUNITY FACILITIES DISTRICT	36,669	36,669	695	2%	742	(46)	-6%
232 ENVIRONMENTAL PROGRAMS	507,935	507,935	77,632	15%	81,281	(3,649)	-4%
234 MOBILE HOME PARK RENT STAB.	3,168	3,168	375	12%	387	(12)	-3%
236 HOUSING MITIGATION	6,520,773	6,520,773	43,458	1%	287,885	(244,427)	-85%
240 EMPLOYEE ASSISTANCE	1,349	1,349	694	51%	1,275	(582)	-46%
246 COUNTYWIDE SOLID WASTE	1,734,132	1,734,132	1,904	0%	252,254	(250,350)	-99%
255 HOUSING SUCCESSOR AGENCY	203,000	203,000	16,159	8%	21,200	(5,041)	-24%
260 PUBLIC ART	1,035	1,035	131	13%	167	(36)	-21%
TOTAL SPECIAL REVENUE FUNDS	18,858,300	18,858,300	1,343,502	7%	1,930,654	(587,152)	-30%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	969,510	969,510	9,834	1%	127,943	(118,109)	-92%
302 PARK MAINTENANCE	-	-	45	n/a	8,385	(8,340)	-99%
303 LOCAL DRAINAGE	3,805,189	3,805,189	172,254	5%	17,736	154,518	871%
304 LOCAL DRAINAGE/NON AB1600	201,413	201,413	32,018	16%	26,092	5,927	23%
306 AGRICULTURE & OPEN SPACE PRESERVATION	110,558	110,558	9,311	8%	47,877	(38,567)	-81%
308 STREET CIP	8,235,362	8,235,362	350,851	4%	343,092	7,759	2%
309 TRAFFIC IMPACT	4,216,414	4,216,414	228,217	5%	77,241	150,977	195%
315 PUBLIC SAFETY FACILITIES IMPACT	1,241,789	1,241,789	37,270	3%	543,562	(506,292)	-93%
346 PUBLIC FACILITIES NON-AB1600	36,153	36,153	7,036	19%	8,742	(1,706)	-20%
347 PUBLIC FACILITIES IMPACT	927,831	927,831	12,109	1%	16,623	(4,514)	-27%
348 LIBRARY	874,760	874,760	54,854	6%	78,784	(23,930)	-30%
350 UNDERGROUNDING	65,092	65,092	50,060	77%	7,929	42,131	531%
360 COMMUNITY/REC IMPACT FUND	1,535,269	1,535,269	93,706	6%	97,575	(3,870)	-4%
375 QUIMBY FEE	3,767,252	3,767,252	52,262	1%	30,730	21,532	70%
TOTAL CAPITAL PROJECTS FUNDS	25,986,590	25,986,590	1,109,828	4%	1,432,311	(322,483)	-23%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	295,662	295,662	48,895	17%	50,384	(1,489)	-3%
441 POLICE FACILITY BOND	390,836	390,836	64,529	17%	65,670	(1,141)	-2%
TOTAL DEBT SERVICE FUNDS	686,498	686,498	113,424	17%	116,054	(2,630)	-2%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	22,282,370	22,282,370	1,933,460	9%	1,788,346	145,114	8%
Interest Income/Transfers	158,753	158,753	11,567	7%	11,399	168	1%
Other Revenue/Current Charges	340,740	340,740	31,664	9%	35,486	(3,822)	-11%
640 WASTEWATER OPERATION	22,781,863	22,781,863	1,976,690	9%	1,835,231	141,460	8%
641 WASTEWATER EXPANSION							
Interest Income	587,750	587,750	95,438	16%	100,377	(4,939)	-5%
Development Impact Fee	31,926,445	31,926,445	287,768	1%	201,479	86,289	43%
641 WASTEWATER EXPANSION	32,514,195	32,514,195	383,206	1%	301,856	81,350	27%
642 WASTEWATER RATE STABILIZATION	-	-	15,596	n/a	14,773	823	6%
643 WASTEWATER CAPITAL PROJECT	10,135,988	10,135,988	1,661,210	16%	1,087,823	573,387	53%
TOTAL SEWER FUNDS	65,432,046	65,432,046	4,036,702	6%	3,239,682	797,020	25%
650 WATER OPERATION							
Water Sales	21,306,370	21,306,370	2,091,627	10%	2,140,085	(48,457)	-2%
Meter Install & Service	110,000	110,000	22,399	20%	4,695	17,704	377%
Transfers-In / Interest Income	983,141	983,141	148,282	15%	-	148,282	n/a
Other Revenue/Current Charges	1,131,860	1,131,860	189,478	17%	360,888	(171,410)	-47%
650 WATER OPERATION	23,531,371	23,531,371	2,451,786	10%	2,505,668	(53,881)	-2%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	126,578	126,578	20,062	16%	26,531	(6,469)	-24%
Development Impact Fee	3,714,094	3,714,094	75,784	2%	122,549	(46,765)	-38%
651 WATER EXPANSION	3,840,672	3,840,672	95,846	2%	149,080	(53,234)	-36%
652 WATER RATE STABILIZATION	-	-	14,800	n/a	15,801	(1,001)	-6%
653 WATER CAPITAL PROJECT	7,593,238	7,593,238	1,115,032	15%	1,277,159	(162,127)	-13%
TOTAL WATER FUNDS	34,965,281	34,965,281	3,677,464	11%	3,947,707	(270,243)	-7%
TOTAL ENTERPRISE FUNDS	100,397,327	100,397,327	7,714,166	8%	7,187,389	526,777	7%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	3,685,615	3,685,615	613,123	17%	505,971	107,153	21%
740 BUILDING MAINTENANCE	1,127,513	1,127,513	188,104	17%	213,229	(25,125)	-12%
741 BUILDING REPLACEMENT	1,050,611	1,050,611	166,927	16%	172,765	(5,838)	-3%
745 CIP ADMINISTRATION	2,891,624	2,891,624	-	n/a	-	-	n/a
760 UNEMPLOYMENT INSURANCE	9,668	9,668	1,079	11%	1,233	(153)	-12%
770 WORKERS COMPENSATION	1,139,620	1,139,620	130,682	11%	9,416	121,266	1288%
790 EQUIPMENT REPLACEMENT	1,606,350	1,606,350	331,447	21%	263,931	67,516	26%
791 EMPLOYEE BENEFITS	1,273,463	1,273,463	213,938	17%	198,750	15,188	8%
795 GENERAL LIABILITY INSURANCE	2,688,266	2,688,266	442,228	16%	459,997	(17,769)	-4%
TOTAL INTERNAL SERVICE FUNDS	15,472,730	15,472,730	2,087,528	13%	1,825,292	262,237	14%
TOTAL FOR ALL FUNDS	\$ 222,658,125	\$ 222,658,125	\$ 15,828,771	7%	\$ 15,748,631	\$ 80,140	1%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	\$ 20,188	\$ 639,153	\$ 74,577	\$ -	\$ 74,577	12%	\$ 169,592
	CITY ATTORNEY	74,300	1,280,586	129,062	58,723	187,784	15%	124,833
	CITY MANAGER	51,301	1,080,707	91,067	6,510	97,577	9%	94,551
	HUMAN RESOURCES	64,606	1,076,155	133,511	-	133,511	12%	153,327
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	46,894	678,926	102,883	-	102,883	15%	84,037
	Elections	-	303,311	-	-	-	n/a	5,160
	COUNCIL SVCS & RECORDS MGMT	46,894	982,237	102,883	-	102,883	10%	89,197
	FINANCE	162,944	2,658,105	280,487	78,380	358,867	14%	264,941
	TOTAL ADMINISTRATION	420,233	7,716,943	811,586	143,613	955,199	12%	896,441
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	907,402	7,640,405	1,240,203	1,870,507	3,110,710	41%	1,320,514
	Recreation Facility Rentals	92,114	1,337,644	156,042	152,897	308,939	23%	176,591
	Community Services	65,610	973,023	114,183	169,160	283,343	29%	126,745
	Park Maintenance	77,841	1,597,021	130,154	54,041	184,195	12%	140,913
	Environmental Services	30,386	607,664	71,791	-	71,791	12%	93,650
	Countywide Solid Waste Program	40,591	560,975	70,066	-	70,066	12%	66,997
	Street Maintenance	251,618	3,853,462	399,917	37,834	437,751	11%	406,928
	Downtown Maintenance	22,179	409,282	30,391	66,146	96,537	24%	34,184
	PD Building Maintenance	50,805	638,253	73,998	89,281	163,279	26%	93,401
	Cable Television	7,602	91,955	15,007	-	15,007	16%	14,978
	COMMUNITY SERVICES	1,546,148	17,709,686	2,301,752	2,439,865	4,741,617	27%	2,474,900
	CODE COMPLIANCE	34,635	448,036	61,183	-	61,183	14%	58,866
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	26,246	449,292	46,627	-	46,627	10%	52,260
	ECONOMIC DEVELOPMENT PROGRAMS	70,651	1,386,099	119,148	33,348	152,497	11%	142,358
	TOTAL COMMUNITY SERVICES	1,677,680	19,993,112	2,528,709	2,473,214	5,001,923	25%	2,728,384
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	207,265	1,978,208	317,019	24,378	341,397	17%	281,525
	Field Operations	1,047,325	15,163,839	2,096,229	135,761	2,231,990	15%	1,952,811
	Support Services	222,299	3,001,327	418,972	60,000	478,972	16%	380,418
	Emergency Services/Haz Mat	-	-	-	-	-	n/a	33,745
	Special Operations	292,259	4,197,484	527,191	-	527,191	13%	590,927
	Dispatch Services	176,943	2,806,384	331,965	-	331,965	12%	331,570
	POLICE	1,946,092	27,147,242	3,691,376	220,139	3,911,515	14%	3,570,995
	FIRE	1,208,506	11,808,075	2,240,450	64,669	2,305,119	20%	1,997,512
	TOTAL PUBLIC SAFETY	3,154,598	38,955,317	5,931,826	284,808	6,216,634	16%	5,568,507
IV. TRANSFERS								
	Other	106,136	1,533,626	212,271	-	212,271	14%	209,846
	TOTAL TRANSFERS	106,136	1,533,626	212,271	-	212,271	14%	209,846
	TOTAL GENERAL FUND	5,358,647	68,198,997	9,484,392	2,901,634	12,386,027	18%	9,403,178



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	487	910,606	973	-	973	0%	927
205	PUBLIC SAFETY/SUPP.LAW	121	301,450	242	-	242	0%	230
206	DEVELOPMENT SERVICES FUND							
	Planning	113,823	1,912,290	199,744	-	199,744	10%	227,453
	Building	232,385	3,542,365	400,028	-	400,028	11%	366,030
	Engineering	128,270	1,930,099	217,712	-	217,712	11%	195,412
206	DEVELOPMENT SERVICES FUND	474,478	7,384,754	817,484	-	817,484	11%	788,895
207	LONG RANGE PLANNING	79,119	2,444,572	139,317	224,358	363,676	15%	129,050
215/216	CDBG	8	94	16	-	16	17%	15
225	ASSET SEIZURE	73	879	147	-	147	17%	140
229	LIGHTING AND LANDSCAPE	8,735	168,510	14,104	14,422	28,526	17%	13,356
230	COMMUNITY FACILITIES DISTRICT	1,788	30,661	3,241	-	3,241	11%	4,094
232	ENVIRONMENTAL PROGRAMS	31,635	484,176	61,250	-	61,250	13%	50,202
234	MOBILE HOME PARK	85	1,020	170	-	170	17%	162
236	HOUSING MITIGATION	82,044	2,283,807	249,184	100,348	349,533	15%	128,222
240	EMPLOYEE ASSISTANCE	89	21,064	1,826	-	1,826	9%	168
246	COUNTYWIDE SOLID WASTE PROGRAM	46,525	1,721,491	98,051	1,128,186	1,226,237	71%	93,994
255	HOUSING SUCCESSOR AGENCY	101,223	1,377,940	309,091	430,578	739,669	54%	339,851
260	PUBLIC ART	563	6,754	1,126	-	1,126	17%	1,072
TOTAL SPECIAL REVENUE FUNDS		826,971	17,137,777	1,696,222	1,897,892	3,594,114	21%	1,550,377
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	25,446	3,305,205	35,267	94,968	130,236	4%	82,717
302	PARK MAINTENANCE	-	-	-	-	-	n/a	109,683
303	LOCAL DRAINAGE	448,548	7,560,309	749,490	2,342,951	3,092,440	41%	909,215
304	LOCAL DRAIN. NON-AB1600	283	479,031	565	62,780	63,346	13%	538
306	AGRICULTURE & OPEN SPACE PRESERVATI	11,152	133,826	22,304	-	22,304	17%	21,462
308	STREET CIP	103,178	5,968,233	113,111	2,556,616	2,669,727	45%	24,128
309	TRAFFIC IMPACT	16,298	5,640,029	32,016	85,026	117,042	2%	82,398
315	PUBLIC SAFETY FACILITIES IMPACT	96,764	1,187,503	193,529	26,330	219,859	19%	116,601
346	PUBLIC FAC.NON AB1600	49,760	332,982	50,190	77,950	128,140	38%	7,497
347	PUBLIC FACILITIES IMPACT	2,484	287,848	4,969	1	4,969	2%	4,930
348	LIBRARY IMPACT	17,682	212,186	35,364	-	35,364	17%	35,914
350	UNDERGROUNDING	110	259,358	220	-	220	0%	210
360	COMM/REC CENTER IMPACT	1,497	4,612,824	2,994	105,025	108,019	2%	45,305
375	QUIMBY FEE	96,764	2,524,285	93,361	176,677	270,038	11%	250,395
TOTAL CAPITAL PROJECTS FUNDS		869,967	32,503,621	1,333,381	5,528,324	6,861,705	21%	1,690,992
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	304	289,331	607	-	607	0%	578
441	POLICE FACILITY BOND DEBT	402	384,875	804	-	804	0%	767
TOTAL DEBT SERVICE FUNDS		706	674,207	1,412	-	1,412	0%	1,345



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% 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	1,281,160	22,569,719	2,450,666	149,121	2,599,787	12%	2,815,373
641	WASTEWATER CAPITAL EXPANSION	(33,824)	33,467,553	133,573	1,138,839	1,272,412	4%	202,979
642	WASTEWATER RATE STABILIZATION	175	2,105	351	-	351	17%	335
643	WASTEWATER CAPITAL PROJECTS	(80,051)	25,331,951	13,961	3,099,014	3,112,975	12%	65,526
TOTAL SEWER FUND(S)		1,167,461	81,371,328	2,598,551	4,386,974	6,985,525	9%	3,084,213
WATER								
	Water Operations	1,171,721	21,446,880	2,110,472	891,041	3,001,512	14%	2,600,719
	Utility Billing	124,706	1,663,378	205,313	-	205,313	12%	183,160
	Water Conservation	25,977	530,179	49,059	-	49,059	9%	37,981
650	WATER OPERATIONS	1,322,404	23,640,437	2,364,844	891,041	3,255,884	14%	2,821,860
651	WATER CAPITAL EXPANSION	222,422	3,088,525	280,927	1,459,921	1,740,849	56%	130,418
652	WATER RATE STABILIZATION	131	1,577	263	-	263	17%	250
653	WATER-CAPITAL PROJECTS	555,438	17,015,519	556,769	3,089,232	3,646,001	21%	73,498
TOTAL WATER FUND(S)		2,100,395	43,746,059	3,202,803	5,440,194	8,642,997	20%	3,026,025
TOTAL ENTERPRISE FUNDS		3,267,855	125,117,387	5,801,354	9,827,169	15,628,523	12%	6,110,238
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	308,277	3,676,411	698,494	-	698,494	19%	591,659
740	BUILDING MAINTENANCE	68,330	1,110,254	130,794	26,661	157,455	14%	148,707
741	BUILDING REPLACEMENT	78,022	1,493,055	98,855	154,135	252,990	17%	73,328
745	CIP ADMINISTRATION	203,947	2,887,989	359,272	-	359,272	12%	380,545
760	UNEMPLOYMENT	-	15,000	-	-	-	n/a	2,937
770	WORKERS COMPENSATION	51,164	1,053,973	739,128	-	739,128	70%	693,354
790	EQUIPMENT REPLACEMENT	432,652	1,207,000	432,652	4,606	437,258	36%	245,639
791	EMPLOYEE BENEFITS FUND	10,967	1,000,000	29,706	-	29,706	3%	93,549
795	GEN. LIABILITY INSURANCE	48,720	2,551,403	2,265,700	-	2,265,700	89%	2,350,056
TOTAL INTERNAL SERVICE FUNDS		1,202,079	14,995,084	4,754,601	185,402	4,940,003	33%	4,579,776
REPORT TOTAL		\$ 11,526,225	\$ 258,627,073	\$ 23,071,361	\$ 20,340,421	\$ 43,411,783	17%	\$ 23,335,907



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2026-27
For the Month Ended August 31, 2026
17% of Year Complete

Fund No.	Fund Description	Unaudited Beg Fund Balance 07-01-26	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 27,478,798	\$ 3,460,322	6%	\$ 9,484,392	14%	\$ (6,024,070)	\$ 2,901,634	\$ 18,553,094
TOTAL GENERAL FUND		\$ 27,478,798	\$ 3,460,322	6%	\$ 9,484,392	14%	\$ (6,024,070)	\$ 2,901,634	\$ 18,553,094
202	STREET MAINTENANCE	145,544	\$ 81,885	9%	\$ 973	11%	\$ 80,912	\$ -	\$ 226,456
205	PUBLIC SAFETY/SUPPL. LAW	641,747	2,585	1%	242	11%	2,343	-	644,090
206	DEVELOPMENT SERVICES	643,411	965,848	13%	817,484	11%	148,364	-	791,775
207	LONG RANGE PLANNING	1,638,494	150,540	11%	139,317	6%	11,222	224,358	1,425,358
215 / 216	CDBG	36,790	295	24%	16	17%	279	-	37,069
225	ASSET SEIZURE	109,596	446	12%	147	17%	299	-	109,895
229	LIGHTING AND LANDSCAPE	226,644	855	0%	14,104	8%	(13,249)	14,422	198,974
230	COMMUNITY FACILITIES DISTRICT	174,413	695	2%	3,241	11%	(2,546)	-	171,867
232	ENVIRONMENTAL PROGRAMS	704,472	77,632	15%	61,250	13%	16,382	-	720,854
234	MOBILE HOME PK RENT STAB.	92,563	375	12%	170	17%	205	-	92,768
235	SENIOR HOUSING	253,103	-	n/a	-	n/a	-	-	253,103
236	HOUSING MITIGATION	10,836,166	43,458	1%	249,184	11%	(205,726)	100,348	10,530,092
240	EMPLOYEE ASSISTANCE	63,995	694	51%	1,826	9%	(1,133)	-	62,862
246	COUNTYWIDE SOLID WASTE	516,767	1,904	0%	98,051	6%	(96,147)	1,128,186	(707,566)
255	HOUSING SUCCESSOR AGENCY	2,913,405	16,159	8%	309,091	22%	(292,932)	430,578	2,189,895
260	PUBLIC ART	32,709	131	13%	1,126	17%	(994)	-	31,715
TOTAL SPECIAL REVENUE FUNDS		\$ 19,029,819	\$ 1,343,502	7%	\$ 1,696,222	10%	\$ (352,720)	\$ 1,897,892	\$ 16,779,207
301	PARK DEV. IMPACT FUND	\$ 2,318,386	\$ 9,834	1%	\$ 35,267	1%	\$ (25,434)	\$ 94,968	\$ 2,197,984
302	PARK MAINTENANCE	1,287,787	45	n/a	-	n/a	45	-	1,287,832
303	LOCAL DRAINAGE	9,246,964	172,254	5%	749,490	10%	(577,236)	2,342,951	6,326,778
304	LOCAL DRAINAGE/NON-AB1600	1,184,823	32,018	16%	565	0%	31,453	62,780	1,153,496
306	AG. AND OPEN SPACE PRESERVATION	2,434,272	9,311	8%	22,304	17%	(12,993)	-	2,421,279
308	STREET CIP	6,970,281	350,851	4%	113,111	2%	237,740	2,556,616	4,651,405
309	TRAFFIC IMPACT FUND	3,285,881	228,217	5%	32,016	1%	196,201	85,026	3,397,056
315	PUBLIC SAFETY FACILITIES IMPACT	(6,506,799)	37,270	3%	193,529	16%	(156,259)	26,330	(6,689,388)
346	PUBLIC FACILITIES NON-AB1600	1,723,797	7,036	19%	50,190	15%	(43,154)	77,950	1,602,693
347	PUBLIC FACILITIES IMPACT FUND	156,023	12,109	1%	4,969	2%	7,141	1	163,163
348	LIBRARY IMPACT FUND	2,963,458	54,854	6%	35,364	17%	19,490	-	2,982,948
350	UNDERGROUNDING	1,860,758	50,060	77%	220	0%	49,840	-	1,910,598
360	COMM/REC CTR IMPACT FUND	4,313,060	93,706	6%	2,994	0%	90,711	105,025	4,298,747
375	QUIMBY FEE	2,207,922	52,262	1%	93,361	4%	(41,099)	176,677	1,990,146
TOTAL CAPITAL PROJECT FUNDS		\$ 33,446,613	\$ 1,109,828	4%	\$ 1,333,381	4%	\$ (223,553)	\$ 5,528,324	\$ 27,694,736
420	CIVIC CENTER DEBT	\$ 200,838	\$ 48,895	17%	\$ 607	0%	\$ 48,288	\$ 58	\$ 249,067
441	POLICE FACILITY BOND DEBT	169,161	64,529	17%	804	0%	63,725	74	232,812
TOTAL DEBT SERVICE FUNDS		\$ 369,999	\$ 113,424	17%	\$ 1,412	0%	\$ 112,013	\$ 132	\$ 481,879
640	WASTEWATER OPERATIONS	\$ 4,274,700	\$ 1,976,690	9%	\$ 2,450,666	11%	\$ (473,976)	149,121	3,651,603
641	WASTEWATER IMPACT FUND	23,137,645	383,206	1%	133,573	0%	249,633	1,138,839	22,248,439
642	WASTEWATER RATE STABILIZATION	3,396,212	15,596	n/a	351	17%	15,245	-	3,411,457
643	WASTEWATER CAPITAL PROJECTS	27,647,196	1,661,210	16%	13,961	0%	1,647,249	3,099,014	26,195,431
650	WATER OPERATIONS	4,884,865	2,451,786	10%	2,364,844	10%	86,942	891,041	4,080,767
651	WATER IMPACT FUND	4,801,388	95,846	2%	280,927	9%	(185,082)	1,459,921	3,156,385
652	WATER RATE STABILIZATION	3,633,079	14,800	n/a	263	17%	14,537	-	3,647,616
653	WATER -CAPITAL PROJECT	24,437,411	1,115,032	15%	556,769	3%	558,263	3,089,232	21,906,442
TOTAL ENTERPRISE FUNDS		\$ 96,212,496	\$ 7,714,166	8%	\$ 5,801,354	5%	\$ 1,912,812	\$ 9,827,169	\$ 88,298,139
730	INFORMATION SERVICES	\$ 642,387	\$ 613,123	17%	\$ 698,494	19%	\$ (85,371)	\$ -	\$ 557,016
740	BUILDING MAINTENANCE	454,235	188,104	17%	130,794	12%	57,310	26,661	484,884
741	BUILDING REPLACEMENT	3,726,509	166,927	16%	98,855	7%	68,072	154,135	3,640,446
745	CIP ENGINEERING	5,652	-	n/a	359,272	12%	(359,272)	-	(353,620)
760	UNEMPLOYMENT	279,519	1,079	11%	-	n/a	1,079	-	280,598
770	WORKERS COMPENSATION	2,478,849	130,682	11%	739,128	70%	(608,446)	30,000	1,840,403
790	EQUIPMENT REPLACEMENT	10,687,804	331,447	21%	432,652	36%	(101,205)	4,606	10,581,993
791	EMPLOYEE BENEFITS FUNDS	802,440	213,938	17%	29,706	3%	184,232	-	986,672
795	GEN. LIABILITY INSURANCE	1,162,608	442,228	16%	2,265,700	89%	(1,823,471)	-	(660,863)
TOTAL INTERNAL SERVICE FUNDS		\$ 20,240,003	\$ 2,087,528	13%	\$ 4,754,601	32%	\$ (2,667,073)	\$ 215,402	\$ 17,357,528

 CITY OF MORGAN HILL City of Morgan Hill Fund Activity Summary - Fiscal Year 2026-27 For the Month Ended August 31, 2026 17% of Year Complete							
Unaudited Beg Fund Balance 07-01-26	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
	YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 27,478,798	\$ 3,460,322	6%	\$ 9,484,392	14%	\$ (6,024,070)	\$ 2,901,634	\$ 18,553,094
SPECIAL REVENUE GROUP	19,029,819	1,343,502	7%	1,696,222	10%	(352,720)	1,897,892	16,779,207
DEBT SERVICE GROUP	369,999	113,424	17%	1,412	0%	112,013	132	481,879
CAPITAL PROJECTS GROUP	33,446,613	1,109,828	4%	1,333,381	4%	(223,553)	5,528,324	27,694,736
ENTERPRISE GROUP	96,212,496	7,714,166	8%	5,801,354	5%	1,912,812	9,827,169	88,298,139
INTERNAL SERVICE GROUP	20,240,003	2,087,528	13%	4,754,601	32%	(2,667,073)	215,402	17,357,528
TOTAL ALL GROUPS	\$ 196,777,728	\$ 15,828,771	7%	\$ 23,071,361	9%	\$ (7,242,591)	\$ 20,370,554	\$ 169,164,583

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

CONSIDERATION OF A FORMAL CENSURE OF COUNCIL MEMBER YVONNE MARTINEZ BELTRAN

RECOMMENDATION(S)

1. Receive Presentation of Censure Resolution from Outside Special Counsel (7 minutes);
2. Receive Response from Council Member Martinez Beltran (7 minutes);
3. Receive Rebuttal Comments from Outside Special Counsel (2 minutes);
4. Receive Public Comment;
5. Receive Council Comments; and
6. Consider adoption of Resolution entitled "A Resolution of the City Council of the City of Morgan Hill, California Approving Censure of Council Member Yvonne Martinez Beltran."

REPORT NARRATIVE:

For Council's consideration this evening is adoption of a Resolution Approving Censure of Council Member Yvonne Martinez Beltran. The draft Resolution is attached to this Report.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council met in Closed Session on August 19, 2026 regarding complaints of inappropriate conduct by Council Member Martinez Beltran. The Council gave direction to outside special counsel resulting in the September 16, 2026 meeting to consider a formal censure resolution.

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. 2026-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MORGAN HILL, CALIFORNIA, APPROVING CENSURE OF
COUNCIL MEMBER YVONNE MARTINEZ BELTRAN**

WHEREAS, the City of Morgan Hill has adopted City Council Policies and Procedures (City Council (CP) 97-01 and CP 05-01) and Consolidated Set of Norms (2023 and “Morgan Hill Approach to Public Service”), which provide guidance, procedures, and best practices to assist City Council Members to carry out their duties and responsibilities respectfully and effectively; and

WHEREAS, the City of Morgan Hill has adopted Administrative Policy VI007 prohibiting harassment and discrimination, including legal requirements related to the same, that it expects all City Council Members to not only comply with but to be role models for City employees and the public; and

WHEREAS CP 05-01 states that violations of this Policy may be *...punishable, in the discretion of a majority of the City Council, by censure, public reproof, removal from appointed position...; and*

WHEREAS, CP-97-01, Section 8.1 Decorum provides, *Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the City Council; and*

WHEREAS, CP-05-01 states in relevant part:

- *[I]t is imperative to foster the highest standards of personal integrity and honesty in discharging public duties.*
- *It is the Council's expectation that our city government will act in ways that inspire and retain the trust and confidence of the community we serve.*
- *Honesty. I am honest with my fellow elected officials, the public and others.*
- *Respect. I treat my fellow officials...with patience, courtesy and civility, even when we disagree on what is best for the community. I respect others' time by coming to meetings prepared and offering observations only when I believe it will move the discussion forward. I work to gain value from diverse opinions and build consensus. I am approachable, open-minded and willing to participate in dialog and I work to convey this to others...I convey the agency's care for and commitment to its community members through my words and deeds. I am attuned to, and care about, the needs and issues of citizens, public officials and agency workers.*
- *Fairness. I support the public's right to know and participate in the conduct of the people's business. I am impartial when making decisions. I make decisions based on the merits of the issue.*

- Examples of behavior not showing respect include:
 - o *Being rude, and ridiculing others in public and in private.*
 - o *Ascribing bad motives to those who disagree.*
 - o *Refusing to listen/meet/talk/have dialog/interchange.*
 - o *Using a closed, irritated tone of voice and body language.*
 - o *Unwilling to listen to others' opinions.*
 - o *Engaging in intimidating behavior.*
- Examples of behavior not showing *fairness* include:
 - o *Demeaning those who disagree with you.*
 - o *Being closed; don't listen, reject out of hand, etc.; and*

WHEREAS, the Consolidated Set of Norms states in relevant part: *We earn and preserve the community's trust and investment through ethical conduct, professionalism, and integrity in every action...We create greater outcomes together by valuing diverse perspectives, building alignment, and working as one team in service to the community...We conduct the public's business through orderly, civil...processes...Be respectful and patient with one another...Be professional; keep decorum of meeting throughout...; and*

WHEREAS, the 2023 City Council Norms states in relevant part: *Be respectful and patient with one another...Be honest and real...Be aware of how we represent the City as leaders in the community...Be accurate in statements...Be professional...; and*

WHEREAS, the City's policy on prohibiting harassment defines "harassment" to include verbal comments based on a protected class, e.g., race and age (40 and over), that is insulting or derogatory; and

WHEREAS, in February 2025, the City retained outside attorney investigator Karen Kramer to conduct an independent investigation into Ms. Martinez Beltran's allegations against Mayor Mark Turner resulting in a June 9, 2025 report, which was privileged and confidential under the attorney-client and attorney work-product privileges; and

WHEREAS, the City Council has waived the attorney-client privilege and work product privilege as to Ms. Kramer's investigation report, which included the following:

- Ms. Martinez Beltran made allegations against Mayor Mark Turner including that Mr. Turner mistreated Ms. Martinez Beltran based on her gender and race. Ms. Kramer determined that all of Ms. Martinez Beltran's allegations against Mr. Turner were not sustained.
- During her interview, one witness indicated: that during the campaign, Ms. Martinez Beltran told her that Mr. Turner is a racist and not to trust him;

whenever Martinez Beltran addressed Mr. Turner, she did so in a sarcastic manner and with an undertone of dislike; Ms. Martinez Beltran attacked Mr. Turner during some Council meetings by falsely accusing him of saying or doing something that the witness knew he did not do or say; and that Mr. Turner is respectful toward Ms. Martinez Beltran but his respect is not reciprocated.

- A witness indicated that Ms. Martinez Beltran said that two Council Members were “too old and too White to be on this Council.”
- During the investigation interview with Ms. Kramer, Ms. Martinez Beltran denied that Mr. Turner touched her stomach. However, Ms. Martinez Beltran previously told the Police Officer she was pushed by the Mayor in her stomach, that the push caused her to move backwards and pain, this constituted battery, and she desired criminal prosecution against Mr. Turner. The Police Officer noted that Ms. Martinez Beltran's statement was inconsistent with all other parties interviewed and the video recording of the February 7, 2025 incident.
- Ms. Martinez Beltran claims she was removed from multiple committee assignments, evidencing Mr. Turner's animus against her. However, the chart of committee assignments shows Ms. Martinez Beltran with seven committee assignments, while Ms. Libreros, Ms. Vega, and Ms. Iwanaga are assigned to fewer committees than Ms. Martinez Beltran; and

WHEREAS, the City's outside special counsel Shelline Bennett was retained to review relatively recent concerns raised by Council Members against Ms. Martinez Beltran, which resulted in an attorney-client confidential and attorney work-product privileged June 12, 2026 Memorandum to the Mayor and Council; and

WHEREAS, in a limited scope, the City Council has waived the attorney-client privilege and work product privileges only regarding the following from Ms. Bennett's Memorandum:

- After the City Council meeting on June 3, 2026, Ms. Iwanaga indicates she was confronted by Ms. Martinez Beltran about the way Ms. Iwanaga voted on a Council-agenda item. Ms. Martinez Beltran said, “What was up with that?”; “I don't ever want to hear you complain.”; “You are only here for the Mayor.” Ms. Martinez Beltran accused Ms. Iwanaga of “Not thinking for yourself.”
- Ms. Iwanaga indicates Ms. Martinez Beltran made her feel trapped, uncomfortable, and nervous.
- Prior to the Council meeting, Ms. Vega indicates that Ms. Martinez Beltran tried to call her several times to see if she would support Ms. Martinez Beltran's agenda item. Ms. Vega received a text from Ms. Martinez Beltran

asking her to support Ms. Martinez Beltran's item. Ms. Vega responded with, "What's your pitch?" and received no response.

- Ms. Vega listened to what was presented and cast her vote on the item.
- After the City Council meeting, Ms. Vega states she was confronted by Ms. Martinez Beltran about the way she voted on the Council-agenda item. Ms. Martinez Beltran said, "What was that about?" Ms. Vega indicates she does not like confrontation and did not respond. However, it did make her question her vote decision even though she never promised Ms. Martinez Beltran anything.
- Ms. Vega felt bullied by Ms. Martinez Beltran. Ms. Vega perceives that Ms. Martinez Beltran talks down to her during meetings.
- Ms. Libers witnessed both interactions noted above. Ms. Libers heard Ms. Martinez Beltran say to Ms. Iwanaga, "You don't have to vote with Mark." Ms. Libers saw Ms. Martinez Beltran in Ms. Vega's face waving her finger. Ms. Libers [sic] states it appeared to be heated and an inappropriate conversation. Ms. Libers notes she would have hated to be on the receiving end of whatever that conversation was.
- Assuming Ms. Martinez Beltran disputes the accusations, the perceptions belong to the individuals and are undisputed.
- The perceptions of bullying, being spoken down to, being nervous and uncomfortable, feeling trapped, and inappropriate comments and behavior by Ms. Martinez Beltran are contrary to City policies and Council policies and result in undermining the Council's ability to freely discuss and decide matters.
- City Council Policies and Procedures, CP 97-01 states in relevant part, *Members of the City Council value and recognize the importance of the trust invested in them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other...* *Morgan Hill Approach to Public Service* states in relevant part, *"We earn and preserve the community's trust and investment through ethical conduct, professionalism, and integrity in every action ...;" "We create greater outcomes together by valuing diverse perspectives, building alignment, and working as one team in service to the community;"* and *"We conduct the public's business through orderly, civil, transparent, and well-reasoned processes that ensure fairness and efficiency..."* *City Council Norms* includes in relevant part, *"Be respectful and patient with one another;"* and *"Be professional."* *The City Council's Ethics Policy, CP 05-01* states in relevant part, *"I treat my fellow officials...with courtesy and civility...."*

- Ms. Martinez Beltran is reminded of these important Council policies and the respect, courtesy, professionalism, civility, and decorum that is mandated of the important role of a City Council Member, and it is requested that she refrain from similar conduct and statements to those noted above in the future. Failure to do so will likely result in follow up, including but not limited to consideration of public censure; and

WHEREAS, the June 12 Memorandum was sent to Ms. Martinez Beltran on three separate occasions – June 12, August 14, and August 19 - with multiple email and text invitations for her to meet with Ms. Bennett to discuss the Memorandum; and

WHEREAS, at no time did Ms. Martinez Beltran respond to Ms. Bennett, the Mayor, or her fellow Council Members acknowledging the June 12, 2026 Memorandum or offering justification, accountability, or apology for her conduct and what her fellow Council Members perceived as intimidation, bullying, confrontational, condescending, and demeaning conduct, and being spoken down to in a disrespectful manner. Ms. Martinez Beltran has effectively ignored the concerns of her fellow Council Members and shown no signs of regret or changed behavior.

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

SECTION 1. That the recitals set forth are true and correct and are incorporated herein as if set forth in full.

SECTION 2. That the City Council defines censure as a method of official City Council reprimand to a Council Member who has willfully and deliberately acted against specifically outlined items in the City Council Policies and Procedures (CP 97-01 and CP 05-01), Consolidated Set of Norms (2023 and “Morgan Hill Approach to Public Service”), and the City’s harassment and discrimination policy.

SECTION 3. That the City Council has taken into account all of the evidence presented to it.

SECTION 4. That the City Council understands its responsibility of being a role model to City employees and the public in setting high ethical and professional standards and modeling appropriate behavior, both in not bullying and not tolerating bullying and intimidating behavior and taking a stand against such misconduct.

SECTION 5. That the City Council understands its foundational responsibility in being truthful, including but not limited to law enforcement.

SECTION 6. That the City Council has zero tolerance for harassment based on age, race, or any protected category.

SECTION 7. That Council Member Martinez Beltran’s actions as a City Council Member violated City Council policy and norms, and more specifically City Council Policies and Procedures (CP 97-01 and CP 05-01), Consolidated Set of Norms (2023

and “Morgan Hill Approach to Public Service”), and Administrative Policy VI007 as specifically noted above. Such conduct is disrespectful to the City Council, contrary to best practices, and is counterproductive to respectful and efficient City Council operations.

SECTION 8. Based upon the totality of circumstances, the City Council hereby disapproves, condemns, and dissociates itself from the actions noted in this Resolution of Council Member Yvonne Martinez Beltran and her violating City Council Policies and Norms and City Policy.

SECTION 9. As a result of this public censure, the Mayor is authorized and hereby does remove Ms. Martinez Beltran from any/all outside assignments for which the Mayor has authority to appoint and/or remove.

SECTION 10. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 16th day of September 2026.

Mark Turner, Mayor

ATTEST:

Michelle Bigelow, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) ss
CITY OF MORGAN HILL)

I, Michelle Bigelow, City Clerk, of the City of Morgan Hill, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council held on the 16th day of September, 2026, by the following vote, to wit:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2026

PREPARED BY:

Jennifer Carman, Development Services Director

Elisa Tolentino, City Attorney

APPROVED BY: City Manager

CONSIDERATION OF ADOPTION OF AN INTERIM ORDINANCE INSTITUTING A TEMPORARY 45-DAY MORATORIUM TO PROHIBIT PROCESSING AND APPROVAL OF NEW LAND USE APPLICATIONS FOR FREE STANDING DATA CENTERS AND GRID-SCALE BATTERY ENERGY STORAGE SYSTEMS (BESS) WITHIN CITY LIMITS

RECOMMENDATION(S)

1. Determine the adoption of this Interim Ordinance is exempt from California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3);
2. Introduce by title only, adopt, and waive further reading of Interim Ordinance, imposing a 45-day moratorium prohibiting processing and approval of new land use applications for Free Standing Data Center or Grid-Scale Battery Storage Systems;
3. Direct staff to develop policy and regulations relating to free standing data center and grid-scale battery energy storage systems; and
4. Direct the Planning Commission to review draft policies and regulations and make recommendations to City Council in accordance with the Morgan Hill Municipal Code.

COUNCIL PRIORITIES, GOALS & STRATEGIES

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

Preserving and Cultivating Public Trust

Strategic Priorities 2026-2027

Public Safety

Economic Development and Tourism

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Communities throughout the state and country have experienced negative effects of Data Center and Grid-Scale Battery Storage Systems (BESS) land uses, including but not limited to intensive energy and water use, noise, crime and security issues, air quality, water and noise pollution, aesthetic impacts; and other related effects on property values and quality of life to surrounding neighborhoods.

These land uses often necessitate unique and/or abnormally large utility infrastructure connections to electrical, water, and sewage systems, where existing infrastructure is unable to support such land use nor load intensity of demand.

The Morgan Hill Municipal Code ("MHMC") does not, at present, regulate Data Center or BESS land uses, including location, size and scope, and other development as the uses are not included within the standards in its Zoning Ordinance. Data Centers and BESS are currently undefined in the Municipal Code.

Under Government Code section 65858, a moratorium may be put in place on a temporary basis by adopting an interim ordinance as an urgency measure prohibiting a use that may conflict with a contemplated general plan, specific plan or zoning proposal that the City plans to study within a reasonable time. An interim ordinance requires a four-fifths vote of the City Council and must contain findings that there is a current and immediate threat to public health, safety, or welfare. An interim ordinance may be adopted for an initial 45-day period and may be extended for a total maximum length of two years.

Government Code section 65858 provides two alternative processes for adopting interim land use ordinances.

First, under Government Code section 65858(a), newspaper notice is not required prior to the initial consideration of the interim ordinance. After the expiration of the initial 45-day period, the interim ordinance may be extended for 10 months and 15 days. The interim ordinance may be extended a second time, for a time period of one year.

Alternatively, under Government Code section 65858(b), newspaper notice is required prior to the initial consideration of the interim ordinance. After the expiration of the initial 45-day period, the interim ordinance may be extended for 22 months and 15 days. No further extensions are authorized.

On August 26, 2026, City Council considered a proposed interim ordinance imposing a 45-day moratorium on the processing and approval of land use applications for freestanding data centers and grid-scale battery energy storage systems (BESS). After public comment and Council discussion, the Council voted 5-0 to introduce the ordinance with the intent that it take effect immediately under Government Code section

65858(a).

The action taken at the August 26 meeting inadvertently did not include a separate action expressly adopting the interim ordinance. Staff is therefore returning the interim ordinance to the Council for consideration and adoption.

Instead of proceeding under Government Code section 65858(a), as was the intent on August 26, the City is now proceeding with a new noticed public hearing under Government Code section 65858(b). This ensures a clear record of proceedings. As required by section 65858(b), the City has provided notice of this hearing in the September 4, 2026 edition of *The Morgan Hill Times*.

Proceeding under section 65858(b) allows for an extension of 22 months and 15 days. In contrast, section 65858(a) allows for an extension of 10 months and 15 days, and a second extension of one year. Each extension requires notice, a public hearing, and approval of 4/5 of the City Council. The longer extension under section 65858(b) would give the City more time to better engage the public as it prepares and vets an ordinance addressing data center and BESS uses.

If the City Council adopts the interim ordinance, it will take effect immediately, and staff will notice a public hearing no later than October 21, 2026 for Council to consider extending the interim ordinance for 22 months and 15 days.

COMMUNITY ENGAGEMENT:

A display notice for this public hearing was printed in the September 4, 2026 edition of *The Morgan Hill Times*.

If the moratorium is adopted, Community Engagement will follow the City's process for zoning ordinance processing in the Municipal Code. This will include potential workshops, public hearings with both the Planning Commission and City Council, and public noticing.

ALTERNATIVE ACTIONS:

The City could continue with the interpretation that these uses are not allowed within the City due to their lack of inclusion within the Municipal Code.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On August 19, 2026, City Council considered a proposal under agenda item 18 related to future regulations for land uses that could have significant impact on City infrastructure and natural resources such as data centers. During public comment and the discussion on this item, it was determined a potential temporary moratorium would provide the City the needed time to develop future regulations. The City Council directed staff to return to the City Council meeting on August 26 with a draft interim ordinance.

On August 26, 2026, City Council considered and introduced an interim ordinance

imposing a 45-day moratorium on the processing and approval of land use applications for freestanding data centers and grid-scale battery energy storage systems (BESS). Because the action taken at the August 26 meeting did not include an action adopting the interim ordinance, staff is now returning the interim ordinance to the Council for consideration and adoption under Government Code section 65858(b).

FISCAL AND RESOURCE IMPACT:

Once adopted, the moratorium will impose ongoing procedural requirements on the City, including preparation of required reports, publication and notice of public hearings, and preparation of future agenda items for City Council consideration. Compliance with these requirements will require staff time and related administrative expenses.

CEQA (California Environmental Quality Act):

Not a Project

The adoption of a temporary moratorium will not result in direct or indirect physical changes in the environment.

INTERIM ORDINANCE NO. XX

AN INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL IMPOSING A 45-DAY TEMPORARY MORATORIUM ON THE PROCESSING AND APPROVAL OF NEW LAND USE APPLICATIONS FOR FREE STANDING DATA CENTERS AND GRID-SCALE BATTERY ENERGY STORAGE SYSTEMS (BESS) WITHIN THE CITY LIMITS DURING THE CITY'S REVIEW AND ADOPTION OF REGULATIONS FOR SUCH USES

WHEREAS, data centers are facilities used to house computer systems, servers, data-storage equipment, telecommunications equipment, and related components. Demand for large-scale data centers has increased substantially due to the growth of cloud computing, digital commerce, artificial intelligence, and other data-intensive technologies; and

WHEREAS, there is a growing demand for Battery Energy Storage Systems ("BESS") in the state of California due to increased demand for renewable electricity to reach the State's clean energy goals and mechanisms to ensure reliability of the State's electric system, among other purposes; and

WHEREAS, the City's existing regulations do not provide for either data center or BESS uses and as such the City does not currently allow either use within City limits; and

WHEREAS, the City of Morgan Hill does not have specific land use policies or standards in place to regulate the location and operation of Data Center or BESS facilities within the City of Morgan Hill which would address compatibility with surrounding uses and safety among other issues; and

WHEREAS, both large-scale data centers and BESS facilities may impose significant demands on public utilities and infrastructure and create unforeseen land use impacts; and

WHEREAS, pursuant to its constitutional police power, the City Council has authority to enact and enforce ordinances and regulations necessary to protect the public peace, health, safety, and welfare of the City and its residents; and

WHEREAS, Government Code section 65858 authorizes the City Council, without following the procedures ordinarily required for the adoption of a zoning ordinance, to adopt as an urgency measure an interim ordinance prohibiting uses that may conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Development Services Department is considering, studying, or intends to study within a reasonable time; and

WHEREAS, the City Council desires to temporarily prohibit the processing and approval of new land-use applications for free standing data centers and grid-scale BESS facilities while City staff evaluates the full scope and significance of their potential public health, environmental, infrastructure, and land-use impacts and considers whether, and to what extent, amendments to the City's zoning regulations, development standards, or permitting requirements are appropriate.

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

Section 1. The Council finds and declares that this interim ordinance is necessary to protect the public safety, health, and welfare, and to prevent the development of uses that may be in conflict with a contemplated general plan or zoning proposal that the City Council, Planning Commission, or the Development Services Department is considering or studying or intends to study within a reasonable time.

Section 2. The City Council of the City of Morgan Hill finds that all Recitals are true and correct and incorporated herein by reference.

Section 3. This Interim Ordinance is adopted pursuant to Government Code § 65858, and other applicable law.

Section 4. Findings. The City Council finds as follows:

1. Adoption of this interim ordinance is necessary to protect the City and its residents, businesses, and visitors from the potential public health, safety, and welfare impacts associated with free standing data center and grid-scale BESS land uses.
2. The moratorium will provide the City with sufficient time to study the scope and significance of potential impacts of data center and BESS development and prepare comprehensive regulations governing the location, design, operation, water and energy use, infrastructure requirements, and other development standards applicable to such uses.
3. Based on these findings and the evidence in the record, including the staff report accompanying this interim ordinance, the City Council finds that there is a current and immediate threat to the public health, safety, and welfare of the City, and that the approval of additional land use entitlements for free standing data centers and grid-scale BESS, including conditional use permits, building permits, or other applicable approvals required under the Morgan Hill Municipal Code, would result in that threat to the public health, safety, and welfare, within the meaning of Government Code section 65858, subdivision (c).

Section 5. **California Environmental Quality Act.** The City Council finds that adoption of this Interim Ordinance is exempt from environmental review under the California Environmental Quality Act (Public Resources Code section 21000 et seq.; “CEQA”) pursuant to CEQA Guidelines section 15061(b)(3). The Interim Ordinance establishes a temporary moratorium on the processing and approval of new land-use applications for free standing data centers and grid-scale BESS while the City studies potential regulatory amendments. It does not authorize any development, approve any land-use entitlement, or result in any physical change to the environment. Accordingly, it can be seen with certainty that adoption of the Interim Ordinance will not have a significant effect on the environment.

Section 6. **Imposition of Moratorium.** For the duration of this Interim Ordinance, including any extension thereof, the City shall not receive, accept, process, or approve any application for a free standing data center or grid-scale BESS land use.

This Interim Ordinance shall remain in effect for 45 days from the date of its adoption, unless extended

in accordance with Government Code section 65858.

Section 7. Report. Pursuant to Government Code § 65858, the City Manager, or designee, must prepare a report for City Council consideration describing the measures taken to address the conditions which led to adoption of this Interim Ordinance. This report must be provided to the City Council so that it may be considered and issued not later than 10 days before this Interim Ordinance expires.

Section 8. Severability. Should any provision of this Interim 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 this Interim Ordinance.

Section 9. Effective Date; Posting. This Interim Ordinance shall take effect immediately upon adoption. The City Clerk is hereby directed to publish this Interim Ordinance or a summary thereof in the manner required by law.

THE FORGOING INTERIM ORDINANCE WAS DULY ADOPTED AT A MEETING HELD ON THE 16TH DAY OF SEPTEMBER 2026, 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 Interim Ordinance No. XX, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 16th day of September 2026.

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

DATE: _____

MICHELLE BIGELOW, City Clerk