



CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, November 19, 2024
7:00 PM

City Council Chamber
200 Old Bernal Avenue
Pleasanton, CA 94566

The meeting will be held in-person, broadcast live on Channel 29 and at <https://www.tri-valleytv.org> and streamed at <https://www.youtube.com/user/TheCityofPleasanton>.

Public participation: It is requested that members of the public wishing to address the City Council submit a speaker card. When public comment is opened on an agenda item, individuals may speak once per agenda item.

To submit written public comment regarding an open session item on this meeting agenda visit <https://forms.cityofpleasantonca.gov/f/writtenpubliccomment>. Comments will be accepted by the City Clerk's Office until 12:00 p.m. on the day of the Council meeting.

In Person at Council Chamber:

- Submit a physical speaker card to the City Clerk at the meeting. When your name is called, please provide comment at the podium.

CALL TO ORDER

- Pledge of Allegiance
- Remarks by Councilmember Arkin
- Roll Call

Resolution No. 2024-068
Ordinance No. 2287

AGENDA AMENDMENTS

CONSENT CALENDAR

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.

City Council

1. Approve the First Amendment to the Amended and Restated Employment Contract of City Manager Gerry Beaudin to provide for twelve months severance pay/benefits

City Manager

2. Approve meeting minutes of October 1, 2024 and October 15, 2024

3. Ratify Economic Vitality Committee Appointment
4. Public Hearing: Adopt a resolution levying the Downtown Pleasanton Business Improvement District assessment for 2025

Community Development

5. Actions of the Zoning Administrator and Planning Commission
6. Adopt Ordinance No. 2286 approving amendments to Chapters 17.38, 18.08, and 18.88 of the Pleasanton Municipal Code regarding density bonus and major transit stop as identified in State law [Case P24-0334]
7. Introduce an Ordinance approving amendments to Pleasanton Municipal Code Chapters 17.44 (Inclusionary Zoning), 17.40 (Affordable Housing Fee) and 18.38 (Housing Opportunity Zone District); and adopt a resolution approving amendments to the Objective Standards for Housing Element Sites (Case No. P24-0505)

Finance

8. Accept the monthly disbursement and investment report for September 2024
9. Adopt a resolution approving the revised investment policy documents for the City's PARS Section 115 Pension Trust Fund

Library and Recreation

10. Approve first amendment to the services agreement with Folger Graphics for Activities Guide, City Newsletter, and City Annual Report printing services in an amount not to exceed \$76,238 from December 1, 2024 to November 30, 2025

Public Works

11. Approve Amendment No. 1 to Agreement between the City of Pleasanton and Zone 7 Water Agency to perform Phase I Feasibility review for the Regional Groundwater Facilities Project for a Revised Total Not-To-Exceed Amount of \$2,733,178
12. Approve a purchase order with Shape Incorporated in the amount of \$1,170,000 and authorize a \$117,000 contingency for the purchase of a pre-packaged booster station for Turnout No. 4 Pre-Packaged Booster Station Procurement, CIP No. 24181

MEETING OPEN TO THE PUBLIC

13. Presentation of a proclamation recognizing November 2024 as Native American Heritage month
14. Public Comment regarding items not listed on the agenda – Speakers are limited to

3 minutes.

PUBLIC HEARINGS AND OTHER MATTERS

If necessary to ensure completion of the following items, the Mayor may alter time limits.

15. Adopt a resolution to accept the FY 2023/24 Year-End Operating Budget Report, approve budget amendments in multiple funds, and designate the General Fund balance
16. Adopt a resolution to accept the FY 2023/24 Year-end Financial and Program Delivery Report for the Capital Improvement Program (CIP)
17. Receive presentation on Draft Impact Fee Nexus Studies and provide input on recommended Capital Facilities Fee, Transportation Impact Fee, Commercial Linkage Fee, Affordable Housing Fee, and Sewer and Water Connection Fee amounts
18. Accept the Final Water System Management Plan dated October 2024

MATTERS INITIATED BY COUNCIL

COUNCIL REPORTS

Brief reports on conferences, seminars, and meetings attended by the Council

ADJOURNMENT

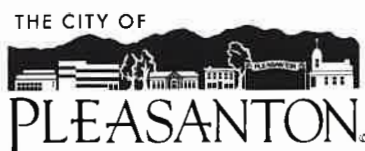
Notice

Under Government Code §54957.5, any writings/documents regarding an open session item on this agenda and items received by the City Clerk's Office by 12:00 p.m. on the day of the meeting provided to a majority of the City Council after distribution of the agenda packet will be available for public inspection on the City's website <https://www.cityofpleasantonca.gov/> and also at the Pleasanton Library located at 400 Old Bernal Ave., Pleasanton, CA 94566.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders, which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure § 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code §65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

Accessible Public Meetings

The City of Pleasanton can provide special assistance for persons with disabilities to participate in public meetings. To make a request for a disability-related modification or accommodation (e.g., an assistive listening device), please contact the City Clerk's Office at 123 Main Street, Pleasanton, CA 94566 or (925) 931-5027 at the earliest possible time. If you need sign language assistance, please provide at least two working days' notice prior to the meeting date.



CITY COUNCIL AGENDA REPORT

November 19, 2024
Mayor and Council

TITLE: APPROVE THE FIRST AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT CONTRACT OF CITY MANAGER GERRY BEAUDIN TO PROVIDE FOR TWELVE MONTHS SEVERANCE PAY/BENEFITS

SUMMARY

The City Council appoints and evaluates the performance of the City Manager. The Mayor and Council have completed their annual review of Gerry Beaudin's work. Based on that review, it is recommended that Mr. Beaudin's severance pay/benefits be increased from six to twelve months.

RECOMMENDATION

Approve the First Amendment to the Amended and Restated Employment Contract of the City Manager and authorize the Mayor to sign on behalf of the City.

BACKGROUND

The City Council appoints the City Manager. (See Pleasanton Municipal Code §2.08.010.) Gerry Beaudin was appointed Pleasanton's City Manager, effective May 23, 2022. On October 17, 2023, the City Council approved an Amended and Restated Employment Contract with Mr. Beaudin ("City Manager's Employment Contract").

DISCUSSION

The City Manager's employment contract provides that the City Council will undertake an annual performance evaluation and compensation review of the City Manager. Staff completed a market analysis of total compensation for 16 comparison Bay Area cities. The compensation analysis survey data from November 2024 places the City Manager at seven percent below the mean salary of the surveyed cities. While staff is not recommending any increases to the city manager's salary at this time due to fiscal constraints, adjustments to management staff classifications, including the city manager, will require near-term evaluation to keep pace with the market.

An Amended and Restated Employment Contract City Manager is attached that provides that, if the City decides to terminate the Contract, the City shall provide Mr. Beaudin with salary and medical/dental insurance benefits for a period of six months after the date of the notice of termination. It is recommended that the City Manager's Employment Contract be amended to provide that, if the City decides to terminate the Contract, the City shall provide Mr. Beaudin with salary and medical/dental insurance for a period of twelve months after the date of the notice of termination. These terms of

the City Manager's employment contract are recommended to be updated in the agreement to be consistent with the best practices represented in the survey data of the 16 comparison cities.

EQUITY AND SUSTAINABILITY

Not applicable.

OUTREACH

Not applicable.

STRATEGIC PLAN ALIGNMENT

Not applicable.

FISCAL IMPACT

There is no fiscal impact associated with this item at this time.

Submitted by:



Mayor Karla Brown

Fiscal Review:



Susan Hsieh
Finance Director

Attachments: First Amendment to the Amended and Restated Employment Contract City Manager

**FIRST AMENDMENT TO AMENDED AND RESTATED
EMPLOYMENT CONTRACT CITY MANAGER**

This First Amendment to Amended and Restated Employment Contract City Manager (“First Amendment”) is made and entered into _____, 2024, between the City of Pleasanton and Girard “Gerry” Beaudin (“Beaudin”).

RECITALS

A. City and Beaudin entered into an Employment Contract on April 19, 2022, amended by the First Amendment dated December 20, 2022, and an Amended and Restated Employment Contract City Manager on October 17, 2023 (“Contract”); and

B. The Mayor and City Council reviewed his performance on July 16, 2024.

NOW, THEREFORE, in exchange for valuable consideration, the parties agree as follows:

Section 1. Section 14 of the Contract is amended to read as follows:

14. Severance Pay/Benefits. If City decides to terminate this Contract, City shall provide Beaudin with salary and medical/dental insurance benefits for a period of twelve months after the date of the notice of termination. This paragraph will not apply if the City terminates this Contract for conduct which is a felony.

Section 2. Except as provided in this First Amendment, all other terms and conditions of the Contract shall remain in full force and effect.

Executed as of the date first written above.

CITY OF PLEASANTON

Karla Brown, Mayor

Girard “Gerry” Beaudin

Attest:

Jocelyn Kwong, City Clerk

Approved as to form:

Daniel G. Sodergren, City Attorney



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, October 1, 2024
7:00 PM**

CALL TO ORDER

Mayor Brown called the Regular Meeting of the City Council to order at the hour of 7:01 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

Councilmember Nibert provided opening remarks.

ROLL CALL

Present: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown
Absent: None.

AGENDA AMENDMENTS

None.

CONSENT CALENDAR

Mayor Brown opened public comment. There being no speakers, Mayor Brown closed the public comment.

MOTION: It was m/s by Arkin/Testa to approve the consent calendar as recommended. Motion passed by the following vote:

Ayes: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown
Noes: None
Absent: None

1. Ratify Commission and Committee appointments

Recommendation: Ratify Commission and Committee appointments to the Energy and Environment Commission, Economic Vitality Committee, Human Services Commission, Library Commission, Youth Commission.

City Manager

2. Approve meeting minutes of September 3, 2024

Recommendation: Approve meeting minutes of September 3, 2024.

Community Development

3. Actions of the Zoning Administrator and Planning Commission

Recommendation: Approve actions of the Zoning Administrator and Planning Commission.

Public Works

4. Accept Public Improvements performed by Villalobos & Associates, Inc. for the Annual Curb and Gutter for Street Resurfacing Project, CIP No. 24509 and approve a budget amendment to return \$21,412 to the Gas Tax Fund

Recommendation:

1. Accept the project as complete and authorize the City Clerk to file a Notice of Completion.
2. Authorize release of the retention in the amount of \$39,396 to Villalobos & Associates, Inc., 30 days after the recordation of the Notice of Completion.
3. Approve a budget amendment to return the project's unused balance of \$21,412 to the Gas Tax fund balance (Fund 160).

5. Accept public improvements performed by Golden State Construction & Utility, Inc., approve an amendment to the professional services agreement with Alta Archaeological Consulting LLC for the Annual Sewer Collection System Improvements Project, CIP No. 24278, and approve a budget amendment in the Sewer Replacement Fund

Recommendation:

1. Accept the project as complete and authorize the City Clerk to file a Notice of Completion.
2. Authorize release of the retention in the amount of \$35,795 to Golden State Construction & Utility, Inc. 30 days after recordation of the Notice of Completion.
3. Approve a budget amendment to return the project's balance of \$754,426 to the fund balance in the Sewer Replacement Fund (Fund 431).
4. Approve an amendment with Alta Archaeological Consulting LLC, extending the term through September 30, 2024, and increasing the total contract amount to \$24,345, an increase of \$7,545 from the initial \$16,800.

6. Approve a professional services agreement with SCI Consulting Group, Inc. in the

amount of \$64,690 to provide Engineer's Reports and Proposition 218 balloting procedures for the Moller Ranch and Ponderosa-Del Prado Landscape Maintenance Districts

Recommendation:

1. Approve the professional services agreement with SCI Consulting Group, Inc. in the amount of \$64,690 to provide engineers reports and Proposition 218 balloting procedures for the Moller Ranch and Ponderosa-Del Prado Landscape Maintenance Districts and authorize the City Manager to execute the agreement.
 2. Authorize the Director of Public Works to execute amendments to the professional service agreement up to a not-to-exceed amount of \$6,500 (approximately 10 percent) for unforeseen yet necessary related work.
7. Approve an approximately three-year maintenance services agreement to the lowest responsive and responsible bidder, Best Quality Tree Service, for median mulch replenishment in the not-to-exceed contract amount of \$304,152, inclusive of a 15 percent contingency per year, with the option to extend two additional one-year extensions with satisfactory performance

Recommendation:

1. Approve an approximately three-year agreement with Best Quality Tree Service from November 1, 2024, to June 30, 2027, in the not-to-exceed amount of \$304,152, inclusive of a 15 percent contingency per year.
 2. Authorize the City Manager to exercise optional two additional one-year contract extensions provided upon satisfactory performance at the end of the three-year term contract.
8. Approve a professional services agreement with West Yost & Associates, Inc., in the not-to-exceed amount of \$123,790 to provide assistance with a Cross-Connection Control Plan Development and Hazard Assessments in compliance with the Cross-Connection Control Policy Handbook

Recommendation: Approve a professional services agreement with West Yost & Associates, Inc., in the not-to-exceed amount of \$123,790 to provide assistance with a cross-connection control plan development and hazard assessments in compliance with the Cross-Connection Control Policy Handbook.

MEETING OPEN TO THE PUBLIC

9. Oath of Office to new commission and committee members

Mayor Brown introduced all newly appointed commission and committee members.

City Clerk Jocelyn Kwong administered the oath of office.

10. Public Comment regarding items not listed on the agenda

Mayor Brown opened public comment. The following individuals provided comment: Craig Freeman, Advait Krishnakumar, Matthew Gray, Vicki LaBarge, Brian Bourg, Christine Bourg, Jan Batcheller, Linda Garbarino.

Mayor Brown closed the public comment.

PUBLIC HEARINGS AND OTHER MATTERS

Workshop

11. Receive information and discuss options and opportunities for a program to support affordable housing project(s) in Pleasanton

Recommendation: Receive information and discuss options and opportunities for a program to support affordable housing project(s) in Pleasanton.

Presentation by Steve Hernandez, Housing Manager, and Ellen Clark, Community Development Director.

Mayor Brown opened public comment. There being no speakers, Mayor Brown closed the public comment.

The City Council provided feedback regarding target populations, construction types, and funding opportunities, including partnerships.

MATTERS INITIATED BY COUNCIL

Mayor Brown requested additional information about flying the Pleasanton City flag.

COUNCIL REPORTS

Councilmembers reported on regional and local meetings attended.

ADJOURNMENT

Mayor Brown adjourned the meeting at 10:03 p.m.

Jocelyn Kwong, City Clerk



**CITY OF PLEASANTON
CITY COUNCIL
MINUTES**

**Tuesday, October 15, 2024
7:00 PM**

CALL TO ORDER

Mayor Brown called the Regular Meeting of the City Council to order at the hour of 7:00 p.m. from the Council Chamber located at 200 Old Bernal Avenue.

Councilmember Testa provided opening remarks.

ROLL CALL

Present: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown

Absent: None

AGENDA AMENDMENTS

Mayor Brown pulled agenda item 11 from the consent calendar for further discussion.

CONSENT CALENDAR

Mayor Brown opened public comment. The following individuals provided comment:
Sharon Piekarski.

Mayor Brown closed the public comment.

MOTION: It was m/s by Arkin/Testa to approve the consent calendar as recommended except for item 11 which was removed from the consent calendar. Motion passed by the following vote:

Ayes: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown

Noes: None

Absent: None

City Manager

1. Approve meeting minutes of September 12, 2024 and September 17, 2024

Recommendation: Approve meeting minutes of September 12, 2024 and September 17, 2024.

2. Adopt a resolution accepting and approving the Downtown Pleasanton Business Improvement District 2024 Annual Report and 2025 Budget and declaring the

intent to levy the annual assessment for 2025

Recommendation: Adopt Resolution No. 2024-062 accepting and approving the Downtown Pleasanton Business Improvement District 2024 annual report and 2025 budget as prepared by the Advisory Board, and setting the public hearing date for November 19, 2024, to levy the annual assessment.

Community Development

3. Actions of the Zoning Administrator and Planning Commission

Recommendation: Approve actions of the Zoning Administrator and Planning Commission.

4. Approve and authorize the City Manager to execute the funding agreement with the Federal Highway Administration for the Safe Streets and Roads for All - Planning and Demonstration Grant to develop the Pleasanton Travel Action Plan and approve budget amendments in the Miscellaneous CIP Grants Fund and General Fund

Recommendation:

- Approve and authorize the City Manager to execute the funding agreement with the Federal Highway Administration for the Safe Streets and Roads for All - Planning and Demonstration Grant to develop the Pleasanton Travel Action Plan
- Approve budget amendments in the Miscellaneous CIP Grants Fund to appropriate \$240,000 in grant revenue and appropriate a corresponding \$240,000 in expenditures to the Pleasanton Travel Action Plan Project
- Approve a budget amendment in the General Fund to reallocate \$60,000 in existing Professional Services budget to the Pleasanton Travel Action Plan Project.

5. Adopt resolutions of local support and authorize staff to submit three applications to the Alameda County Transportation Commission for a total of \$5,875,000 in funding from the 2026 Comprehensive Investment Plan for the West Las Positas Boulevard Multimodal Reconstruction Project, CIP No. 11514, the I-580 Overcrossing Bicycle and Pedestrian Improvements Project, CIP No. 22570, and the Santa Rita Road at Valley Avenue Intersection Improvement Project, CIP No. 20569

Recommendation: Adopt Resolution Nos. 2024-063, 2024-064, and 2024-065 of local support and authorize staff to submit three applications to the Alameda County Transportation Commission for a total of \$5,875,000 in funding from the 2026 Comprehensive Investment Plan for the West Las Positas Boulevard Multimodal Reconstruction Project, CIP No. 11514, the I-580 Overcrossing Bicycle

and Pedestrian Improvements Project, CIP No. 22570, and the Santa Rita Road at Valley Avenue Intersection Improvement Project, CIP No. 20569.

6. **Public Hearing:** Introduce an ordinance approving amendments to Chapters 17.38, 18.08, and 18.88 of the Pleasanton Municipal Code regarding density bonus and major transit stop as identified in State law [Case P24-0334]

Recommendation: Introduce Ordinance No. 2286 approving amendments to Chapters 17.38, 18.08, and 18.88 of the Pleasanton Municipal Code regarding density bonus and major transit stop as identified in State law [Case P24-0334].

Finance

7. Accept the monthly disbursement and investment report for August 2024

Recommendation: Accept claim disbursements in the amount of \$20,231,058 and the investment report for the month of August 2024.

8. Adopt a resolution to 1) Establish a convenience surcharge for credit card payments made to the City and 2) Update the indirect cost rate

Recommendation: Adopt Resolution No. 2024-066 to:

1. Establish a 2.50 percent convenience surcharge on all payments made to the City using a credit card, effective January 1, 2025, and
2. Update the City's indirect cost rate to 27.03 percent, effective November 18, 2024.

Library and Recreation

9. Adopt a resolution accepting \$42,948 in grant funding for Adult Literacy Services from the California State Library for FY 2024/25

Recommendation: Adopt Resolution No. 2024-067 accepting \$42,948 in grant funding for Adult Literacy Services from the California State Library for FY 2024/25.

Public Works

10. Approve a professional services agreement with Pakpour Consulting Group, Inc. for construction management services for the not-to-exceed amount of \$186,624 for the Near-Term Water Improvements Project, CIP No. 24172

Recommendation: Approve a professional services agreement with Pakpour Consulting Group, Inc. under the on-call general civil engineering contract for a not-

to-exceed amount of \$186,624 for the Near-Term Water Improvements Project, CIP No. 24171, per the June 1, 2021, City Council resolution.

MEETING OPEN TO THE PUBLIC

12. Business Anniversary Recognition

Lisa Adamos, Economic Development Manager, introduced the businesses celebrating anniversaries this year.

13. Presentation of a proclamation recognizing November 1, 2024 as Diwali

Vice Mayor Testa presented the proclamation to recipient Association of Indo-Americans.

14. Presentation of a proclamation recognizing October 2024 as Domestic Violence Awareness Month

Vice Mayor Testa presented the proclamation to recipient Tri-Valley Haven.

15. Public Comment regarding items not listed on the agenda.

Mayor Brown opened public comment. The following individuals provided comment: Kelly Cousins, Sandra Yamaoda, Christine Bourg, Erin Sharpe, Sean Fogarty, Jan Batcheller, Brad Hirst, Linda Garbarino, Linda Kelly, Vicki LaBarge, Matthew Gray, Craig Freeman, Doug Miller.

Mayor Brown closed the public comment.

PUBLIC HEARINGS AND OTHER MATTERS

16. PG&E presentation on service reliability

PG&E representatives, Sarah Yoell and Jake Zigelman, presented on the service areas within the city including a summary of outage history, reliability and ongoing improvements in the five different circuit areas.

Mayor Brown opened public comment. The following individuals provided comment: Laura Danielson.

Mayor Brown closed the public comment.

Mayor Brown called a recess at 9:15 p.m. and reconvened at 9:23 p.m.

17. Receive a presentation and provide input on Draft Amendments to Pleasanton

Municipal Code (PMC) Chapter 17.44 - Inclusionary Zoning Amendments and Related Amendments to PMC Chapter 17.40 - Affordable Housing Fee, Chapter 18.38 - Housing Opportunity Zone District, and the Objective Design Standards for Housing Element Sites

Recommendation: Receive a presentation and provide input on Draft Amendments to Pleasanton Municipal Code (PMC) Chapter 17.44 - Inclusionary Zoning Amendments and Related Amendments to PMC Chapter 17.40 - Affordable Housing Fee, Chapter 18.38 - Housing Opportunity Zone District, and the Objective Design Standards for Housing Element Sites.

Presentation by Ellen Clark, Community Development Director.

18. Receive Economic Development Strategic Plan Implementation Update

Recommendation: Receive Economic Development Strategic Plan implementation update.

Presentation by Lisa Adamos, Economic Development Manager.

11. Receive an update on Water System Activities

Recommendation: Receive an update on Water System Activities.

MOTION: It was m/s by Nibert/Brown to accept the report as recommended. Motion passed by the following vote:

Ayes: Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown

Noes: None

Absent: None

MATTERS INITIATED BY COUNCIL

Councilmember Balch inquired if there was a designated representative for the United States semiquincentennial in 2026. City Manager Beaudin stated staff resources have not been identified, but hopes to be able to coordinate with a community group to support the project.

COUNCIL REPORTS

The City Council reported on regional and local meetings attended.

ADJOURNMENT

Mayor Brown adjourned the meeting at 11:15 p.m.

Jocelyn Kwong, City Clerk

November 19, 2024
City Clerk

TITLE: RATIFY ECONOMIC VITALITY COMMITTEE APPOINTMENT

SUMMARY

The City solicited applications for unfilled commission and committee vacancies that were not filled during the recent fall recruitment. One application was received by Brian Wilson for the Commercial Real Estate position on the Economic Vitality Committee. The application was screened for eligibility, and reviewed by the Mayor.

RECOMMENDATION

Ratify Economic Vitality Committee Appointment.

- Brian Wilson: November 19, 2024 - September 30, 2028

BACKGROUND

In accordance with commission/committee appointment policies, the City solicits applications from interested Pleasanton residents and those who work in Pleasanton to serve on the City's standing commissions and committees. Generally, recruitment is conducted in the spring and fall of each year, unless there is an unscheduled vacancy.

DISCUSSION

After the fall commission and committee recruitment was completed, there were several vacant positions remaining, one of which was the Commercial Real Estate position on the Economic Vitality Committee. The recruitment for this position remained open as an unfilled vacancy. On October 4, 2024, the City received one application from Brian Wilson for the vacant Commercial Real Estate position. The applicant was a former member of the Economic Vitality Committee, and in good standing. The applicant was qualified on the basis of their application which was reviewed by the Mayor.

EQUITY AND SUSTAINABILITY

The City encourages all eligible and interested community members to participate in committees and commissions, with the intent of including diverse voices from throughout the Pleasanton community. The recruitment process is structured to optimize opportunities for participation.

OUTREACH

Recruitment was open for 30 days in accordance with City policy. Staff liaisons to commissions notified members who may have been impacted by the spring commission and committee restructure of their need to reapply during the fall recruitment cycle if they were eligible and interested in continuing to serve on their respective boards. After the close of the fall

recruitment, unfilled positions were listed on the City website for interested parties.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the Citywide strategic goal of *Optimizing Our Organization*, Strategy 4 - Evaluate the organization's structure of community engagement opportunities such as commissions and committees to improve information sharing, optimize staff efficiency, and provide greater service to the community.

FISCAL IMPACT

None.

Prepared by:



Danielle Diaz, Deputy City Clerk

Submitted by:



Jocelyn Kwong, City Clerk

Approved by:



Gerry Beaudin, City Manager

Attachments:

None

November 19, 2024
City Manager

TITLE: PUBLIC HEARING: ADOPT A RESOLUTION LEVYING THE DOWNTOWN PLEASANTON BUSINESS IMPROVEMENT DISTRICT ASSESSMENT FOR 2025

SUMMARY

The Downtown Pleasanton Business Improvement District (BID) assessment is collected annually as part of a three-step process described under State law. The City Council approved the first step on August 20, 2024, appointing an advisory board to prepare an annual budget and report describing the programs and activities of the BID. The City Council completed the second step on October 15, 2024, by adopting a resolution accepting and approving the 2024 Annual Report and 2025 Budget and declaring the intent to levy the annual assessment for 2025. The final step is to hold a public hearing and adopt a resolution levying the Downtown Pleasanton BID assessment for 2025. This action will levy funds to be used by the Pleasanton Downtown Association (PDA), as the manager of the Downtown Pleasanton BID, to conduct promotions, programs and activities that benefit downtown Pleasanton.

RECOMMENDATION

Hold a public hearing and adopt a resolution levying the Downtown Pleasanton Business Improvement District assessment for 2025.

BACKGROUND

Several decades ago, in 1989, the City established a Downtown Pleasanton Business Improvement District (BID) with the purpose and boundaries of which are set forth in Chapter 5.28 of the Pleasanton Municipal Code. The Pleasanton Downtown Association (PDA) serves as the manager of the Downtown Pleasanton BID. At its November 19, 2019, meeting, the City Council approved renewal of a five-year agreement between the City and the PDA by which the City contributes funds to match the annual BID assessment revenue. These City funds are remitted to the PDA and used to conduct promotions, programs and activities that benefit downtown Pleasanton. The agreement requires the PDA to submit an annual budget to the City Council for review and consideration. The Downtown Pleasanton BID annual assessment revenue in 2025 is provisionally projected by City staff to be approximately \$80,000.

The assessment formula determined with the formation of the BID - and not materially amended since then - is based on the annual business license payment and is calculated as follows:

- businesses located curbside and downstairs on Main Street are assessed at two times (2X) their business license;
- businesses with a Main Street address located upstairs, or not curbside, are assessed at a rate of one and a half times (1½X) their business license;
- all other businesses (those located off Main Street) pay an amount equal to one times

(1X) their business license.

The minimum assessment is \$50 and the maximum is \$350. Non-profit businesses within the district are not assessed. For 2025, there are no proposed boundary changes or proposed changes in the method of levying the assessment.

Under the current agreement between the PDA and the City, the City is required to match the annual BID assessment, estimated at an additional \$80,000. The full amount of the City's matching funds will be considered based on future financial constraints. An updated agreement will be presented for the City Council's consideration in early 2025 in alignment with the Property-based Business Improvement District (PBID) feasibility study results.

In the interim, the PDA provided a provisional budget which considers potential budget reductions, including the possibility of no City match of assessments, which would result in a PDA budget reduction of \$80,000. This scenario would necessitate the elimination of one position, a savings of \$61,000, plus additional reductions totaling \$16,850. The PDA budget includes events planned during the year, which are projected to generate approximately 62 percent of the total 2025 revenue, up from 55 percent last year. Remaining income from the BID assessments, farmer's market, corporate sponsors and miscellaneous sources generate the remaining 38 percent of the total 2025 revenue.

DISCUSSION

Per Chapter 3, Section 36530 of the Parking and Business Improvement Area Law of 1989, the City Council must complete the following three steps to levy the annual assessment for the Downtown Pleasanton BID:

1. Appoint an advisory board to prepare the annual budget with a report describing the programs and activities of the downtown business improvement district and the related funding sources (completed on August 20, 2024);
2. Accept the annual report and budget and set a public hearing to levy the assessments (completed on October 15, 2024); and
3. Open and close a public hearing and adopt by resolution the assessments (to be completed on November 19, 2024).

As the first two steps in the process have been completed, the final step is to hold a public hearing to hear any protest to the levy of the Downtown Pleasanton Business Improvement District assessment for 2025 and to adopt a resolution levying the Downtown Pleasanton Business Improvement District assessment for 2025 (Exhibit A).

Next Steps with Property-based Business Improvement District (PBID) Evaluation

For numerous years, it has become apparent that the funding generated through the current annual BID assessment – approximately \$80,000, which the City has historically matched – does not provide sufficient revenue to support the PDA in meeting the PDA's and City's shared expectations to augment the vitality and economic health of the downtown district through the implementation of contemporary activities and best practices. A restructure of the BID assessment has been a priority of the PDA and was included in the previous City Council Priorities annual work plan.

City staff, with input from the PDA, is working with Civitas Advisors to evaluate the feasibility of a Property-based Business Improvement District (PBID) as Phase I of the project. It is anticipated that creating a PBID would generate significantly more revenue than the approximately \$80,000 provided through the current assessment. The process consists of several steps including the establishment of a steering committee to determine district parameters and build consensus among property owners, database and boundary map development, property owner outreach, district service plan and assessment scenario development, and financial analysis and recommendation. A property owner open house is planned on November 18, 2024, and feedback from a survey is currently being collected for consideration of the draft district service plan.

Staff will present the feasibility study results to the Economic Vitality Committee, followed by a recommendation to be considered by the City Council in early 2025. If directed by the City Council to proceed with a Property-based Business Improvement District, Phase II of the project will begin with formation, which could take approximately 9 months. If it is not approved to proceed with a Property-based Business Improvement District, staff will begin to transition the current business improvement district from the Parking and Business Improvement Area Law of 1989 to the 1994 law, as the 1994 law allows the district term to be formed for up to five years, which is intended to align with the five-year term of the City-PDA agreement. The 1994 law initiation process would be based on the submission of petitions signed by businesses that will pay at least 50% + 1 of the proposed assessment rather than by resolution adopted by the City Council. Calendar year 2026 would be the target for implementing a new or updated structure.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is a routine matter of City business.

OUTREACH

No outreach was conducted, as this item is a routine matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic plan goal of Building a Community Where Everyone Belongs by ensuring the vibrancy of Pleasanton's downtown as prioritized in the City's Economic Development Strategic Plan.

FISCAL IMPACT

The current agreement between the Downtown Pleasanton Business Improvement District and the City requires the City to match the annual assessments paid by businesses in the BID. In 2024, the City match from the General Fund is estimated to be approximately \$80,000. While staff anticipates the 2025 annual assessments will similarly be around \$80,000, the full amount of the City's matching funds will be considered based on future financial constraints. The current agreement expires on December 31, 2024; an updated agreement will be presented for the City Council's consideration in early 2025 in alignment with the property and business improvement district (PBID) feasibility study results.

Prepared by:



Lisa Adamos, Economic
Development Manager

Submitted by:



Pamela Ott, Assistant City Manager

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Resolution to Levy 2025 Downtown Pleasanton BID Assessment

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON, LEVYING
THE 2025 ANNUAL ASSESSMENT FOR THE DOWNTOWN PLEASANTON
BUSINESS IMPROVEMENT DISTRICT**

WHEREAS, the City of Pleasanton has heretofore established a Pleasanton Downtown Business Improvement District, the purposes and boundaries of which are set forth in Chapter 5.28, Pleasanton Municipal Code; and

WHEREAS, the City of Pleasanton has heretofore appointed an Advisory Board for the Pleasanton Downtown Business Improvement District; and

WHEREAS, said Advisory Board has prepared an annual report and budget in accordance with the statutory requirements of the Streets and Highways Code, §36534; and

WHEREAS, the City Council at its meeting on October 15, 2024, accepted and approved the 2024 Annual Report and 2025 Budget of the Downtown Pleasanton Business Improvement District, in accordance with the Streets and Highways Code, §36533; and

WHEREAS, a duly noticed public hearing, as provided in §36534 of the Streets and Highways Code was held before the City Council on November 19, 2024, to consider the levy of the proposed annual assessment; and

WHEREAS, there were no majority protest regarding the proposed assessment.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES
RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:**

SECTION 1. The City Council hereby levies the 2025 annual assessment for the Downtown Pleasanton Business Improvement District.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on November 19, 2024.

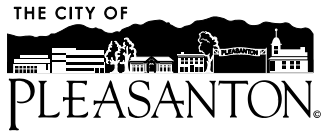
I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on the 19th day of November 2024 by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney



CITY COUNCIL AGENDA REPORT

November 19, 2024
Community Development

TITLE: ADOPT ORDINANCE NO. 2286 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING AMENDMENTS TO CHAPTERS 17.38 AND 18.08, AND 18.88 OF THE PLEASANTON MUNICIPAL CODE REGARDING DENSITY BONUS AND MAJOR TRANSIT STOP AS IDENTIFIED IN STATE LAW, AS FILED UNDER CASE P24-0334

The foregoing Ordinance No. 2286 was introduced at a regular meeting of the City Council on October 15, 2024, by the following vote:

Ayes:	Councilmembers Arkin, Balch, Nibert, Testa, Mayor Brown
Noes:	None
Absent:	None
Abstain:	None

ORDINANCE NO. 2286

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING AMENDMENTS TO CHAPTERS 17.38 AND 18.08, AND 18.88 OF THE PLEASANTON MUNICIPAL CODE REGARDING DENSITY BONUS AND MAJOR TRANSIT STOP AS IDENTIFIED IN STATE LAW, AS FILED UNDER CASE P24-0334

WHEREAS, the City's Housing Element, which was adopted by City Council on January 26, 2023, was found in compliance with housing element law on August 25, 2023, by the California Department of Housing and Community Development and subsequently re-adopted by City Council on September 19, 2023, provides that the City will amend the affordable housing density bonus provisions to align with State Density Bonus Law, as stated in Program 2.7; and

WHEREAS, Sections 65915 et seq. of the California Government Code, known as State Density Bonus Law, require a city to provide a developer that proposes a housing development within the jurisdictional boundaries of that city containing affordable and other types of housing with a density bonus and other incentives; and

WHEREAS, California Government Code Section 65915(a) requires that all jurisdictions within the state adopt an ordinance that specifies how compliance with State Density Bonus Law will be implemented; and

WHEREAS, since adoption of the City's density bonus ordinance, the State Legislature has passed, and the Governor has signed into law, numerous changes to State Density Bonus Law; and

WHEREAS, the City proposes to codify a method to measurement from a major transit stop for purposes of implementing various sections of State law; and

WHEREAS, on September 11, 2024, the Planning Commission following notification to the public in the prescribed manner, conducted a public hearing, considered the written agenda report, public testimony, related project materials, and staff recommendations, and has reviewed the proposed amendments to the Pleasanton Municipal Code, has found that the proposed amendments are consistent with goals and policies of the City's General Plan and recommended that the City Council adopt the municipal code amendments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Finds that the amendments to the Pleasanton Municipal Code are within the scope of the 2023-2031 (6th Cycle) Housing Element Update Environmental Impact Report (State Clearinghouse No. 2022040091) certified by the City Council on January 26, 2023 by Reso No. 23-1357. The proposed amendments do not result in new significant effects beyond those analyzed in the Final EIR. The City Council further finds that the proposed amendments are exempt from CEQA review pursuant to: CEQA Guidelines Section 15268 in that the amendments are necessary to conform to and implement the ministerial approval processes mandated by State law (e.g., Government Code Section 65915; Public Resources Code Section 21155); CEQA Guidelines Section 15061(b)(3) in that there is no possibility the activity will have a significant effect on the environment.

SECTION 2. Approves amendments to Chapters 17.38 and 18.08, and 18.88 of the Pleasanton Municipal Code regarding density bonus and major transit stop as identified in State

law, as filed under Case P24-0334 and attached to this ordinance as Exhibit A.

SECTION 3. A summary of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation published in the City of Pleasanton, and the complete ordinance shall be posted for fifteen (15) days in the City Clerk's office within fifteen (15) days after its adoption.

SECTION 4. This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton, California, on October 15, 2024, and adopted on November 19, 2024, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Karla Brown, Mayor

ATTEST:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

EXHIBIT A

TITLE 17 PLANNING AND RELATED MATTERS

Chapter 17.38 AFFORDABLE HOUSING DENSITY BONUS

Sections

- 17.38.010 Purpose.**
- 17.38.020 Definitions.**
- 17.38.030 Application requirements.**
- 17.38.040 Review process.**
- 17.38.050 Affordability requirements.**
- 17.38.060 Density bonus calculations.**
- 17.38.070 Development standards.**
- 17.38.080 Density bonus for commercial development.**
- 17.38.090 Conflict of interest.**
- 17.38.100 Interpretation.**

17.38.010 Purpose.

In accordance with Government Code Sections 65915, et seq., this chapter specifies how compliance with state density bonus law will be implemented. Specifically, the purpose of this chapter is to provide density bonuses, incentives, concessions, and waivers of development standards for the production of housing for very low-, low-, and moderate-income households, senior households, provision of daycare facilities, student housing, and donations of land, and for other housing types as provided by state law. In enacting this chapter, it is also the intent of the city to implement the goals, objectives, and policies of the city's housing element of the general plan.

17.38.020 Definitions.

The definitions found in state density bonus law shall apply to the terms contained in this chapter. "Incentives" include "concessions" as defined in state density bonus law.

The following terms are defined for purpose of this chapter:

- A. "Affordable units" means the proposed housing units available for rent or sale to households pursuant to the state density bonus law, as set forth in Government Code section 65915 subdivision (b), as may be amended.
- B. "Base units" means the total number of units in a housing development, not including units added through a density bonus pursuant to this chapter.
- C. "Child care facility" means a child day care facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of

daily living or for the protection of the individual on less than a 24-hour basis. Child day care facility includes day care centers, employer-sponsored child care centers, and family day care homes.

- D. "Concession" shall have the same meaning as the term "concession or incentive" pursuant to the state density bonus law, as defined in Government Code section 65915 subdivision (k), as may be amended.
- E. "Density bonus" means a density increase over the otherwise maximum allowable residential density for a housing development as of the date the application is deemed complete, as prescribed by Government Code section 65915, as may be amended, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density.
- F. "Housing development" shall have the same meaning as the term "housing development" pursuant to the state density bonus law, as defined in Government Code section 65915 subdivision (i), as may be amended.
- G. "Identifiable and actual cost reduction to provide for affordable housing cost" means a reasonably quantifiable cost reduction that would be achieved for a housing development through a concession.
- H. "Reasonable documentation to establish eligibility for a concession" means a credible written explanation or other documentation demonstrating to the reasonable satisfaction of the Planning Director or designee that a concession will achieve an identifiable and actual cost reduction to provide for affordable housing cost.
- I. "Senior citizen housing development" means a residential development developed, substantially rehabilitated, or substantially renovated for, senior citizens that has at least 35 dwelling units, as defined in the Civil Code Section 51.3, or a mobile home park that limits residency based on age requirements for housing for older persons pursuant to Civil Code Sections 798.76 or 799.5.
- J. "State density bonus law" means Government Code Section 65915, et seq, as the same may be renumbered or amended.

17.38.030 Application Requirements.

- A. An applicant for a "housing development" as defined in state density bonus law shall be eligible for a density bonus and other regulatory benefits that are provided by state density bonus law when the applicant seeks and agrees to provide housing as specified in Government Code Section 65915(b), (c), (f), (g), (h) and (v), or in Government Code Section 65915.5, or successor provisions. The density bonus calculations shall be made in accordance with state density bonus law.
- B. The granting of a density bonus, incentive, or concession, pursuant to this chapter, shall not be interpreted, in and of itself, to require a general plan amendment, development code amendment, zone change, other discretionary approval, or the waiver of a city ordinance or provisions of a city ordinance unrelated to development standards.
- C. All requests for density bonuses, incentives, parking reductions, and waivers for a housing development shall be filed with and on a form provided by the Director of Community Development, or their designee, concurrently with the filing of the planning application for the first discretionary or ministerial permit required for the housing development, whichever permit is earliest. The applicant shall be informed whether the application is complete consistent with Government Code Section 65943.

D. The application shall include the required fee and the following minimum information:

1. For a requested density bonus.
 - a. A project summary table demonstrating the basis under the state density bonus law on which the applicant is requesting a density bonus, including the maximum allowable density permitted by the zoning and general plan designations excluding any density bonus; base units; proposed number of affordable units by income level; proposed bonus percentage; total number of dwelling units; residential gross floor area and total gross floor area proposed; density per acre; proposed number of parking spaces; and unit and bedroom counts and unit types for the purpose of calculating parking requirements;
 - b. A preliminary site plan, drawn to scale, showing the number and location of all proposed units;
 - c. A legal description of the site;
 - d. A boundary survey;
 - e. An identification of the maximum density bonus to which the housing development is entitled on the basis requested;
 - f. An identification of any concession(s) sought and reasonable documentation consisting of a detailed written statement to establish eligibility for the concession(s);
 - g. An identification of any waiver(s) sought and a detailed written explanation of why the development standard from which any waiver is sought would have the effect of physically precluding the construction of the housing development at the density and with any concession(s) or parking ratio reduction sought.
 - h. If the housing development is proposed on any property that includes a parcel or parcels with existing dwelling units or dwelling units that have been vacated or demolished in the five-year period preceding the application, an explanation of how the project meets the state density bonus law's replacement housing requirements, if applicable, set forth in Government Code section 65915 subdivision (c)(3), as may be amended.
 - i. If the density bonus or concession requested is based all or in part on the inclusion of a child-care facility, a written summary addressing the eligibility requirements pursuant to state density bonus law, as set forth in Government Code section 65915 subdivision (h), as may be amended, have been met.
 - j. If the density bonus or concession is based all or in part on the inclusion of affordable units as part of a condominium conversion, written summary addressing the eligibility

requirements pursuant to state density bonus law, set forth in Government Code section 65915.5, as may be amended, have been met.

- k. If the density bonus is requested for a land donation, the location of the land to be dedicated, proof of site control and reasonable documentation that each of the requirements pursuant to state density bonus law, set forth in Government Code section 65915 subdivision (g), as may be amended, can be met.
 - l. A marketing plan for the affordable housing units, as well as an explanation of the methods to be used to verify tenant and/or buyer incomes and to maintain affordability of the affordable housing units. For a housing development with 15 dwelling units or more, the density bonus housing plan shall specify a financing mechanism for ongoing administration and monitoring of the affordable housing units.
2. **Requested incentives.** Incentives are those defined by state density bonus law. The number of incentives that may be requested shall be based upon the number the applicant is entitled to pursuant to state density bonus law. The application shall include the following minimum information for each incentive requested, shown on a site plan (if appropriate):
 - a. The city usual regulation and the requested regulatory incentive or concession.
 - b. Except where mixed-use zoning is proposed as a concession or incentive, reasonable documentation to show that any requested incentive will result in identifiable and actual cost reductions to provide for affordable housing costs or rents.
 - c. If approval of mixed-use zoning is proposed, reasonable documentation that nonresidential land uses will reduce the costs of the housing development, that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area where the proposed housing development will be located, and that mixed-use zoning will provide for affordable housing costs and rents.
3. **Requested waivers.** For each waiver requested, the applicant shall include, shown on a site plan, and shown for each existing or proposed parcel (if applicable), the city required development standard and the requested development standard.
4. **Parking reductions.** If a housing development is eligible for a density bonus pursuant to state density bonus law, the applicant may request an on-site vehicular parking ratio specified in Government Code Section 65915(p). An applicant may request this parking reduction in addition to the incentives and waivers permitted by paragraphs (2) and (3) of this subsection. The application shall include a table showing parking required by the zoning regulations, parking proposed under state density bonus law, paragraph under Government Code Section 65915(p) (or other statute) under which the project qualifies for the parking reduction, and reasonable documentation that the project is eligible for the requested parking reduction.
5. **Density bonus or incentive for a child care facility in a housing development.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915(h) can be met.

6. **Density bonus or incentive for a condominium conversion.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915.5 can be met.

17.38.040 Application review process.

- A. All requests under state density bonus law shall be part of the planning application and shall be applied for, reviewed, and acted upon concurrently with the planning application by the approval body with authority to approve the development, within the timelines prescribed by Government Code Section 65950 et seq. or other statute. Appeals of the planning application in accordance with the requirements of chapter 18.144 of this code and shall include all requests under state density bonus law if appeals are authorized for the discretionary or ministerial permit applied for.
- B. To ensure that an application for a housing development conforms with the provisions of state density bonus law, the staff report presented to the decision-making body shall state whether the application conforms to the following requirements of state density bonus law, as applicable:
 1. The housing development provides the housing required by state density bonus law to be eligible for a density bonus and any incentives, parking reduction, or waivers requested, including housing required to replace units rented or formerly rented to very low- and low-income households as required by Government Code Section 65915(c)(3).
 2. If applicable, the housing development provides the housing required by state density bonus law to be eligible for an additional density bonus under Government Code Section 65915(v)(1).
 3. If an incentive is requested, reasonable documentation has been presented showing that any requested incentive will result in identifiable and actual cost reductions to provide for affordable housing or costs or rents; except that, if a mixed-use development is requested, the application must instead meet all of the requirements of Government Code Section 65915(k)(2).
 4. If a waiver is requested, the development standards for which a waiver is requested would have the effect of physically precluding the construction of the housing development at the densities or with the incentives permitted.
 5. The housing development is eligible for any requested parking reductions under Government Code Section 65915(p) or other statute.
 6. If the density bonus is based all or in part on donation of land, the requirements of Government Code Section 65915(g) have been met.
 7. If the density bonus or incentive is based all or in part on the inclusion of a child care facility or condominium conversion, the requirements included in Government Code Section 65915(h) or 65915.5, as appropriate, have been met.
- C. The decision-making body shall grant an incentive requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:

1. The proposed incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Health and Safety Code Section 50052.5; or for affordable rents, as defined in Health and Safety Code Section 50053; or
 2. The proposed incentive would be contrary to state or federal law; or
 3. The proposed incentive would have a specific, adverse impact upon the public health or safety or on any real property that is listed in the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.
- D. The decision-making body shall grant the waiver of development standards requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:
1. The proposed waiver would be contrary to state or federal law; or
 2. The proposed waiver would have an adverse impact on any real property listed in the California Register of Historic Resources; or
 3. The proposed waiver would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.
- E. If a child care center complies with the requirements of Government Code Section 65915(h), the decision-making body may deny a density bonus or incentive that is based on the provision of child care facilities only if it makes a written finding, based on substantial evidence, that the city already has adequate child care facilities.
- F. A request for minor modification of an approved density bonus may be granted by the Director of Community Development, or their designee, if the modification substantially complies with the original density bonus housing plan and conditions of approval. Other modifications to the density bonus housing plan shall be processed in the same manner as the original plan.

17.38.050 Affordability requirements.

- A. Affordable rental units provided by a housing development to meet state density bonus law requirements shall be subject to an affordable housing agreement recorded against the housing development for at least a 55-year term or as required by chapter 17.44, commencing upon the issuance of certificates of occupancy. The form of the affordable housing agreement shall be approved by the city attorney.

- B. For-sale affordable units provided by a housing development to meet state density bonus requirements shall be subject to a recorded affordable housing agreement approved as to form by the city attorney commencing upon the issuance of certificates of occupancy. The affordable housing agreement shall, at a minimum, require that:
1. Each for-sale affordable unit shall be sold to an income qualified household at an affordable housing cost, as defined in the affordable housing agreement; and
 2. Each for-sale affordable unit shall be sold to the initial purchaser subject to a recorded resale restriction agreement approved as to form by the city attorney, which shall:
 - a. Have no less than a 45-year term or as required by chapter 17.44 of this title if required by another public financing source or law;
 - b. Restrict the resale price of the unit to an affordable housing cost, as defined in the resale restriction agreement; and
 - c. Require that if the unit is sold to a subsequent purchaser during the term of the agreement, the purchaser shall purchase the unit subject to a resale restriction agreement approved as to form by the city attorney with a new 45-year term or longer if required by another public financing source or law.

17.38.060 Density bonus calculations.

- A. In determining the total number of units to be granted, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.
- B. When calculating the number of affordable units needed to qualify for a given density bonus, any fractions of affordable dwelling units shall be rounded up to the next whole number.
- C. Except where a housing development is eligible for an additional bonus pursuant to Government Code Section 65915(v), each housing development is entitled to only one density bonus. If a housing development qualifies for a density bonus under more than one category, the applicant shall identify the category under which the density bonus is requested to be granted.
- D. In determining the number of affordable units required to qualify a housing development for a density bonus pursuant to state density bonus law, units added by a density bonus are not included in the calculations. Any on-site units shall satisfy the city's inclusionary housing requirements in chapter 17.44. Payment of fees in lieu of providing affordable units under chapter 17.44 does not qualify a housing development for a density bonus.
- E. The applicant may elect to accept a lesser percentage of density bonus than the housing development is entitled to, or no density bonus, but no reduction will be permitted in the percentages of affordable units required by state density bonus law. Regardless of the number of affordable units, no housing development shall be entitled to a density bonus greater than what is authorized under state density bonus law.

- F. Nothing in this chapter requires the provision of direct financial incentives from the city for the housing development, including, but not limited to, the provision of financial subsidies, publicly owned land, fee waivers, or waiver of dedication requirements. The city, at its sole discretion, may choose to provide such direct financial incentives.

17.38.070 Development standards.

- A. Building permits and final inspections or certificates of occupancy shall be issued concurrently for the market rate units and for any affordable units that qualified the project for a density bonus, incentive, waiver, or parking reduction, so that the affordable units comprise the required percentage of total units.
- B. All units provided as density bonus units shall comply with the development standards set forth in Section 17.44.050 of this code.

17.38.080 Density bonus for commercial development.

- A. The following definitions shall apply to this Section 17.38.080:
 - 1. “Commercial development” means a development project for nonresidential and nonindustrial uses.
 - 2. “Commercial development bonus” means modification of development standards mutually agreed upon by the city and a commercial developer and provided to a commercial development eligible for such a bonus under subparagraph 17.38.080(C). Examples of a commercial development bonus include an increase in floor area ratio, increased building height, or reduced parking.
 - 3. “Partnered housing agreement” means an agreement approved by the city between a commercial developer and a housing developer identifying how the commercial development will provide housing available at an affordable ownership cost or affordable rent consisted with subparagraph (h)(3). A partnered housing agreement may consist of the formation of a partnership, limited liability company, corporation, or other entity recognized by the state in which the commercial developer and the housing developer are each partners, members, shareholders, or other participants, or a contract between the commercial developer and the housing developer for the development of both the commercial developer and the housing development.
- B. When an applicant proposes to construct a commercial development and has entered into a partnered housing agreement approved by the city, the city shall grant a commercial development bonus mutually agreed upon by the developer and the city. The commercial development bonus shall not include a reduction or waiver in fees imposed on the commercial development to provide for affordable housing.
- C. The partnered housing agreement shall include all of the following provisions:
 - 1. The housing development shall be located either: (i) on the site of the commercial development; or (ii) on a site within the city that is within one-half mile of a major transit stop, as defined in Public Resources Code Section 21155, and is in close proximity to public amenities, including schools and employment centers.

2. At least thirty percent (30%) of the total units in the housing development shall be made available at an affordable ownership cost or affordable rent to low-income households, or at least fifteen percent (15%) of the total units in the housing development shall be made available at an affordable ownership cost or affordable rent to very low-income households.
 3. The commercial development must agree either to directly build the affordable housing units, donate a site consistent with the requirements of Government Code Section 65915(g) for the development of the affordable housing units, or make a cash payment to the housing developer for the development of the affordable housing units.
- D. An approved partnered housing agreement shall be described in the city Housing Element annual report as required by Government Code Section 65915.7(k).

17.38.090. Conflict of interest.

The following individuals are ineligible to purchase or rent an affordable unit: (A) city employees and officials who have policy making authority or influence regarding city housing programs, and their immediate family members; (B) the project applicant and its officers and employees and their immediate family members; and (C) the project owner and its officers and employees and their immediate family members.

17.38.100 Interpretation.

If any portion of this chapter conflicts with state density bonus law or other applicable state law, state law shall supersede this chapter. Any ambiguities in this chapter shall be interpreted to be consistent with state density bonus law. Statutory references in this ordinance include successor provisions.

TITLE 18 ZONING

CHAPTER 18.08 DEFINITIONS

18.08.332 Major transit stop.

“Major transit stop” means a site containing either of the following, or as amended by state law:

- A. An existing public rail or public bus rapid transit station.
- B. The intersection of two or more major public bus routes with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods.

Unless otherwise defined by state law, a distance or radius from the major transit stop shall be measured from a single point at the center of the stop or station. Where a station/stop includes infrastructure, such as platforms, bus transfer facilities, and/or parking areas, a single centroid shall be used. If a project site is partially within the radius measurement from the single point, a project shall be considered to be within the radius if: (1) all parcels within the project have no more than 25 percent of their area farther than the specified distance from the major transit stop; and (2) if residential units are proposed, not more than 10

percent of the residential units or 100 units, whichever is less, in the project are farther than the specified distance from the major transit stop.

CHAPTER 18.88 OFF-STREET PARKING FACILITIES

18.88.020 Basic Requirements.

A. Unless otherwise provided in state law or this chapter, at the time of initial occupancy, major alteration, or enlargement of sites, or of completion of construction of a structure or of a major alteration or enlargement of a structure, there shall be provided off-street parking facilities for automobiles in accordance with the schedule of off-street parking space requirements prescribed in Section 18.88.030 of this chapter. Except as modified in subsection D of this section, the terms "major alteration" or "enlargement" shall mean a change of use or an addition which would increase the number of parking spaces required by not less than 10 percent of the total number required. The number of parking spaces provided for a major alteration or enlargement of a site or structure shall be in addition to the number existing prior to the alteration or enlargement, unless the preexisting number is greater than the number prescribed in Section 18.88.030 of this chapter, in which instance the number in excess of the prescribed minimum shall be counted in calculating the number provided to serve the major alteration or enlargement.

CITY COUNCIL AGENDA REPORT

November 19, 2024
Community Development

TITLE: ACTIONS OF THE ZONING ADMINISTRATOR AND PLANNING COMMISSION

P24-0500, Yung Chen / Heng Su

Application for Administrative Design Review approval to construct an approximately 160-square-foot single-story addition on the northwest side of the home located at 4190 Garatti Court.

Project Information:

Existing floor area: 1,473 square feet

Total floor area with addition: 1,633 square feet

Lot size: 8,051 square feet

Existing floor area ratio: 18.29 percent

Total floor area ratio with addition: 20.28 percent

Approved. (9 days)

P24-0589, Yao Chen Architecture Studio

Application for Administrative Design Review approval to construct an approximately 663-square-foot, single-story detached accessory structure (pool house) on the southside of the lot at 9472 Blessing Drive.

Project Information:

Existing floor area: 6,175 square feet

Total floor area with addition: 6,838 square feet

Lot size: 55,382 square feet

Existing floor area ratio: 11.15 percent

Total floor area ratio with addition: 12.35 percent

Approved. (9 days)

P24-0566, Linda Hoig

Application for Administrative Design Review approval to construct an approximately 78-square-foot addition to an existing residence located at 1462 Groth Circle.

Project Information:

Existing floor area: 1,345 square feet

Total floor area with addition: 1,423 square feet

Lot size: 6,209 square feet
Existing floor area ratio: 21.66 percent
Total floor area ratio with addition: 22.92 percent

Approved. (10 days)

P24-0568, Leon Sullivan

Application for Administrative Design Review approval to construct an approximately 657-square-foot single-story addition to an existing residence located at 4380 Dorman Court.

Project Information:

Existing floor area: 1,822 square feet
Total floor area with addition: 2,479 square feet
Lot size: 10,001 square feet
Existing floor area ratio: 18.22 percent
Total floor area ratio with addition: 24.79 percent

Approved. (10 days)

P24-0567, Ashok Bhayal

Application for Administrative Design Review approval to construct an approximately 445-square-foot single-story addition to an existing residence located at 7609 Fair Oaks Drive.

Project Information:

Existing floor area: 1,357 square feet
Total floor area with addition: 1,802 square feet
Lot size: 7,405 square feet
Existing floor area ratio: 18.33 percent
Total floor area ratio with addition: 24.33 percent

Approved. (10 days)

P24-0527, Kevin Stracner / Greenberg Farrow

Application for Design Review approval to construct an approximately 140-square-foot pump room addition to the existing building and associated site improvements located at 6000 Johnson Drive.

Approved. (0 days)

P24-0564, Nikhl Chandrika Jayakumar

Application for Administrative Design Review approval for the construction of the following: 1) an approximately 495-square-foot addition on the first floor at the front of the existing residence; 2) a new front entry porch, and 3) an approximately 58-square-foot storage area on the second floor located at 3657 Shenandoah Court.

Project Information:

Existing floor area: 1,744 square feet

Total floor area with addition: 2,312 square feet

Lot size: 6,534 square feet

Existing floor area ratio: 26.69 percent

Total floor area ratio with addition: 34.04 percent

Approved. (8 days)

P24-0581, Doug Harward

Application for Administrative Design Review approval for the construction of an approximately 105-square-foot addition and an approximately 342-square-foot covered porch at the rear of the existing residence located at 3125 Berkshire Court.

Project Information:

Existing floor area: 2,985 square feet

Total floor area with addition: 3,090 square feet

Lot size: 11,307 square feet

Existing floor area ratio: 26.4 percent

Total floor area ratio with addition: 27.33 percent

Approved. (8 days)

P24-0590, Daniel Vargas / AKD Homes

Application for Administrative Design Review approval to remove the existing attached patio cover and construct a new approximately 13-foot-tall, 625-square-foot patio cover attached to the rear of the house located at 1466 Ridgewood Road.

Approved. (8 days)

Project Information: No Change.

P24-0584, Laura Cuda

Application for Administrative Design Review approval for the construction of an approximately 244-square-foot addition at the rear of the existing residence located at 1970 Harvest Road.

Project Information:

Existing floor area: 2,047 square feet

Total floor area with addition: 2,291 square feet

Lot size: 6,500 square feet

Existing floor area ratio: 31.49 percent

Total floor area ratio with addition: 35.25 percent

Approved. (12 days)

P24-0563, Kamran Dadgari

Application for Administrative Design Review approval to construct an approximately 863-square-foot single-story addition and second-story balcony to an existing home located at 3404 Vermont Place.

Project Information:

Existing floor area: 2,209 square feet

Total floor area with addition: 3,072 square feet

Lot size: 7,512 square feet

Existing floor area ratio: 29.41 percent

Total floor area ratio with addition: 40.89 percent

Approved. (14 days)

P24-0588, Tejpal Singh / Kiran Bal

Application for Administrative Design Review approval to construct an approximately 14'-4" high cabana in the rear yard located at 3553 Villero Court.

Approved. (16 days)

P24-0587, Parmdeep Singh

Application for Administrative Design Review approval to construct an approximately 448-square-foot pavilion at 1587 Germano Way.

Approved. (19 days)

P24-0632, Hereld & Ayres Architects

Application for Administrative Design Review approval to include five clearstory windows on the northeast side of the previously approved addition currently under construction (filed under P23-0862) at 4348 Second Street.

Approved. (9 days)

P24-0646, Fan Xiong

Application for Cottage Food Operation approval to prepare baked goods with direct sales to customers at 3892 Stanley Boulevard.

Approved. (7 days)

P24-0659, Leanne Cavellini

Application for Cottage Food Operation approval to prepare baked goods with direct sales to customers at 4587 Black Avenue.

Approved. (2 days)

Planning Commission, October 23, 2024

Commissioners Present: Anurag Jain, Vivek Mohan, Ken Morgan, Stephanie Wedge and Chair Matt Gaidos

Commissioners Absent: Brandon Pace

P21-1173, PUD-146 and TRACT 8631/Robson Homes

Consideration of recommendations to the City Council for: (1) the adoption of an addendum to the Downtown Specific Plan Final Environmental Impact Report; (2) approval of applications for: (a) rezoning (P21-1173) two parcels totaling approximately 2.3-acres in area from C-C (Central-Commercial) to PUD-MU (Planned Unit Development-Mixed-Use) District; (b) a certificate of appropriateness to demolish structures; (c) PUD-MU development plan (PUD-146) approval to: (1) retain the two-story single-family home and construct an approximately 1,360-square-foot two-story addition to the north side of the home; (2) demolish the detached accessory dwelling unit, Barone's restaurant, and all other structures and site modifications; and (3) construct; i) an approximately 676-square-foot single-story detached accessory dwelling unit; ii) 14 detached single-family homes, iii) two commercial buildings totaling approximately 3,125 square feet in area with a public courtyard, new private streets, and related site improvements; and (4) a Vesting Tentative Tract Map (Tract 8631) to subdivide the 2.3 acres into 15 single-family lots, one commercial lot, and three private common space parcels.

Action Recommended: 1. Find the addendum to the Downtown Specific Plan Final Environmental Impact Report satisfies the requirements of CEQA and adopt a resolution recommending adoption of the addendum to the Downtown Specific Plan Final Environmental Impact Report (FEIR). 2. Adopt a resolution recommending approval of: (1) Rezoning (P21-1173) two parcels totaling approximately 2.3-acres in area from C-C (Central-Commercial) to PUD-MU (Planned Unit Development-Mixed-Use) District; (b) a certificate of appropriateness to demolish structures; (c) PUD-MU development plan (PUD-146) approval to: (1) retain the two-story single-family home and construct an approximately 1,360-square-foot two-story addition to the north side of the home; (2) demolish the detached accessory dwelling unit, Barone's restaurant, and all other structures and site modifications; and (3) construct; i) an approximately 676-square-foot single-story detached accessory dwelling unit; ii) 14 detached single-family homes, iii) two commercial buildings totaling approximately 3,125 square feet in area with a public courtyard, new private streets, and related site improvements; and (4) a Vesting Tentative Tract Map (Tract 8631) to subdivide the 2.3 acres into 15 single-family lots, one commercial lot, and three private common space parcels.

Action Taken: Approve as recommended with additional recommendations that: (1) The City Council review the proposed PUD-MU permitted and conditionally permitted uses and list specific allowable uses for the commercial property; and (2) The Developer consider adding a second story or roof deck to the commercial buildings if feasible and

3) City Council consider addition of a condition of approval for a maintenance agreement for the on-site common areas .

Vote: 5-0

P24-0585, City of Pleasanton, Work Session to review and discuss draft amendments to the Objective Design Standards for Housing sites and Pleasanton Municipal Code

Work session to review and discuss amendments to the Objective Design Standards for Housing Sites and Chapter 18.84 of the Pleasanton Municipal Code.

Action Recommended: Receive presentation, review and discuss draft amendments to the Objective Design Standards for Housing Sites and Pleasanton Municipal Code.

Action Taken: Receive staff presentation, review and discuss draft amendments to Objective Design Standards for Housing Sites and Pleasanton Municipal Code.

Vote: N/A

P24-0633, Steve Elliot

Application for Administrative Design Review approval to construct an approximately 35-square-foot second-story balcony with French doors to the rear of an existing residence located at 3121 Tokay Court.

Project Information:

Existing floor area: 2,795 square feet

Total floor area with addition: 2,795 square feet

Lot size: 9,234 square feet

Existing floor area ratio: 30.27 percent

Total floor area ratio with addition: 30.27 percent

Approved. (7 days)

Prepared by:



Melinda Denis
Zoning Administrator

Submitted by:



Ellen Clark
Director of Community
Development

Approved by:



Gerry Beaudin
City Manager

November 19, 2024
Community Development

TITLE: INTRODUCE AN ORDINANCE APPROVING AMENDMENTS TO PLEASANTON MUNICIPAL CODE CHAPTERS 17.44 (INCLUSIONARY ZONING), 17.40 (AFFORDABLE HOUSING FEE) AND 18.38 (HOUSING OPPORTUNITY ZONE DISTRICT); AND ADOPT A RESOLUTION APPROVING AMENDMENTS TO THE OBJECTIVE STANDARDS FOR HOUSING ELEMENT SITES (CASE NO. P24-0505)

SUMMARY

Since early 2024, the City has undertaken a comprehensive update of the Inclusionary Zoning Ordinance (IZO), Chapter 17.44 of the Pleasanton Municipal Code (PMC). In addition to updating the IZO with respect to the inclusionary rate and target affordability levels, the amendments provide much greater specificity and increased objectivity related to design and development standards for inclusionary units, and also clarify and improve the procedures, findings and requirements for projects seeking approval of alternative means to comply with the IZO. Following three City Council workshops to discuss aspects of the IZO, including review of a redline draft ordinance on October 15, 2024, and a recommendation by the Planning Commission on September 11, 2024, the amended IZO is presented to the City Council for adoption. With the IZO amendments, several related chapters of the Pleasanton Municipal Code (PMC 17.40, 18.48), and the Objective Design Standards for Housing Element Sites, are also proposed to be amended to update and align them to the amended IZO.

RECOMMENDATION

Introduce an Ordinance approving amendments to Pleasanton Municipal Code Chapters 17.44 (Inclusionary Zoning), 17.40 (Affordable Housing Fee) and 18.38 (Housing Opportunity Zone District); and adopt a resolution approving amendments to the Objective Standards for Housing Element Sites (Case No. P24-0505).

BACKGROUND

Since early 2024, City staff and a professional services team led by Economic & Planning Systems (EPS) have undertaken work to update the City's Development Impact Fees and Affordable Housing Fees, and to update the existing Inclusionary Zoning Ordinance.

The process to update the City's Affordable Housing fee has to date been conducted in tandem with discussion of potential changes to the IZO. In particular, these discussions have focused on the inclusionary rate reflected in the IZO (i.e., the proportion of affordable units required as part of market-rate projects), and the required minimum affordability levels for inclusionary units, since those factors influence the recommended affordable housing fee amount. Amendments are also proposed to PMC Chapter 17.40 (Affordable Housing Fee), Chapter 18.38 (Housing Opportunity Zone District), and the Objective Design Standards for Housing Element Sites, to align with the amendments to the IZO and make other clarifying changes.

Three workshops have been held with the City Council to review and provide direction to staff on the content of the amended IZO on May 7, 2024, August 20, 2024, and most recently, October 15, 2024. See the October 15, 2024, Agenda Report for more information on the content and outcomes of those meetings (Attachment 3).

PLANNING COMMISSION ACTION

The Planning Commission held a public hearing on September 11, 2024, to review and provide a recommendation to City Council for adoption of the updated IZO (PMC Chapter 17.44) and related amendments to PMC Chapters 17.40 and 18.38, and the 2023 Objective Design Standards for Housing Element Sites. By a 4-1 vote (Mohan voting “no”), the Planning Commission recommended that the City Council approve the amendments as recommended by staff. As described below, the Planning Commission suggested more information be provided to City Council to support recommendations concerning minimum unit sizes. This information was provided to the City Council at its October 15, 2024 meeting, along with recommended adjustments to the minimum unit sizes as reflected in the draft ordinance.

DISCUSSION

The City Council reviewed a redline draft of the proposed amendments at a workshop on October 15, 2024, at which there was discussion with staff with respect to the details of the proposed amendments, although no changes were directed by City Council. As such, please refer to the October 15, 2024, agenda report, which discusses and outlines in detail, the proposed amendments and substantive changes, including revisions made following the Planning Commission meeting and action. It should be mentioned that since the City Council reviewed the proposed amendments on October 15, 2024, minor edits were made for formatting, referencing the appropriate section under state law, and use of consistent terms and definitions in the proposed amendments.

Attachment 1 includes the text of the draft ordinance, inclusive of changes to Chapters 17.40, 17.44, and 18.38. Attachment 2 includes the resolution to amend the Objective Design Standards for Housing Element Sites document, consistent with the proposed amendments to the PMC.

In brief, amendments include the following key changes:

IZO: Modifications to Inclusionary Rate and Target Affordability

For Sale / Single-Family Projects (attached and detached)

- Establishes a 15% Inclusionary Rate, at 120% AMI (moderate income). This is a reduction from the current, 20% inclusionary rate.

Rental / Multifamily Projects

- Retain 15% Inclusionary requirement, at 50% AMI (very-low income) and 60% AMI (low-income).

For all residential projects, modify minimum threshold project size required to construct on-site affordable units from 15+ units to 10+ units.

IZO: Other Amendments

- Improved/more objective requirements and standards for dispersal/clustering of units
- Provisions intended to provide flexibility to meet on-site affordable requirements for single-family projects with smaller and clustered units
- Provisions to disallow Accessory Dwelling Units and Junior Accessory Dwelling Units from being “counted” towards IZO requirements
- Specifications for minimum unit sizes and specified bedroom mix
- Improved/more objective design standards for unit comparability and design quality respective to market-rate units
- Alternative Compliance Procedure
 - Alternatives to strict compliance with IZO may be allowed subject to City Council approval
 - Different clustering/configuration (most preferred)
 - Off-site construction
 - Land dedication
 - Payment of fees (least preferred)
- Improved and strengthened criteria for approval of alternative compliance proposals
- Simplified approval process for projects fully compliant with requirements of the IZO, and not seeking alternative compliance.

Amendments to PMC Chapters 17.40, 18.38 and ODS for Housing Element Sites

Amendments to these chapters are less substantial than those proposed to Chapter 17.44, but variously include revisions to delete redundant/overlapping requirements, modernize language, and align the PMC text to current State law and City practices (see October 15 Agenda Report for additional information).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The adoption of this ordinance and the amendments to the Objective Design Standards for the Housing Sites are not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for them to result in a physical change in the environment, either directly or indirectly. Additionally, the ordinance and amendments to the Objective Design Standards are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment and they contain no provisions that will directly or indirectly result in a physical change in the environment.

EQUITY AND SUSTAINABILITY

Adopting the updated Inclusionary Zoning Ordinance and related PMC amendments helps to advance equity and sustainability goals, by improving and strengthening the ordinance and its implementing procedures to encourage the maximum production of affordable housing units, and ensure that the housing needs of Pleasanton's lower-income households are met.

OUTREACH

Notice of this public hearing was placed in The Valley Times, and interested parties requesting notification were also sent notices. Prior to this public hearing, staff provided an update to the Chamber of Commerce Economic Development and Government Relations (EDGR)

Committee on October 22; and to the Economic Vitality Committee (EVC) on October 17, 2024, regarding both the IZO and the Impact Fee update. Email notice of this November 19 meeting was also sent to a list of residential developers (both local and national firms) which was developed during the Housing Element process, and includes approximately 48 individual contacts.

STRATEGIC PLAN ALIGNMENT

Completion of these updates is consistent with the ONE Pleasanton Strategic Plan goal of *Building a Community Where Everyone Belongs*, Strategy 6 – Implement the Housing Element and develop a plan to end homelessness, and the 6th Cycle Housing Element Program 2.1 – Continue to implement the Inclusionary Zoning Ordinance and actively pursue strategies to improve its effectiveness in producing affordable housing units in conjunction with new development.

FISCAL IMPACT

Adopting the IZO and related Code and ODS amendments would not have a direct fiscal impact, since its provisions are intended to better align the City's requirements and standards with respect to provision of affordable housing with the City's broader housing policy goals, while ensuring those requirements are not an impediment to overall residential development that may contribute future property tax and other revenues.

Prepared by:



Ellen Clark, Director of
Community Development

Submitted by:



Ellen Clark, Director of Community
Development

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Ordinance
2. Resolution
3. October 15, 2024 - Agenda Report

ORDINANCE NO.**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING AMENDMENTS TO CHAPTERS 17.40 (AFFORDABLE HOUSING FEE), 17.44 (INCLUSIONARY ZONING), AND 18.38 (HOUSING OPPORTUNITY ZONE DISTRICT) OF THE PLEASANTON MUNICIPAL CODE, AS FILED UNDER CASE P24-0334**

WHEREAS, on November 6, 1990, the City Council adopted Ordinance 1488, to establish Chapter 17.40 Lower-Income Housing Fee of the Pleasanton Municipal Code, which chapter was retitled in 2019 to Chapter 17.40 Affordable Housing Fee; and

WHEREAS, on November 7, 2000, the City Council of the City of Pleasanton adopted Ordinance 1818, adding Chapter 17.44 Inclusionary Zoning to the Pleasanton Municipal Code, in order to enhance the City's ability to mitigate the effect of new market-rate development on the demand for affordable housing; and

WHEREAS, in 2017, AB 1505 amended California Government Code Section 65850 and added Section 65850.1, to "reaffirm the authority of local jurisdictions to include within these inclusionary housing ordinances requirements related to the provision of rental units" and "does not modify or in any way change or affect the authority of local jurisdictions to require, as a condition of the development of residential units, that the development include a certain percentage of residential for -sale units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower-income, very-low income, or extremely-low income households;" and

WHEREAS, on December 19, 2023, the City Council adopted Ordinance 2272 to create Chapter 18.38 Housing Opportunity Zone District of the Pleasanton Municipal Code, with this chapter reflecting similar standards to those in the Objective Design Standards for Housing Element Sites; and

WHEREAS, California Government Code Section 65580(d) states that all cities have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community; and

WHEREAS, Program 2.1 of the 2023-2031 6th Cycle Housing Element calls for the City to continue to implement the Inclusionary Zoning Ordinance, and actively pursue strategies to improve its effectiveness in producing affordable housing in conjunction with new development, including study of potential changes to the proportion of inclusionary units required in multi-family developments, identification of a target mix of affordable units and unit size standards, and monitoring the effectiveness of the ordinance in delivering affordable units, with modifications to be evaluated to better achieve that goal; and

WHEREAS, since its adoption, the Inclusionary Zoning Ordinance has resulted in the production of hundreds of below-market-rate housing units in Pleasanton and contributed a

valuable source of funding to support the production of affordable housing and programs that preserve access to and support affordable housing for Pleasanton households; and

WHEREAS, in January 2024, the City retained professional services firm Economic and Planning Systems (EPS) to provide analysis and recommendations with respect to modification to the inclusionary rate and target affordability limits, and in particular to evaluate the feasibility of such changes with respect to the overall production of market-rate residential units; and

WHEREAS, the City Council held public workshops on May 7, 2024 and August 20, 2024, studied potential amendments to the inclusionary rate and required affordability levels as stated in the IZO, and provided direction on various potential amendments to the IZO; and

WHEREAS, on September 11, 2024, the Planning Commission held a duly-noticed public hearing and considered the written agenda report, relevant exhibits, direction from City Council and recommendations from City staff concerning the proposed amendments, and received testimony from interested parties, and recommended City Council approve the proposed amendments; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1: Findings Pursuant to the California Environmental Quality Act (CEQA)

The City Council finds the adoption of this ordinance is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for it to result in a physical change in the environment, either directly or indirectly. Additionally, the ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment and contains no provisions that will directly or indirectly result in a physical change in the environment.

Section 2: Approves Case No. P24-0334 for amendments to Pleasanton Municipal Code (PMC) Chapters 17.44 (Inclusionary Zoning), 17.40 (Affordable Housing Fee), 18.38 (Housing Opportunity Zone District).

Section 3: This ordinance shall become effective 30 days following its passage.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on November 19, 2024, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Karla Brown, Mayor

ATTEST:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

EXHIBIT A

TITLE 17 PLANNING AND RELATED MATTERS

Chapter 17.40 AFFORDABLE HOUSING FEES

§ 17.40.010. Purpose.

An affordable housing fee (previously known as the lower-income housing fee) is established as set forth in this chapter in order to assist in meeting the affordable and moderate-income housing goals as established in the general plan.
(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.020. Definitions.

As used in this chapter:

"Commercial office or industrial development project" means any construction of a new commercial, office or industrial structure, the addition to any existing commercial, office or industrial structure, or the conversion of an existing commercial, office or industrial structure to a use classification capable of employing additional employees.

~~"Household of moderate income" means a household comprised of those individual or families with incomes greater than 80 percent, but less than 120 percent, of the median family income for the Standard Metropolitan Statistical Area, defined as Alameda and Contra Costa Counties for a family of four persons, adjusted up or down for larger or smaller household sizes (PMSA Median).~~

~~"Household of lower income" means a household composed of those individuals or families with incomes no greater than 80 percent of the median family income for the Standard Metropolitan Statistical Area, defined as Alameda and Contra Costa Counties for a family of four persons, adjusted up or down for larger or smaller household sizes (PMSA Median).~~

~~"Lower income housing units" means new or rehabilitated units to be used by households of lower income for at least 25 years and the total housing cost for each unit shall not exceed 30 percent of household income.~~

~~"Moderate income housing units" means new or rehabilitated units to be used by households of moderate income for at least 25 years and the total housing cost for each unit shall not exceed 30 percent of household income.~~

"Housing Unit, Lower-Income" means a new or rehabilitated unit to be made available at a sales price or rental cost affordable to a household whose income does not exceed 80 percent of the Area Median Income, as those terms are defined in Chapter 17.44.

“Housing Unit, Moderate-Income” means a new or rehabilitated unit to be made available at a sales price or rental cost affordable to a household whose income is more than 80 percent of the Area Median Income, but does not exceed 120 percent of the Area Median Income, as those terms are defined in Chapter 17.44.

"Rehabilitated unit" means any housing unit not meeting Uniform Building Code requirements for occupancy which is improved so as to meet those requirements.

"Residential development project" means the construction of a new housing unit.
(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.030. Affordable housing fee required.

- A. All residential and commercial office or industrial development projects not otherwise exempt shall pay an affordable housing fee as established by separate city council resolution and which fee shall be set forth in the city's ~~fees and charges appendix, master fee schedule, as amended.~~

If additional floor area is constructed for, or converted to, commercial, industrial or office use, the fee shall be applicable only to the square footage of the floor area added or to that portion of the square footage of the floor area converted for which the fee has not been paid.

- B. The city council may adjust the fee in consideration of on-site programs promoting lower-income housing such as the dedication of land suitable for lower-income housing, or in conjunction with an alternative compliance proposal made as part of an affordable housing proposal in accordance with Chapter 17.44.

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.040. Exemptions.

- A. The following are exempt from the affordable housing fee:
1. All units within a residential development project when the project has a minimum of 15 percent deed-restricted lower-income housing units;
 2. Those lower-income housing units in a residential development project with less than 15 percent deed-restricted lower-income housing units;
 3. Deed-restricted Moderate moderate-income housing units in residential development projects;
 4. Second units and accessory dwelling units and junior accessory dwelling units as those terms are used in Section 66313 of the Government Code and Chapter 18.106;
 5. Reconstruction or other new development on a site when such reconstruction replaces an equal number of square feet of floor area, as defined in the Uniform Building Code, when the use is similar, and when such reconstruction occurs within two years from the time the previous structure on the site was demolished;
 6. Churches Facilities used exclusively for religious purposes as defined in California Revenue and Taxation Code Section 207.

- B. The project developer shall enter into a regulatory agreement with the city in order for a project to qualify for an exemption by the inclusion of lower-income or moderate-income housing units.

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.050. Reduction of fee—Commercial, office or industrial project.

- A. The city council may reduce the required fee for a commercial, office or industrial development project when the project developer can demonstrate: (1) that the proposed use will generate substantially fewer workers than the uses which have established the fee; and (2) that the building design is unable to house another use without substantial renovation. Examples of such uses are public utility facilities, exclusive storage buildings, etc.
- B. In the event such buildings are renovated to house another use, the fee then applicable shall be due at that time.

§ 17.40.060. Commercial, office or industrial projects—Construction of lower-income housing.

Commercial, office or industrial development projects may construct lower-income housing to fulfill the requirements of this chapter in accordance with this section, and with the applicable provisions of Section 17.44.040.

- A. Lower-income housing proposed to offset the requirements of this chapter must be proposed in conjunction with the commercial, office or industrial development project which would give rise to the fee and must be approved by the city council in offsetting otherwise required affordable housing fees.
- B. For lower-income housing constructed on lands designated for other than residential development in the general plan as of the effective date of the ordinance codified in this chapter, the project developer shall be given a credit, for purposes of offsetting the affordable housing fee otherwise required, in an amount established by separate city council resolution and which credit amount shall be set forth in the city's master fee schedule, as amended.~~fees and charges appendix.~~
- C. For lower-income housing constructed on lands designated for residential development in the general plan as of the effective date of the ordinance codified in this chapter, for each lower-income housing unit constructed beyond 15 percent of the residential development project, the project developer shall be given a credit for purposes of off-setting the affordable housing fee otherwise required, in an amount established by separate city council resolution and which credit amount shall be set forth in the city's master fee schedule, as amended.~~fees and charges appendix.~~
- D. In the event the lower-income housing constructed by the developer of a commercial, office or industrial development project creates an offset of the affordable housing fee greater than the total fee required by the development project, the developer may apply the difference to other sites then owned by the developer. This transfer shall be so noted in the regulatory agreement accompanying the project.

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.070. Annual adjustment of the fee.

The affordable housing fee shall annually be revised effective January 1st of each year, commencing on January 1, 1992, by the percentage increase or decrease in the Engineering News Record Consumer Construction Price Cost Index for the San Francisco San Francisco/Oakland region Bay Area.

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.080. Establishment of affordable housing fund.

A. All fees generated pursuant to this chapter shall be deposited into the affordable housing fund, and any property interest or other value contributed, including interest earned by the fund, shall be segregated and used exclusively for the purposes provided for herein.

B. The city manager shall make a written annual report to the city council regarding the administration of the affordable housing fund, ~~and shall present such annual report at a regular meeting of the city council.~~

~~C. Pursuant to Government Code Section 66000, et seq., the city shall make findings once each fiscal year with respect to any portion of the fees remaining unexpended or uncommitted in its account five or more years after the deposit of the fees to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged. The findings required by this section need only be made for moneys in the possession of the city and need not be made with respect to letters of credit, bonds or other instruments taken to secure payment of the fee at a future date.~~

~~D. Any refunds shall be made pursuant to Government Code Section 66001.~~

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.090. Use of affordable housing fund.

A. Any ~~moneys~~ monies generated by this chapter shall be used in accordance with and in support of activities to administer and implement the city's adopted housing element and other policies and programs specifically related to affordable housing as may be approved or authorized by the city council. Activities may include, but are not limited to, land acquisition, construction, rehabilitation, subsidization, and counseling or assistance to other governmental entities, private organizations, or individuals to expand housing opportunities to lower-income households.

B. ~~Moneys~~ Monies in the affordable housing fund may be disbursed, hypothecated, collateralized, or otherwise employed for the purposes set forth herein. These purposes include, but are not limited to, assistance to housing development corporations, equity participation loans, grants, development loan funds, participation leases, loans to develop affordable housing or other public/private partnership arrangements. The affordable housing fund may be used for the benefit of both rental or owner-occupied housing.

C. When the city uses affordable housing fund ~~monies~~ monies to construct or assist in the construction of lower-income units, the city may establish the rules which will apply to

occupancy of said units. It is the intention of this chapter and the general plan that such units be made available on a priority basis to Pleasanton residents and workers.

- D. The city council may use affordable housing fund ~~moneys~~ monies for moderate-income housing as determined necessary and desirable to meet general plan goals and policies.
(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

§ 17.40.100. Time of payment.

Affordable housing fees shall be paid at the time of issuance of a building permit for the residential unit and/or for the commercial, office or industrial development project giving rise to the fee, unless otherwise determined by the city.

(Ord. 1488 § 1, 1990; Ord. 2192 § 2, 2019)

Chapter 17.44 **INCLUSIONARY ZONING**

Article I

General Provisions

§ 17.44.010. Title.

This chapter shall be called the "Inclusionary Zoning Ordinance of the City of Pleasanton."
(Ord. 1818 § 1, 2000)

§ 17.44.020. Purpose.

The purpose of this chapter is to enhance the public welfare, ~~to and~~ assure that market-rate further housing development mitigates its impacts on the demand for affordable housing, and to attain attains the city's affordable housing goals by increasing the production of residential units affordable to households of very low, low, and moderate income, and by providing funds for the development of very low, low, and moderate income ownership and/or rental housing and for housing-related programs that benefit very-low, low, and moderate income households. ~~In order to assure that the remaining developable land is utilized in a manner consistent with the city's housing policies and needs, 15 percent of the total number of units of all new multiple-family residential projects containing 15 or more units, constructed within the city as it now exists and as may be altered by annexation, shall be affordable to very low and low income households. For all new single-family residential projects of 15 units or more, at least 20 percent of the project's dwelling units shall be affordable to very low, low, and/or moderate income households. These requirements shall apply to both ownership and rental projects.~~

(Ord. 1818 § 1, 2000)

§ 17.44.030. Definitions.

For the purposes of this chapter, certain words and phrases shall be interpreted as set forth in this section unless it is apparent from the context that a different meaning is intended.

"Affordable Housing Fee." A fee paid to the city by an applicant for a project in the city in accordance with Chapter 17.40, in lieu of providing the inclusionary units required by this chapter.

"Affordable housing proposal." A proposal submitted by the project owner as part of the city development application (e.g., design review, planned unit development, etc.) stating the method by which the requirements of this chapter are proposed to be met.

"Affordable rent." A monthly rent (including utilities as determined by a schedule prepared by the city) which does not exceed a maximum rent that will be affordable to the specified household at the specified income level, calculated in accordance with California Health and

~~Safety Code section 50053, as amended, one-twelfth of 30 percent of the maximum annual income for a household of the applicable income level.~~

"Affordable sales price." A sales price ~~that which~~ results in ~~a monthly~~ housing costs, mortgage payment (including principal and interest) which may include taxes, insurance, homeowners association dues (if any), and utility costs as determined by the city, which does not exceed a maximum sales price that will be affordable to the specified household at the specified income level, calculated in accordance with California Health & Safety Code section 50052.5, as amended, one-twelfth of 35 percent of the maximum annual income for a household of the applicable income level.

"Amenities, Interior." Interior features which are not essential to the health and safety of the resident, but provide visual or aesthetic appeal, or are provided as conveniences rather than as necessities. Interior amenities may include, but are not limited to, fireplaces, garbage disposals, dishwashers, cabinet and storage space and bathrooms in excess of one. Amenities shall in no way include items required by city building codes or other ordinances that are necessary to ensure the safety of the building and its residents.

"Amenities, Shared." Facilities and amenities within the project that are available for the shared and/or general use of residents of the project, including but not limited to shared recreation and other facilities (e.g. gym or pool, clubhouse, meeting room, co-working space, laundry, barbeque area, etc.).

~~–~~"Applicant." Any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which seeks city permits and approvals for a project.

"Area Median Income (AMI)." Median income for Alameda County, adjusted for household size, as published pursuant to California Code of Regulations, Title 25, Section 6932 and California Health and Safety Code section 50093 as may be amended.

"City." The city of Pleasanton or its designee or any entity with which the city contracts to administer this chapter.

"Commercial, office, and industrial project." For the purposes of this chapter, any new nonresidential (commercial, office, or industrial) development or redevelopment greater than 10 gross acres or 250,000 square feet of gross building area, whichever is less.

"Dwelling unit." A dwelling designed for occupancy by one household.

"HUD." The United States department of housing and urban development or its successor.

"Household." One person living alone; or two or more persons sharing residency whose income is considered for housing payments.

"Household, low income." A household whose annual income is more than 50 percent but does not exceed 80 percent of the ~~AMI annual median income for Alameda County, based upon the annual income figures provided by the U.S. department of housing and urban development (HUD), as~~ defined by this chapter, adjusted for household size.

"Household, moderate income." A household whose annual income is more than 80 percent but does ~~not~~^{note} exceed 120 percent of the ~~AMI annual median income for Alameda County, based upon the annual income figures provided by HUD~~, as defined by this chapter.

"Household, very low income." A household whose annual income does not exceed 50 percent of the ~~AMI annual median income for Alameda County, based upon the annual income figures provided by HUD~~, as defined by this chapter.

"Inclusionary unit." A dwelling unit as required by this chapter which is rented or sold at affordable rents and/or affordable sales prices (as defined by this chapter) to very low, low, or moderate income households.

~~"Inclusionary unit credits." Credits approved by the city council in the event a project exceeds the total number of inclusionary units required in this chapter. Inclusionary unit credits may be used by the project owner to meet the affordable housing requirements of another project subject to approval by the city council.~~

"Income." The gross annual household income as defined by HUD.

"Life of the inclusionary unit." The term during which the affordability provisions for inclusionary units shall remain applicable. The affordability provisions for inclusionary units shall apply in perpetuity from the date of occupancy, which shall be the date the city of Pleasanton ~~performs~~^{approves} final inspection for the building permit.

~~"Lower income housing fee." A fee paid to the city by an applicant for a project in the city, in lieu of providing the inclusionary units required by this chapter.~~

"Market-rate units." means new living units in residential projects which are not rented or sold at affordable rents or affordable sales prices, as defined in this chapter.

~~"Median income for Alameda County." The median gross annual income in Alameda County as determined by HUD, adjusted for household size.~~

"Off-site inclusionary units." Inclusionary units constructed within the city of Pleasanton on a site other than the site where the applicant intends to construct market rate units.

"Ownership units." Inclusionary units developed as part of a residential development which the applicant intends will be sold, or which are customarily offered for individual sale.

"Project." A residential housing development at one or more location^(s) or site^(s) including all dwelling units for which permits have been applied for or approved.

"Project owner." Any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which holds fee title to the land on which the project is located.

"Property owner." The owner of an inclusionary unit, excepting a "project owner."

"Recapture mechanisms." Legal programs and restrictions by which subsidies provided to inclusionary units will be controlled and repaid to the city and/or other entity upon resale, to ensure the ongoing preservation of affordability of inclusionary units or to ensure funds for inclusionary units remain within the city's affordable housing program.

"Rental units." Inclusionary units which the applicant intends will be rented or leased, or which are customarily offered for lease or rent.

"Residential project, rental." A residential project or portion thereof, that creates one or more units that cannot be sold individually, except that construction of any accessory dwelling unit shall not be considered a rental project.

"Residential project, for sale." A residential project, or portion thereof, that includes the creation of one or more residential living units that may be sold individually, including a condominium, stock cooperative, community apartment, or attached or detached single-family home. A for-sale project also includes a residential condominium conversion project and the creation of residential living units that may be sold individually, but are initially rented rather than sold.

"Resale restrictions." Legal restrictions which restrict the price of inclusionary units to ensure that they remain affordable to very low, low, and moderate income households on resale.

~~"Residential project, multiple family." A residential project consisting of condominiums, apartments, and similar dwellings attached in groups of four or more units per structure and including multiple units located on a single parcel of land under common ownership.~~

~~"Residential project, single family." A residential project consisting of detached and attached single family homes, including paired single family, duets, duplexes, townhomes, and similar unit types where each unit is located on a separate parcel of land.~~

"Unit type." Various dwelling units within a project which are distinguished by number of bedrooms and/or the type of construction (e.g., detached single-family, duets, townhomes, condominiums, apartments).
(Ord. 1818 § 1, 2000)

Article II

Zoning Requirements

§ 17.44.040. General requirements/applicability.

A. Applicability. The Inclusionary Housing Requirements of this chapter shall apply to all new residential for-sale and rental projects, including mixed residential and non-residential projects, consisting of ten (10) or more residential units or parcels. The project unit count used to determine applicability of this chapter shall be exclusive of any Accessory Dwelling Units or Junior Accessory Dwelling Units.

~~A. Residential Development. For all new multiple family residential projects of 15 units or more, at least 15 percent of the project's dwelling units shall be affordable to very low, and/or low income households. For all new single-family residential projects of 15 units or more, at least 20 percent of the project's dwelling units shall be affordable to very low, low, and/or moderate income~~

~~households. These dwelling units shall be referred to as "Inclusionary Units". Special consideration will be given to projects in which a significant percentage of the inclusionary units are for very low and low income households. The specific mix of units within the three affordability categories shall be subject to approval by the city.~~

~~The inclusionary units shall be reserved for rent or purchase by eligible very low, low, and moderate income households, as applicable. Projects subject to these requirements include, but are not limited to, single family detached dwellings, townhomes, apartments, condominiums, or cooperatives provided through new construction projects, and/or through conversion of rentals to ownership units.~~

~~The percentage of inclusionary units required for a particular project shall be determined only once on a given project, at the time of tentative map approval, or, for projects not processing a map, prior to issuance of building permit. If the project subdivision design changes, which results in a change in the number of inclusionary units ~~unit types~~ required, the number of inclusionary units required shall be recalculated to coincide with the final approved project. In applying and calculating the number of inclusionary units required based on the specified percentage ~~15 percent requirement~~, any decimal fraction less than or equal to 0.50 may be disregarded, and any decimal fraction greater than 0.50 shall be construed as one unit.~~

B. Residential For-Sale Projects. For all new for-sale residential project, and where the project would include 10 residential units or more, at least fifteen (15) percent of the project's dwelling units shall be affordable to very-low, low- or moderate-income households as specified. These units shall be referred to as "Inclusionary Units." The applicant shall not be prohibited from deepening the level of affordability in the project listed in subsection 1 below. The Inclusionary Units shall be reserved for purchase by eligible households, in the following proportions. The applicant shall not be prohibited from deepening the level of affordability in the project:

1. 100 percent of the inclusionary units at a sales price affordable to a household whose income is no more than 120% of the Area Median Income.

C. Residential Rental Projects. For all new residential rental projects, including where the rental units are part of a mixed use projects, and where the project would include 10 residential units or more, at least 15 percent of the project's dwelling units shall be affordable to very-low [and/] or low-income households as specified. These units shall be referred to as "Inclusionary Units." The applicant is not precluded from deepening the level of affordability in the project listed in subsection 1 and 2 below. The Inclusionary Units shall be reserved for rent to eligible households within each income category as specified, in the following proportions. The applicant is not precluded from deepening the level of affordability in the project:

1. 50 percent of the inclusionary units at a sales price affordable to a household whose income is no more than 50% of the Area Median Income.

2. 50 percent of the inclusionary units at a sales price affordable to a household whose income is no more than 60% of the Area Median Income

D. Commercial, Office, and Industrial (COI) Development. COI projects shall be subject to the affordable housing In lieu of paying the lower income fee as set forth in Chapter 17.40. In lieu of paying the affordable housing fee, COI developments as defined in this chapter city Ordinance No. 1488, COI development may provide rental or for-sale affordable housing consistent with this chapter, and with the requirements of Section 17.40.060. A COI development proposing to provide affordable housing in lieu of paying the fee shall . As a result, new COI developments are strongly encouraged to submit an affordable housing proposal as set forth in Section 17.44.090 of this chapter. Upon submittal of the affordable housing proposal, city staff will meet with the developer to discuss the potential for providing incentives to encourage on-site construction of affordable housing units and alternatives to constructing affordable units as set forth in this chapter. In the event a developer requests incentives or alternatives as a means of providing affordable housing in connection with a COI development, the affordable housing proposal will be reviewed as set forth in Section 17.44.090 of this chapter. COI development not pursuing the inclusion of affordable housing shall be subject to the lower income fees as set forth in city ordinance 1488.

E. Residential projects with fewer than ten (10) dwelling units shall be subject to the affordable housing fee as set forth in Chapter 17.40.

(Ord. 1818 § 1, 2000)

§ 17.44.050. Inclusionary unit provisions and specifications.

A. For those projects with both market-rate and inclusionary units, the inclusionary units shall be dispersed throughout the project so as not to concentrate inclusionary units in a specific geographic area (including a floor) of the project, except as provided in this section. The inclusionary units shall be located in comparable locations to the market-rate units, and shall be located on each floor, and throughout the site such that a) a proportionate number of inclusionary units are located on each floor of a multi-story apartment or condominium building, and that within such buildings no more than 20 percent of units are located adjacent to one another; b) no more than 20 percent of the units are located adjacent to one another in a single-family detached project and c) in developments containing more than one multi-unit structure, including groups of attached townhomes, condominiums or apartments, no more than 50 percent of the proposed inclusionary units are consolidated into one structure.

1. For a project where the market rate units are proposed to be detached single-family homes, it is permitted for the inclusionary units to be paired single-family,

- duets, duplexes, or townhomes. In such case, the townhomes, duets, or duplexes shall be dispersed throughout the project.
2. For a project where the market rate units are proposed to be attached or detached single-family homes, duets, or duplexes (or a combination thereof), it is permitted for the inclusionary units to be ownership condominiums or rental apartments, with such units also dispersed throughout the project. This provision shall not apply to affordable units that are financed with low-income tax credits.
 3. Clustering of inclusionary units in a manner other than that specified in this section may be allowed subject to City Council approval, as specified in Section 17.44.080, Alternative Means of Compliance.
- B. Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) shall not be permitted to satisfy the requirements of this Inclusionary Zoning Ordinance. This provision shall not be construed to discourage, prohibit or disallow the provision of ADUs and JADUs as a component of a market-rate residential project, in addition to any required inclusionary units.
- C. Inclusionary units shall be equivalent in exterior appearance and overall quality of construction to market-rate units in the housing development.
- ~~A. Inclusionary units shall be dispersed throughout the project unless otherwise approved by the city.~~
- ~~B. Inclusionary units shall be constructed with identical exterior materials and an exterior architectural design that is consistent with the market rate units in the project.~~
- D. Inclusionary units may be of smaller size than the market-rate units in the project, subject to the following limitations:
1. For for-sale units, the living area of each inclusionary units may be up to 50 percent smaller than the size of the average market rate unit in the project.
 2. For rental units, the living area of each inclusionary unit shall be as follows: (1) a studio shall be at least 450 net square feet; (2) a one-bedroom unit shall be at least 550 net square feet; (3) a two-bedroom unit shall be at least 750 net square feet; (4) a three bedroom unit shall be at least 1,000 net square feet; and (5) for units with more than three bedrooms an additional 200 net square feet for each additional bedroom.
- E. Inclusionary units . Inclusionary units -addition, inclusionary units- may have fewer interior amenities than the market rate units in the project, except that inclusionary units shall have air-conditioning, enclosed garages, and laundry facilities to the extent the market-rate units have those amenities. Interior finishes and amenities must be equivalent to those provided in the base model market-rate units.
- F. The residents of the inclusionary units shall have the same access to shared common areas, open space, parking, storage and other amenities as the market-rate residents when located in the same building or on the same site.
- G. Bedroom Mix:
- ~~H. The project shall comply with the following .However, the city may require that the inclusionary units meet certain minimum standards with respect to the bedroom mix of~~

~~These standards shall be set forth in the affordable/inclusionary units: housing agreement for the project.~~

- i. ~~For for-sale projects, the average number of bedrooms per unit for all affordable units in the project shall equal the average number of bedrooms for all other units in the project, up to a limit of three bedrooms per unit;~~
- ii. ~~For rental projects, a minimum of 10 percent of the total affordable units shall be three-bedroom units; a minimum of 40 percent of the total affordable units shall be two-bedroom units; and the remaining affordable units shall be studio or one-bedroom units except that no more than 10% of units may be studios. Age-restricted projects shall not be required to provide three-bedroom units, and may instead provide additional studio, one- or two-bedroom units in lieu of the required three-bedroom units. This provision shall not apply to affordable units that are financed with low-income tax credits. The director of community development may approve deviations from the specified bedroom mix for projects with 10 or fewer inclusionary units, except that at least 50 percent of units shall have at least two bedrooms if the market rate project also provides units of that size.~~
- I. Inclusionary units shall remain affordable in perpetuity ~~from the date of occupancy, which shall be the date the city of Pleasanton approves performs final inspection for the building permit,~~ through recordation of an affordable housing agreement as described in Section 17.44.060 of this chapter.
- J. All inclusionary units in a project shall be constructed concurrently ~~with, within~~ or prior to, the construction of the project's market rate units, ~~unless an alternative schedule for construction is approved by the city council in accordance with Section 17.44.080 below. "Concurrently" means that all inclusionary units shall be built prior to the full build-out of market rate units in the same residential development project. In phased developments, inclusionary units shall be constructed and occupied in proportion to the number of market rate units constructed and occupied in each phase as follows:-~~
 - 1. A building permit may not be issued for any market rate unit unless a proportional number of building permits has been issued for inclusionary units; and
 - 2. A certificate of occupancy or final inspection may not be issued for market rate units unless a proportional number of certificates of occupancy or final inspections have been issued for inclusionary units.
- K. For purposes of calculating the affordable rent or affordable sales price of an inclusionary unit, the following household size assumptions shall be used for each applicable dwelling unit type:

Unit Size	HUD Income Category by Household Size
Studio unit	1 person
1 bedroom unit	2 persons

- | | |
|------------------------|-------------------|
| 2 bedroom unit | 3 persons |
| 3 bedroom unit | 4 persons |
| 4 or more bedroom unit | 5 or more persons |
- L. The city's adopted preference and priority system shall be used for determining eligibility among prospective beneficiaries for affordable housing units created through this inclusionary zoning ordinance.
(Ord. 1818 § 1, 2000)

§ 17.44.060. Affordable housing agreement.

An affordable housing agreement shall be entered into by the city and the project owner. The agreement shall record the method and terms by which a project owner shall comply with the requirements of this chapter. The approval and/or recordation of this agreement shall take place prior to final map approval or, where a map is not being processed, prior to the issuance of building permits for such lots or units.

The affordable housing agreement shall state the methodology for determining a unit's initial and ongoing rent or sales and resale price(s), any resale restrictions, occupancy requirements, eligibility requirements, city incentives including second mortgages, recapture mechanisms, the administrative process for monitoring unit management to assure ongoing affordability and other matters related to the development and retention of the inclusionary units.

In addition to the above, the affordable housing agreement shall set forth any waiver of the ~~affordable lower income~~ housing fee. For projects which meet the affordability threshold with very low and/or low-income units, all units in the project shall be eligible for a waiver of the ~~affordable lower income~~ housing fee. For ~~single family ownership~~ residential projects which meet the affordability threshold with moderate income units, ~~or multiple family residential projects which do not meet the affordability threshold~~, only the inclusionary units shall be eligible for a waiver of the ~~affordable lower income~~ housing fee except as otherwise approved by the city council.

To assure affordability ~~in accordance with the terms of this chapter and~~ over the life of the unit ~~(i.e. in perpetuity)~~, the affordable housing agreement shall be recorded with the property deed or other method approved by the city attorney. ~~In the event an inclusionary unit is affordable by design the affordable housing agreement shall stipulate the method for assuring that the units retain their affordability as the housing market changes.~~

The community development director may waive the requirement for an affordable housing agreement ~~for projects approved prior to the effective hereof and/or~~ for projects that have their affordable housing requirements included in a development agreement or other city document.
(Ord. 1818 § 1, 2000; Ord. 2000 § 1, 2009)

If a project is permitted to pay the affordable housing fee to meet the requirements of this Chapter, pursuant to Sections 17.44.040.D, 17.44.040.E, or Section 17.44.080, an affordable housing agreement shall not be required. In the case of approval pursuant to Section 17.44.080, such provision shall be included reflected in a resolution for approval adopted by city council.

(Ord. 1818 § 1, 2000; Ord. 2000 § 1, 2009)

§ 17.44.070. Incentives to encourage on-site construction of inclusionary units.

The city shall consider making available to the applicant incentives to increase the feasibility of residential projects to provide inclusionary units. Incentives or financial assistance will be offered only to the extent resources for this purpose are available and approved for such use by the city council or city manager, as defined below, and to the extent that the project, with the use of incentives or financial assistance, assists in achieving the city's housing goals. However, nothing in this chapter establishes, directly or through implication, a right of an applicant to receive any assistance or incentive from the city.

Any incentives provided by the city shall be set out in the affordable housing agreement pursuant to Section 17.44.060 of this chapter. The granting of the additional incentives shall require demonstration of exceptional circumstances that necessitate assistance from the city, as well as documentation of how such incentives increase the feasibility of providing affordable housing.

The following incentives may be approved for applicants who construct inclusionary units on-site:

- A. Fee Waiver or Deferral. The city council, by resolution, may waive or defer payment of city development impact fees and/or building permit fees applicable to the inclusionary units or the project of which they are a part. Fee waivers shall meet the criteria included in the city's adopted policy for evaluating waivers of city fees for affordable housing projects. The affordable housing agreement shall include the terms of the fee waiver.
- B. Design Modifications. The granting of design modifications relative to the inclusionary requirement shall require the approval of the city council and shall meet all applicable zoning requirements of the city of Pleasanton. Modifications to typical design standards may include the following:
 - 1. Reduced setbacks;
 - 2. Reduction in infrastructure requirements;
 - 3. Reduced open space requirements;
 - 4. Reduced landscaping requirements;
 - 5. Reduced interior or exterior amenities;
 - 6. Reduction in parking requirements;
 - 7. Height restriction waivers.

- C. Second Mortgages. The city may utilize available affordable ~~lower-income~~ housing funds for the purpose of providing second mortgages to prospective unit owners or to subsidize the cost of a unit to establish an affordable rent or an affordable sales price. Terms of the second mortgage or subsidy shall be stated in the affordable housing agreement. The utilization of these incentives shall not be the sole source of providing the inclusionary units and they are intended to augment the developer's proposal.

~~D. Priority Processing. After receiving its discretionary approvals, a project that provides inclusionary units may be entitled to priority processing of building and engineering approvals subject to the approval of the city manager. A project eligible for priority processing shall be assigned to city engineering and/or building staff and processed in advance of all nonpriority items.~~

(Ord. 1818 § 1, 2000)

§ 17.44.080. Alternative Means of Compliance ~~Alternatives to constructing inclusionary units on-site.~~

~~In general, and where specified by this chapter, projects shall be required to construct inclusionary units on-site and~~ The primary emphasis of this inclusionary zoning ordinance is to achieve the inclusion of affordable housing units to be constructed in conjunction with market rate units within the same project in all new residential projects. However, pursuant to state law and in the interests of avoiding undue impediments to housing production, the city acknowledges that it may be beneficial to provide alternative means of compliance with this chapter. ~~not always be practical to require that every project satisfy its affordable housing requirement through~~

A. Provisions Applicable to All Alternatives

1. Approval of any alternative proposal is subject to city council review and approval, based on the criteria and findings set forth in subsections B through H as applicable.
2. The applicant shall bear the burden of providing substantial evidence to support the findings set forth in this section, and to support the feasibility of any proposed alternative. The applicant shall set forth the factual and legal basis for any request under this section.
3. Any request under this section shall be submitted to the director of community development together with an economic analysis, if required, or other supporting documentation.
4. The city council may approve or conditionally approve any alternative set forth in this section if it makes all of the following findings and any additional findings required for the selected alternative:
 - a. It is not feasible or desirable to accommodate the inclusionary units on site, or to otherwise construct the units in strict accordance with the requirements of this chapter, due to specific site conditions or constraints, project location, or other unique characteristics of the project or project site.

- b. The number of affordable units provided by the alternative equals or exceeds that provided by the on-site units or by the payment of the Affordable Housing Fee, as applicable to the project;
- c. The level of affordability provided by the alternative is the same or lower (i.e. has “deeper” affordability) as provided by on-site units or the payment of fees, as applicable;
- d. The alternative is consistent with the general plan and housing element, and the provisions of this chapter.

B. Alternative Proposals

If the provision of on-site affordable units under Section 17.44.040.B. or C. is financially or otherwise infeasible, an applicant for a residential project may request, in order of priority: 1) alternative on-site unit type, size, configuration or clustering of units in a manner other than that specified in subsection 17.44.050, as provided in Subsection C below; 2) provide off-site units as provided in subsection D, below; 3) dedicate land for affordable housing as provided in subsection E, below; 4) pay the affordable housing fee as set forth in Chapter 17.40 and in Subsection F, below. The applicant must demonstrate, through provision of substantial evidence as described in Section A, above, that each of the higher priority options is infeasible before the city will consider a lower-priority option.

1. Notwithstanding Section 17.44.080 A.4., the city council may accept fees in lieu of the alternatives in Subsection B., above, provided it makes a finding that special circumstances justify payment of fees over provision of units.

C. Alternative unit type, size, configuration or clustering of units.

1. An applicant may propose alternatives for the on-site units that deviate from the strict standards of this chapter with respect to unit size, bedroom mix, clustering, unit type, and interior amenities of the affordable units.
2. Proposed units shall comply with requirements of the Building Code and Fire Code, and in no circumstance shall otherwise required amenities be waived that are necessary to ensure the health, safety and welfare of the building and its residents.
3. Alternative on-site locations or clustering of affordable units shall provide equivalent access to shared amenities within the project, unless the affordable units would have suitable alternative shared amenities available for the exclusive use of the residents of the affordable units.

D. Off-Site Projects. Upon approval by the city council, ~~Inclusionary~~ inclusionary units required pursuant to this chapter may be permitted to be constructed at a location within the city other than the project site. Any off-site inclusionary units must meet the following criteria:

- ~~1. The off-site inclusionary units must be determined to be consistent with the city's goal of creating, preserving, maintaining, and protecting housing for very low, low, and moderate income households.~~

1. The off-site inclusionary units must not result in a significant concentration of inclusionary units in any one particular neighborhood ~~or tend to cause residential segregation.~~
 2. ~~The off-site location is suitable for the proposed affordable housing, and the~~ off-site inclusionary units shall conform to the requirements of all applicable city ordinances and ~~standards, and~~ the provisions of this chapter.
 2. The occupancy and rents of the off-site inclusionary units shall be governed by the terms of a deed restriction, and if applicable, a declaration of covenants, conditions and restrictions similar to that used for the on-site inclusionary units.
 3. The affordable housing agreement shall stipulate the terms ~~by which~~ of the off-site inclusionary units ~~will be built. Construction of the off-site affordable units shall occur concurrently with construction of the market-rate units in the residential project, unless otherwise approved by the city council.~~ If the construction does not take place at the same time as ~~construction of the market-rate units~~ ~~project development~~, the agreement shall require the units to be ~~produced~~ ~~constructed~~ within a specified time frame, but in no event longer than ~~five~~ ~~two~~ years ~~after the first building permit is issued for the market-rate project.~~ A cash deposit, ~~or~~ bond ~~or other financial security~~ may be required by the city, refundable upon construction, as assurance that the units will be built.
 5. ~~Off-site construction of affordable units does not qualify the residential project for a density bonus or other regulatory incentives allowed by Government Code Section 65915 unless the off-site development includes the dedication of land conforming to the provisions of Section 65915(g). No off-site alternative may be approved by the city if a density bonus or other regulatory incentive is requested for the site on which the affordable housing is to be built. Any off-site alternative must comply with the density, intensity and other development standards that are permitted under the zone for the site.~~
- E. Land Dedication. ~~Upon approval by the city council~~ ~~An~~, ~~an~~ applicant may dedicate land to the city or a ~~qualified local~~ nonprofit housing developer in place of actual construction of inclusionary units upon approval of the city council. The intent of allowing a land dedication option is to provide the city or a local nonprofit housing developer the free land needed to make an inclusionary unit development feasible, thus furthering the intent of this chapter. ~~The following criteria shall be met for any dedication of land:~~
1. The dedicated land must be appropriately zoned, buildable, free of toxic substances, ~~and~~ contaminated soils, ~~or geologic or other physical constraints that make it unsuitable for residential development.~~
 2. ~~The developable area of the site is~~ ~~and~~ large enough to accommodate the number of inclusionary units required for the project. The city's acceptance of land dedication shall require that the lots be fully improved, with infrastructure, adjacent utilities, grading, and fees paid.
 3. ~~The land is appraised by the city at a value equal to or greater than the in-lieu-fee in place at time of the market-rate project application, multiplied by the number of required inclusionary units that would be satisfied by construction of units on the land to be~~

dedicated. If the appraised value is less than the in-lieu fee, the developer shall be subject to payment of the difference as a cash contribution to the Affordable Housing Fund.

- F. Affordable Housing Fee. In lieu of providing inclusionary units in a project, the city council may approve payment of the city's affordable housing fee, as set forth in Chapter 17.40 of this title. Such alternative shall only be approved if the city council determines that:
1. The proposal would be consistent with and further the purpose of this chapter, as set forth in Section 17.44.020.
 2. Greater benefit would accrue to the City's with respect to furthering affordable housing and the ability to provide housing affordable to all segments of the community through payment of the fee, versus requiring construction of the units on-site.
 3. Projects requesting a density bonus, incentive or concession, waiver, or parking ratio under Government Code Section 65915 or Chapter 17.38 of the Pleasanton Municipal Code shall not be permitted to pay in-lieu fees as an alternative to satisfying the affordable housing requirements of this Chapter. Payment of fees in lieu of providing affordable units under Chapter 17.44 of the Code does not qualify a housing development for a density bonus.
- ~~G. Credit Transfers. In the event a project exceeds the total number of inclusionary units required in this chapter, the project owner may request inclusionary unit credits which may be used to meet the affordable housing requirements of another project. Inclusionary unit credits are issued to and become the possession of the project owner and may not be transferred to another project owner without approval by the city council. The number of inclusionary unit credits awarded for any project is subject to approval by the city council.~~
- H. Other Alternate Methods of Compliance. Applicants may propose other creative concepts for meeting the requirements of this chapter, in order to bring down the cost of providing inclusionary units, whether on- or off-site. The city council may approve such alternate methods of compliance with this chapter if the applicant demonstrates that such alternate method meets the purpose of this chapter (as set forth in Section 17.44.020 of this chapter).
- ~~I. Lower Income Housing Fee Option. In lieu of providing inclusionary units in a project, an applicant may pay the city's lower income housing fee as set forth in Chapter 17.40 of this title.~~
- (Ord. 1818 § 1, 2000)

Article III

Miscellaneous

§ 17.44.090. Administration.

An applicant of a project subject to this chapter shall submit an affordable housing proposal stating the method by which it will meet the requirements of this chapter. The affordable

housing proposal shall be submitted as part of the applicant's city development application (e.g., design review, planned unit development, etc.) to the planning division in a form approved by the city manager. ~~The community development director may waive the requirement for submittal of an affordable housing proposal for projects approved prior to the effective date hereof and/or for projects that have undergone considerable public review during which affordable housing issues were addressed.~~

- A. Review and approval of the affordable housing proposal shall occur as follows: A proposal that is fully compliant with the requirements of this chapter, and does not include any request for alternative compliance, shall be subject to review and approval by the body responsible for review and approval of the related residential development application. Where the zoning administrator or planning commission is the approving body, such action shall be subject to appeal in accordance with the provisions of Chapter 18.144.
- B. Any affordable housing proposal that includes an alternative compliance method, or that deviates from the standards set forth in this chapter, shall be subject to city council review and approval. In such cases ~~The affordable housing proposal shall be reviewed by the city's planninghousing commission at a properly noticed meeting open to the public. The planninghousing commission shall make recommendations to the city council either accepting, rejecting or modifying the developer's proposal and/or the utilization of any incentives as outlined in this chapter. The planninghousing commission may also make recommendations to the city council planning commission regarding the proposalproject as necessary to assure conformance with this chapter.~~
- C. The approving body, as applicable, ~~Acceptance of the applicant's affordable housing proposal is subject to approval by the city council, which~~ may direct the city manager to execute an affordable housing agreement in a form approved by the city attorney. The city manager, or his or her designee, shall be responsible for monitoring the sale, occupancy and resale of inclusionary units.
- D. Amendment. Minor modifications to an approved affordable housing agreement may be granted by the director of community development, if the modifications substantially comply with the original affordable housing agreement. All oOther modifications to the affordable housing agreement shall be processed in the same manner as the original affordable housing proposal.

(Ord. 1818 § 1, 2000; Ord. 2000 § 1, 2009)

§ 17.44.100. Conflict of interest.

The following individuals are ineligible to purchase or rent an inclusionary unit: (a) city employees and officials (and their immediate family members) who have policymaking authority or influence regarding city housing programs; (b) the project applicant and its officers and employees (and their immediate family members); and (c) the project owner and its officers and employees (and their immediate family members).

(Ord. 1818 § 1, 2000)

§ 17.44.110. Enforcement.

The city manager is designated as the enforcing authority. The city manager may suspend or revoke any building permit or approval upon finding a violation of any provision of this chapter. The provisions of this chapter shall apply to all agents, successors and assigns of an applicant. No building permit or final inspection shall be issued, nor any development approval be granted which does not meet the requirements of this chapter. In the event that it is determined that rents in excess of those allowed by operation of this chapter have been charged to a tenant residing in an inclusionary unit, the city may take appropriate legal action to recover, and the project owner shall be obligated to pay to the tenant, or to the city in the event the tenant cannot be located, any excess rents charged.
(Ord. 1818 § 1, 2000)

§ 17.44.120. Appeals.

Any person aggrieved by any action or determination of the city manager under this chapter, may appeal such action or determination to the city council in the manner provided in Chapter 18.144 of this code.
(Ord. 1818 § 1, 2000)

TITLE 18 ZONING

CHAPTER 18.38 HOZ HOUSING OPPORTUNITY ZONE DISTRICT

Article I General Provisions

§ 18.38.010 Title.

§ 18.38.020 Purpose.

~~§ 18.38.030 Definitions.~~

Article II Requirements

§ 18.38.~~040~~030 General applicability and development standards.

~~§ 18.38.045 Inclusionary unit provisions and specifications.~~

~~§ 18.38.050 Affordable housing agreement.~~

Article III Miscellaneous

~~§ 18.38.060 Administration.~~

~~§ 18.38.070 Enforcement.~~

§ 18.38.~~080~~040 Appeals.

Article I

General Provisions

§ 18.38.010. Title.

This chapter shall be called the "Housing Opportunity Zone (HOZ) District" ordinance of the city of Pleasanton.

(Ord. 2272, 12/19/2023)

§ 18.38.020. Purpose.

The purpose of this chapter is to enhance the public welfare and ensure further housing development attains the city's housing goals, including affordable housing, by increasing the production of residential units for all income levels. To ensure the remaining developable land is utilized in a manner consistent with the city's housing policies and needs, this HOZ district is created to allow new or expanded affordable housing development opportunities to all applicable parcels as specified in the city's Housing Element of the General Plan. These new or expanded opportunities shall apply to both ownership and rental projects.

(Ord. 2272, 12/19/2023)

~~§ 18.38.030. Definitions.~~

~~For the purposes of this chapter, certain words and phrases shall be interpreted as set forth in this section unless it is apparent from the context that a different meaning is intended.~~

~~"Affordable housing fee" means the fee set forth in Chapter 17.40 paid to the city by an applicant for a project in lieu of providing the inclusionary units required by this chapter.~~

~~"Affordable housing proposal" means a proposal submitted by the project owner as part of the city development application (e.g., housing site compliance review, design review, planned unit development, etc.) stating the method by which the requirements of this chapter are proposed to be met. This information may be provided as part of an affordable housing agreement as provided in Section 18.38.050.~~

~~"Applicant" means any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which seeks city permits and approvals for a project.~~

~~"City" means the city of Pleasanton or its designee or any entity with which the city contracts to administer this chapter.~~

~~"HUD" means the United States Department of Housing and Urban Development or its successor.~~

~~"Household" means one person living alone, or two or more persons sharing residency whose income is considered for housing payments.~~

~~"Inclusionary unit" means a dwelling unit as required by this chapter which is rented or sold at affordable rents and/or affordable sales prices (as defined by this chapter) to very low-, low-, or moderate-income households.~~

~~"Income" means the gross annual household income as defined by HUD.~~

~~Income Levels.~~

- ~~1. "Household, low income" means a household whose annual income is more than 50% but does not exceed 80% of the area median income (AMI) for San Francisco-Oakland-Fremont Metropolitan Statistical Area, based upon the annual income figures provided by HUD, as adjusted for household size.~~
- ~~2. "Household, moderate income" means a household whose annual income is more than 80% but does not exceed 120% of the area median income (AMI) for San Francisco-Oakland-Fremont Metropolitan Statistical Area, based upon the annual income figures provided by HUD, as adjusted for household size.~~
- ~~3. "Household, very low income" means a household whose annual income does not exceed 50% of the area median income (AMI) for San Francisco-Oakland-Fremont Metropolitan Statistical Area, based upon the annual income figures provided by HUD, as adjusted for household size.~~

~~"Life of the inclusionary unit" means the term during which the affordability provisions for inclusionary units shall remain applicable. The affordability provisions for inclusionary units~~

~~shall apply in perpetuity from the date of occupancy, which shall be the date the city performs final inspection for the building permit.~~

~~"Living area" means the gross area of all floors of a residential structure excluding: basement or cellar areas used for storage only; space used for off street parking (i.e., garages) or loading, steps, patios, decks, terraces, porches, and exterior balconies, if not enclosed on more than three sides.~~

~~"Median income for San Francisco-Oakland-Fremont Metropolitan Statistical Area" means the median gross annual income in San Francisco-Oakland-Fremont Metropolitan Statistical Area as determined by HUD, adjusted for household size.~~

~~"Ownership units" means inclusionary units developed as part of a residential development which the applicant intends to be sold, or which are customarily offered for individual sale.~~

~~"Project" means a residential housing development at one location or site including all dwelling units for which permits have been applied for or approved.~~

~~"Project owner" means any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which holds fee title to the land on which the project is located.~~

~~"Property owner" means the owner of an inclusionary unit, excepting a "project owner."~~

~~"Rental units" means inclusionary units which the applicant intends to be rented or leased, or which are customarily offered for lease or rent.~~

~~"Resale restrictions" means legal restrictions which restrict the price of inclusionary units to ensure that they remain affordable to very low-, low-, and moderate income households on resale.~~

~~"Residential project, multiple family" means a residential project consisting of condominiums, apartments, and similar dwellings attached in groups of four or more units per structure and including multiple units located on a single parcel of land under common ownership.~~

~~"Residential project, single family" means a residential project consisting of detached and attached single family homes, including paired single family, duets, duplexes, townhomes, and similar unit types where each unit is located on a separate parcel of land.~~

~~"Unit type" means various dwelling units within a project which are distinguished by number of bedrooms and/or the type of construction (e.g., detached single family, duets, townhomes, condominiums).~~

~~(Ord. 2272, 12/19/2023)~~

Article II

Requirements

§ 18.38.040030. General applicability and development standards.

A. General Applicability.

1. Parcels shall be identified in the city's Housing Element as a housing opportunity site, meaning sites designated in the Housing Element to be zoned to allow residential development or mixed-use (i.e., mixed residential and nonresidential use, whether in the same building or on the same site) and designated in the General Plan Land Use Map as Housing Element Overlay.
 2. Parcels identified in the Housing Element as accommodating the city's share of the lower income Regional Housing Needs Allocation, including the following housing opportunity sites, identified with reference to the 2023-2031 6th Cycle Housing Element, as follows: Site 2 - Stoneridge Shopping Center; Site 5 - Laborer's Council; Site 6 - Signature Center; Site 7 - Hacienda Terrace; Site 9 - Metro 580; Site 12 - Pimlico Area (North Side); Site 20 - Boulder Street; Site 21a (Kiewit High Density); Site 23 - Sunol Boulevard; Site 29 - Oracle; and the Dublin/Pleasanton BART Station parking lot. These sites shall:
 - a. Permit owner-occupied and/or rental single-family and/or multi-family uses by right pursuant to California Government Code Section 65583.2(h) and (i) for projects with affordable housing proposals in which 20% or more of the units are affordable to lower-income households.
 - b. Be allowed 100% residential uses regardless of any other applicable zoning district's permitted and conditionally permitted uses for the site; and
 - c. Have all residential uses either: (i) occupy at least 50% of the floor area for a new construction mixed-use project; or (ii) occupy at least 50% of the new floor area proposed on a housing opportunity site with pre-existing commercial/office floor area to be preserved as part of the project. In no case shall the provisions of this district preclude a commercial/office project with no residential uses, assuming those uses are allowed by the base zoning, to be proposed on a housing opportunity site.
- B. Development Standards.
1. Nonresidential uses, including modification and expansion of existing uses, shall be permitted and conditionally permitted as specified in the underlying zoning district, the city's Objective Design Standards (ODS) and/or applicable provisions of this title thereto.
 2. Residential uses shall be allowed consistent with the densities set forth on a site-specific basis in the Housing Element and the city's Objective Design Standards, ~~and~~ the applicable development standards as specified in the city's Objective Design Standards and/or applicable provisions of this title, and the requirements of Chapter 17.44 (Inclusionary Zoning) and other applicable provisions of Title 17, thereto.

(Ord. 2272, 12/19/2023)

~~§ 18.38.045. Inclusionary unit provisions and specifications.~~

~~A. Required Inclusionary Units.~~

- ~~1. For all new multiple family residential projects of 15 units or more, at least 15% of the project's dwelling units shall be affordable as provided in this chapter.~~
- ~~2. For all new single family residential projects of 15 units or more, at least 20% of the project's dwelling units shall be affordable as provided in this chapter.~~

- ~~3. For all new mixed-use projects with 15 residential units or more, at least 15% of the project's dwelling units shall be affordable as provided in this chapter.~~
 - ~~4. Any commercial, office or industrial development will be subject to the affordable housing fee set forth in Chapter 17.40 or may provide inclusionary housing as provided in Section 17.44.040.B.~~
 - ~~5. The percentage of inclusionary units required for a particular project shall be determined only once on a given project, at the time of tentative map approval, or, for projects not processing a map, prior to issuance of building permit. If the subdivision design changes, which results in a change in the number of unit types required, the number of inclusionary units required shall be recalculated to coincide with the final approved project. In applying and calculating the 15% requirement, any decimal fraction less than or equal to 0.50 may be disregarded, and any decimal fraction greater than 0.50 shall be construed as one unit.~~
- ~~B. Rental Units. For rental units, the following affordability mix shall be met among the required inclusionary units:~~
- ~~1. A minimum of 25% of inclusionary units shall have rents set at no more than 30% of 50% area median income (AMI) for households with incomes up to 50% AMI (very low income units).~~
 - ~~2. A minimum of 25% of inclusionary units shall have rent set at no more than 30% of 60% AMI for households with incomes of 51% to 60% AMI (low income units).~~
 - ~~3. No more than 50% of inclusionary units shall have rent set at no more than 30% of 80% AMI for households with incomes of 61% to 80% AMI (low income units).~~
- ~~C. Ownership Units. For affordable ownership units, initial sales prices shall be set at the following limits to result in a monthly mortgage payment (principal and interest) which does not exceed one-twelfth of 35% of the stated AMI, for household size per subsection F, below:~~
- ~~1. One bedroom units to be restricted at 100% AMI.~~
 - ~~2. Two bedroom condominium units to be restricted at 100% AMI.~~
 - ~~3. Two bedroom townhome units/single family units AND three bedroom and larger units to be restricted at 120% AMI.~~
- ~~D. Bedroom Mix. For each project, a minimum of 10% of the total inclusionary units will be three bedroom units; a minimum of 45% of the total inclusionary units will be two bedroom units; and the remaining inclusionary units will be studio or one bedroom units except that no more than 10% of the units may be studios. This requirement shall not apply to age-restricted senior housing or single family projects.~~
- ~~E. Minimum Size. Inclusionary units may be of smaller size than the market rate units in the project, subject to the following limitations: the living area of ownership units may be up to 50% smaller than the size of the average market rate unit in the project; for rental units the living area of each unit shall be as follows: (1) a studio shall be at least 700 square feet; (2) a one bedroom unit shall be at least 850 square feet; (3) a two bedroom unit shall be at least 1,000 square feet; (4) a three bedroom unit shall be at least 1,250 square feet; and (5) for units with more than three bedrooms an additional 250 square feet for each additional bedroom.~~

~~F. Household Size. For the purposes of calculating affordable rental or affordable sales price of an inclusionary units, the following household size assumptions shall be used for each applicable dwelling unit types:~~

Unit Size	HUD Household Size
Studio units	1 person
1 bedroom unit	2 persons
2 bedroom unit	3 persons
3 bedroom unit	4 persons
4 or more bedroom unit	5 or more persons

~~G. Materials. Inclusionary units shall be constructed with identical exterior materials and an exterior architectural design that is consistent with the market rate units in the project.~~

~~H. Construction Timing. All inclusionary units in a project shall be constructed concurrently with or prior to the construction of the project's market rate units.~~

~~I. Accessory Units. Accessory dwelling units and junior accessory dwelling units shall not count towards meeting inclusionary requirements.~~

~~J. Projects with Different Unit Types. For those projects with both market rate units and inclusionary units:~~

~~1. Inclusionary units shall be dispersed throughout the project so as not to concentrate inclusionary units in a specific geographic area (including a floor) of the project.~~

~~a. For a project where the market rate units are proposed to be detached single-family homes, it is permitted for the inclusionary units be paired single-family, duets, duplexes, or townhomes. In such case, the townhomes can be concentrated in one or more areas of the project. The residents of both the market rate and the inclusionary units must be provided equivalent project amenities.~~

~~b. For a project where the market rate units are proposed to be attached or detached single-family homes, duets, or duplexes, it is permitted for the inclusionary units to be ownership condominiums or rental apartments. In such case, and where the number of inclusionary units exceed 15 units, the condominiums or apartments can be concentrated in an area of the project. The residents of both the market rate and the inclusionary units must be provided equivalent project amenities.~~

~~K. Requirements. The affordability requirements are as set forth in this chapter and the applicable Objective Design Standards (ODS); and for sites for which there are no ODS, then the requirements in Chapter 17.44. In the event of any conflict, the more restrictive provisions that provide more inclusionary units and deeper affordability shall apply.~~

~~L. Perpetuity. Inclusionary units shall remain affordable in perpetuity through the recordation of an affordable housing agreement described in Section 18.38.050 of this chapter.~~

~~M. Eligibility. The city's adopted preference and priority system shall be used for determining eligibility among prospective beneficiaries for affordable housing units created by this chapter, unless superseded by federal or state law.~~

~~(Ord. 2272, 12/19/2023)~~

~~§ 18.38.050. Affordable housing agreement.~~

~~All projects subject to this chapter shall enter into an affordable housing agreement. The agreement shall record the method and terms by which a project owner shall comply with the requirements of this chapter or by alternatives as generally provided in California Government Code Section 65850(g) acceptable in the determination of the city based on analysis of equivalent financial value; which analysis may be required by the city to be done by a third party at the owner's expense. The approval and/or recordation of this agreement shall take place prior to final map approval or, where a map is not being processed, prior to the issuance of building permits for such lots or units.~~

~~The affordable housing agreement shall state the methodology for determining a unit's initial and ongoing rent or sales and resale price(s), any resale restrictions, occupancy requirements, eligibility requirements, city incentives including second mortgages, recapture mechanisms, the administrative process for monitoring unit management to ensure ongoing affordability and other matters related to the development and retention of the inclusionary units.~~

~~In addition to the above, the affordable housing agreement shall set forth any waiver of the affordable housing fee. For projects which meet the affordability threshold with very low and/or low income units, all units in the project shall be eligible for a waiver of the affordable housing fee. For single family residential projects which meet the affordability threshold with moderate income units, or multiple family residential projects which do not meet the affordability threshold, only the inclusionary units shall be eligible for a waiver of the affordable housing fee.~~

~~To ensure affordability of the unit in perpetuity, the affordable housing agreement shall be recorded with the property deed or other method approved by the city attorney.
(Ord. 2272, 12/19/2023)~~

Article III

Miscellaneous

~~§ 18.38.060. Administration.~~

~~Approval of residential projects within the district shall be as specified in this title, which may include, but is not limited to, a housing site compliance review pursuant to Chapter 18.22, subdivision map, etc. An applicant of a project subject to this chapter shall submit an affordable housing proposal stating the method by which it will meet the requirements of this chapter. The affordable housing proposal shall be submitted as part of the applicant's city development application to the planning division in a form approved by the director of community development or designee.~~

~~The affordable housing proposal shall be reviewed by the city's commission with purview over affordable housing agreements at a properly noticed meeting open to the public. The commission shall make recommendations to the city council either accepting, rejecting or modifying the developer's proposal and the utilization of any incentives described in Section~~

~~17.44.070 and Housing Element Policy 2.6. The commission may also make recommendations to the city council regarding the project as necessary to ensure conformance with this chapter.~~

~~Acceptance of the applicant's affordable housing proposal is subject to approval by the city council, which may direct the city manager to execute an affordable housing agreement in a form approved by the city attorney. The city manager or his or her designee shall be responsible for monitoring the sale, occupancy and resale of inclusionary units.
(Ord. 2272, 12/19/2023)~~

~~§ 18.38.070. Enforcement.~~

- ~~A. In the event of conflict between this chapter and Chapter 17.40 or 17.44, or other adopted city requirement, the more specific provision shall prevail.~~
- ~~B. The city manager is designated as the enforcing authority. The city manager may suspend or revoke any building permit or approval upon finding a violation of any provision of this chapter. The provisions of this chapter shall apply to all agents, successors and assigns of an applicant. No building permit or final inspection shall be issued, nor any development approval be granted which does not meet the requirements of this chapter.~~

~~(Ord. 2272, 12/19/2023)~~

§ 18.38.080040. Appeals.

Any person aggrieved by any action or determination of the city manager under this chapter, may appeal such action or determination to the city council in the manner provided in Chapter 18.144 of this code.

(Ord. 2272, 12/19/2023)

RESOLUTION NO. 2024-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING AMENDMENTS TO THE OBJECTIVE DESIGN STANDARDS FOR HOUSING ELEMENT SITES (CASE NO. P24-0505)**

WHEREAS, on January 26, 2023, and with amendments in May, 2023, the City Council adopted Resolution 23-1360, adopting the Objective Design Standards (ODS) for Housing Element sites, which included among other standards, provisions with respect to affordable inclusionary units; and

WHEREAS, California Government Code Section 65580(d) states that all cities have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community; and

WHEREAS, in 2017, AB 1505 amended California Government Code Section 65850 and added Section 65850.1, to "reaffirm the authority of local jurisdictions to include within these inclusionary housing ordinances requirements related to the provision of rental units" and "does not modify or in any way change or affect the authority of local jurisdictions to require, as a condition of the development of residential units, that the development include a certain percentage of residential for -sale units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower-income, very-low income, or extremely-low income households;" and

WHEREAS, Program 2.1 of the 2023-2031 6th Cycle Housing Element calls for the City to continue to implement the Inclusionary Zoning Ordinance (IZO), and actively pursue strategies to improve its effectiveness in producing affordable housing in conjunction with new development, including study of potential changes to the proportion of inclusionary units required in multi-family developments, identification of a target mix of affordable units and unit size standards, and monitoring the effectiveness of the ordinance in delivering affordable units, with modifications to be evaluated to better achieve that goal; and

WHEREAS, since its adoption, the IZO has resulted in the production of hundreds of below-market-rate housing units in Pleasanton and contributed a valuable source of funding to support the production of affordable housing and programs that preserve access to and support affordable housing for Pleasanton households; and

WHEREAS, in January 2024, the City retained professional services firm Economic and Planning Systems (EPS) to provide analysis and recommendations with respect to modification to the inclusionary rate and target affordability limits, and in this particular respect to evaluate the feasibility of such changes with respect to the overall production of market-rate residential units; and

WHEREAS, the City Council held public workshops on May 7, 2024 and August 20, 2024, to study potential amendments to the inclusionary rate and required affordability levels as stated in the IZO, and consider and provide direction on various potential amendments to the IZO; and

WHEREAS, on September 11, 2024, the Planning Commission held a duly-noticed public hearing and considered the written agenda report, relevant exhibits, direction from City Council and recommendations from City staff concerning this application, and received testimony from interested parties, and recommended the City Council approve the updated IZO and related amendments to the Pleasanton Municipal Code and ODS for Housing Element Sites to align with the amended IZO, with recommended amendments to the ODS comprising deletion of specific provisions that would become redundant with adoption of the IZO; and

WHEREAS, on October 15, 2024, the City Council held a study session to review and provide input on the Draft Amendments to Pleasanton Municipal Code Chapters 17.40, 17.44 and 18.38 and the ODS for Housing Element Sites as recommended by the Planning Commission, with minor amendments based on Planning Commission comments; and

WHEREAS, on November 19, 2024, the City Council adopted Ordinance No. _____ approving amendments to PMC Chapters 17.40, 17.44 and 17.38.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Pleasanton, based on the entire record of proceedings, including the oral and written staff reports and all public comment and testimony:

Section 1: Findings Pursuant to the California Environmental Quality Act (CEQA)

The adoption of the amendments to the Objective Design Standards for Housing Element Sites is not a project within the meaning of Section 15378 of the California Environmental Quality Act (CEQA) Guidelines because there is no potential for it to result in a physical change in the environment, either directly or indirectly. Additionally, the amendments to the Objective Design Standards for Housing Element Sites are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility of a significant effect on the environment, and they contain no provisions that will directly or indirectly result in a physical change in the environment.

Section 2: The City Council hereby adopts the amendments to the Objective Design Standards for Housing Element Sites as more particularly described in Exhibit A.

Section 3: This resolution shall become effective as of the effective date of Ordinance No. _____.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on November 19, 2024, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Karla Brown, Mayor

ATTEST:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

EXHIBIT A

OBJECTIVE DESIGN STANDARDS

OBJECTIVE DESIGN STANDARDS

CITY OF PLEASANTON

Objective Design Standards for Housing Sites

Adopted January 26, 2023, Revised May 2, 2023, and
November 19, 2024

COMMUNITY DEVELOPMENT DEPARTMENT

PART 2 DEVELOPMENT STANDARDS

The following regulations establish quantitative standards in order to realize the desired building, open space, and street character contained in the Design Standards.

In addition to the Design Standards described below; all multifamily residential development shall satisfy other **standards** in this document relating to:

- The provision of pedestrian and bicycle connections (both private and public)
- Group Usable Open Space (Development Standards)
- Landscaped Paseos (A.6)
- Open Space, Landscaping and Lighting (A8, A9, and A10)

And shall also incorporate residential amenities such as play/activity areas, pools, water features, fitness facilities, and community rooms.

Density: Each site has been identified for a range of density expressed in units per acre (see Table 2.1 Housing Sites, for details). These densities are in addition to the on-site retail or service uses that the City may approve as part of a mixed-use project, if such additional development was anticipated in the 2012 Housing Element and Climate Action Plan General Plan Amendment and Rezonings Supplemental EIR, or the 2023-2031 (6th Cycle) Housing Element Update Program EIR, or as approved through any subsequent tiered environmental review.

Note: The City interprets the minimum residential density to be an average minimum density to be met over the entirety of the project site (i.e., different portions of the site may have densities that are either higher or lower, but the minimum density is met cumulatively across the entire site).

Permitted and Conditionally Permitted Uses: In addition to residential uses at the densities assigned in Table 2.1, mixed-use development (commercial uses in conjunction with residential uses) is allowed as follows on sites where such additional development was anticipated in the 2012 Housing Element and Climate Action Plan General Plan Amendment and Rezonings Supplemental EIR, or the 2023-2031 (6th Cycle) Housing Element Update Program EIR, or as approved through any subsequent tiered environmental review.

- Appendix C lists permitted and conditionally permitted uses for designated 5th Cycle (Carryover Sites)
- 6th Cycle Housing Element Sites 18 (Valley Plaza) and Site 2 (Stoneridge Shopping Center), permitted and conditionally permitted uses shall be allowed as specified by their underlying zoning, within mixed use projects on these sites. Vertical mixed use (mixed uses within

the same building) or horizontal mixed use (mixed uses within different buildings on the same site) is allowed.

Affordability: All development shall comply with the City's Inclusionary Zoning Ordinance (IZO), Chapter 17.44 of the Pleasanton Municipal Code, ~~through Affordable Housing Agreements entered into between the City and each developer; the agreements will be recorded and will run with the land. Inclusionary units shall be deed restricted to be affordable in perpetuity. Accessory Dwelling Units or Junior Accessory Dwelling Units shall not be permitted to count towards meeting the IZO's minimum inclusionary requirements.~~

~~For rental units, the following affordability mix shall be met, reflecting the rent maximums that may be set among any required inclusionary units:~~

- ~~• A minimum of 25 percent of inclusionary units shall have rents set at no more than 30% of 50% Area Median Income (AMI) for households with incomes up to 50% AMI (Very Low Income Units)~~
- ~~• A minimum of 25 percent of inclusionary units shall have rent set at no more than 30% of 60% AMI for households with incomes of 51% to 60% AMI (Low Income Units)~~
- ~~• No more than 50 percent of inclusionary units shall have rent set at no more than 30% of 80% AMI for households with incomes of 61% to 80% AMI (Low Income units)~~

~~Actual rents charged shall follow the published schedule of maximum monthly rents, by size and type of units, as provided and updated annually by the City. Qualifying incomes shall be set at the same levels as those described above (i.e., a qualifying household for a 50% AMI rent restricted unit shall have a maximum annual income of no more than 50% AMI), with such income limits based on the schedule of income limits based on household size published annually by the City and consistent with the U.S. Department of Housing and Urban Development (HUD) annual adjustment in the AMI for the San Francisco-Oakland-Fremont Metropolitan Statistical Area.~~

~~In instances where a project proposes to make use of State or Federal programs (e.g., State Housing Density Bonus Law, Low Income Tax Credits, etc.) then the most restrictive requirements of any applicable income and rent limits established by such programs shall prevail; and for purposes of Density Bonus Law, for low income households earning 61-80% AMI, the City shall allow, at the applicant's request, rents to be set at 30% of actual income of such qualifying low income households.~~

~~For ownership units, prices shall be set at the following limits to result in a monthly mortgage payment (principal and interest) which does not exceed one-twelfth of 35% of the stated AMI, per Municipal Code Section 17.44.050.F:~~

- ~~1 bedroom units to be restricted at 100% AMI~~
- ~~2 bedroom condominium units to be restricted at 100% AMI~~
- ~~2 bedroom townhome units/single family units AND 3 bedroom and larger units to be restricted at 120% AMI^[4]~~

~~**Section 8 Rental Assistance Vouchers:** Through the affordable housing agreements entered into between the City and each developer, the developments will generally be required to accept HUD Section 8 Rental Vouchers as a means of assisting qualified applicants.~~

~~**Bedroom Mix of Affordable Units:** For each project, a minimum of 10% of the total affordable units will be three bedroom units; a minimum of 45% of the total affordable units will be two bedroom units; and the remaining affordable units will be studio or one bedroom units except that no more than 10% of units may be studios. This requirement shall not apply to age-restricted senior housing or single family projects.~~

~~^[4] Household sizes for units shall be calculated based upon two persons in the case of a one bedroom unit, three persons in the case of a two bedroom unit, four persons in the case of a three bedroom unit, as generally set forth in Cal. Health and Safety Code section 50052.5(h).~~



CITY COUNCIL AGENDA REPORT

October 15, 2024
Community Development

TITLE: RECEIVE A PRESENTATION AND PROVIDE INPUT ON DRAFT AMENDMENTS TO PLEASANTON MUNICIPAL CODE (PMC) CHAPTER 17.44 - INCLUSIONARY ZONING AMENDMENTS AND RELATED AMENDMENTS TO PMC CHAPTER 17.40 - AFFORDABLE HOUSING FEE, CHAPTER 18.38 - HOUSING OPPORTUNITY ZONE DISTRICT, AND THE OBJECTIVE DESIGN STANDARDS FOR HOUSING ELEMENT SITES

SUMMARY

This study session is to present draft revisions to the Inclusionary Zoning Ordinance (IZO), Chapter 17.44 of the Pleasanton Municipal Code, and related chapters of the Municipal Code (PMC 17.40, 18.48), and the Objective Design Standards for Housing Element Sites, for initial City Council review and input. The draft revisions reflect input from the two study sessions held with City Council in May and August 2024, and the recommendation of the Planning Commission for adoption of the amendments, which was provided on September 11, 2024. In addition to updating the IZO with respect to the inclusionary rate, and target affordability levels, the amendments provide much greater specificity and increased objectivity related to design and development standards for inclusionary units, and also clarify and improve the procedures, findings and requirements for projects seeking approval of alternative means to comply with the IZO. Following City Council's input and direction, the various PMC and ODS amendments would be presented to the City Council for adoption in November. Also in November, staff will provide an update and introduction to the Draft Nexus Fee studies, including the Affordable Housing In-Lieu Fee, for City Council review and input.

RECOMMENDATION

Receive a presentation and provide input on Draft Amendments to Pleasanton Municipal Code (PMC) Chapter 17.44 - Inclusionary Zoning Amendments and Related Amendments to PMC Chapter 17.40 - Affordable Housing Fee, Chapter 18.38 - Housing Opportunity Zone District, and the Objective Design Standards for Housing Element Sites.

BACKGROUND

Since early 2024, City staff and a professional services team led by Economic & Planning Systems (EPS) have undertaken work to update the City's Development Impact Fees and Affordable Housing Fees, and to update the existing Inclusionary Zoning Ordinance (IZO).

The process to update the City's Affordable Housing fee has to date been conducted in tandem with discussion of potential changes to the IZO. In particular, these discussions have focused on the inclusionary rate reflected in the IZO (i.e., the proportion of affordable units required as part of market-rate projects), and the required minimum affordability levels for inclusionary units, since those factors influence the recommended affordable housing fee amount. Amendments are also proposed to PMC Chapter 17.40 - Affordable Housing Fee, Chapter 18.38 – Housing Opportunity Zone District, and the Objective Design Standards for

Housing Element Sites, to align with the amendments to the IZO and make other clarifying changes.

The City Council held workshops in May and August as part of the study process.

May 7, 2024 Workshop

At an introductory workshop on May 7, 2024, City Council reviewed and discussed the results of EPS' initial analysis, including an evaluation of potential changes to the affordable housing inclusionary rate, along with other initial findings and recommendations with respect to impact fees more generally. The latter discussion focused on seeking a balance between establishing fees at a rate that would appropriately mitigate development impacts, while being mindful of potentially negative impacts on development feasibility that could impede other City financial and policy goals. EPS evaluated various inclusionary scenarios, including some scenarios that would increase the current inclusionary rate, and others that would retain or reduce those rates. EPS also looked at the resultant equivalent in-lieu fee, if set at a level reflecting the equivalent cost to subsidize those same affordable units constructed elsewhere, and the overall feasibility of setting fees at those equivalent rates. Based on the analysis, staff's initial recommendation was to set the inclusionary rate for all types of residential projects at 15% (i.e., decrease the current single-family/ownership rate and retain the existing multi-family rate). Additional detail and supporting analysis is provided in the [May 7, 2024 Agenda Report](#) and attachments; minutes of the May 7 workshop are included in Attachment 2 to this report.

August 20, 2024 Workshop

The City Council held a follow-up workshop on August 20, 2024, focused on the Inclusionary Zoning Ordinance. At this meeting, EPS provided additional analysis and refined scenarios for the inclusionary rate and in-lieu affordable housing fee; staff also provided analysis and requested City Council direction on several key policy questions for the update of the IZO. Consensus direction was provided based on a straw-poll vote by a majority of the City Council on each of the policy items, although it is noted there was not unanimity on every point. (See Attachment 2, Minutes from the May 7 and August 20, 2024 City Council Workshops). The outcomes and recommendations made by the City Council are outlined further in the analysis and discussion of the amendments to the IZO, in the Discussion section below. With respect to the inclusionary rate and affordability levels, the City Council supported staff's recommendation to establish the rate at 15% for both rental and ownership projects, with a moderate-income target affordability for ownership units, and lower-income affordability for rental units. Additional detail and supporting analysis is provided in the [August 20, 2024 Agenda Report](#) and attachments.

PLANNING COMMISSION ACTION

The Planning Commission held a public hearing on September 11, 2024, to review and provide a recommendation to City Council for adoption of the updated IZO and related amendments to PMC 17.40, 18.38, and the 2023 Objective Design Standards for Housing Element Sites. By a 4-1 vote (Mohan voting "no") the Planning Commission recommended the City Council approve the amendments as recommended by staff. As described below, the Planning Commission suggested more information be provided to City Council to support recommendations concerning minimum unit sizes.

DISCUSSION

As noted, staff has incorporated the various points of City Council direction at the August 20 workshop into a comprehensively revised and updated IZO. Attachment 1 includes the text of the draft IZO Amendments (Chapter 17.44, starting on page 8 of Attachment 1) in redline/strikeout format. In addition to items on which the City Council provided specific direction, the proposed revisions include various other updates, clarifications and improvements to the IZO, principally intended to provide more clear and objective standards, clarify procedures, and align the ordinance with more standard language in definitions and other terms. Substantive changes to the IZO are outlined below.

Inclusionary Rate and Affordability Levels (17.44.040.B. and C.)

The amended IZO establishes the inclusionary rate and affordability levels for ownership and rental projects. As described above, consistent with majority City Council direction, it includes:

- For-Sale Projects (attached and detached): 15% inclusionary; units affordable to households making up to a maximum of 120% Area Median Income (AMI) – i.e., moderate income
- Rental Projects: 15% inclusionary; units affordable to households making a maximum of 50% and 60% Area Median Income (AMI) – i.e., very-low and low-income. (This split affordability is recommended, based on further analysis by EPS, in support of a City Council request to study this option).

The proposed 15% rate and recommended affordability levels provide an appropriate balance between achieving the City's affordable housing goals, while representing a more feasible rate for attached and detached single-family projects. While there is potentially a significant developer cost to subsidize inclusionary for-sale units due to the large gap between affordable and market sales prices, other proposed amendments to the IZO would provide projects with significantly more flexibility to meet the requirements of the IZO on-site, and thus improve feasibility. Furthermore, staff's analysis found there would be a minimal future number of large, single-family detached projects subject to the IZO, and the change from a 20% inclusionary rate to a 15% rate will not meaningfully affect inclusionary unit production.

With respect to multi-family projects, as previously presented to City Council, it is currently an extremely challenging environment for multi-family construction, and few, if any, projects are likely to be feasible under current economic conditions, even if the inclusionary rate were to be substantially reduced. However, since the current 15% rate has been feasible in the past, and anticipating there will be improvement in the multi-family construction market over time, staff recommended, and City Council supported, retaining the multi-family rental inclusionary rate at 15%, which will also help the City meet its affordable housing goals.

The August 20 report also suggested the City Council could consider other near-term tools to help stimulate multi-family rental housing production, which comprises the largest share of the remaining units that could be zoned and built under the Housing Element, such as temporarily permitting projects to “fee out” of up to a third of their inclusionary requirement. The City Council will have the opportunity to consider this concept as part of the discussion and adoption of the Affordable Housing fee.

Threshold Project Size

As recommended by City Council, the IZO has been amended to reduce the minimum project

size subject to inclusionary requirements (i.e., required to provide units on site) from 15 to 10 units.

Inclusionary Unit Standards (Section 17.44.040)

Numerous changes are proposed to Section 17.44.040, principally to create more objective standards for the evaluation of inclusionary housing proposals, and in some instances to provide more flexibility in how the inclusionary requirements can be met. Major changes include:

- Clustering and dispersal of units (17.44.050.A): The revisions include additional, but limited, exceptions to permit clustering of units. For example, within single-family detached developments the IZO would have provisions to allow attached units such as duets or townhomes, or where a project is able to use Lower Income Housing Tax Credits (LIHTC) to achieve a multi-family project that would satisfy its inclusionary requirements for those units to be clustered, as a practical matter. The amended IZO allows other exceptions to the clustering/dispersal requirements to be allowed, subject to City Council allowance through an “alternative compliance” approval (see below) and subject to specific findings.
- ADUs and JADUs disallowed from counting toward inclusionary requirements (17.44.050.B): The revised IZO explicitly states that ADUs and JADUs may not count toward the IZO. This new requirement is staff’s recommendation, as legally (pursuant to the Ellis Act) the City cannot require a homeowner to rent an ADU (at all), and even if rented, there are significant practical challenges to monitoring and ensuring the unit is rented to an income-qualified household. This provision is not intended to construe that the City does not support or encourage ADUs in general, which could still be used to provide an increment of housing above and beyond the IZO, that is “affordable by design.” Language has been included in the draft amended IZO to that effect.

The City Council unanimously supported not allowing JADUs to count toward meeting the IZO but requested additional analysis regarding ADUs. In addition to the above-stated reasons, there are negative reports from staff of cities whose ordinances have allowed ADUs to satisfy their respective IZO only to see virtually all single-family projects elect this option and then face significant challenges with monitoring and enforcement. As such, staff continues to strongly recommend against allowing for ADUs to be used to satisfy the IZO requirements. In particular, it is the intent of the IZO and numerous policies of the Housing Element to secure units that provide housing opportunities for lower-income households in need of those units. The lack of certainty that the unit will actually provide the affordable housing opportunity intended to be secured by the IZO is a compelling reason in support of the staff and Planning Commission recommendation, consistent with the City’s stated policy goals.

- Unit Size. The proposed amendments allow for:
 - For-sale inclusionary units: Living area to be up to 50 percent of the size of the average of the market-rate units.
 - Rental inclusionary units: Minimum unit sizes are specified based on number of bedrooms. (1) a studio shall be at least 450 net square feet; (2) a one-bedroom

unit shall be at least 550 net square feet; (3) a two-bedroom unit shall be at least 750 net square feet; (4) a three bedroom unit shall be at least 1,000 net square feet; and (5) for units with more than three bedrooms an additional 200 net square feet for each additional bedroom.

Regarding the size of inclusionary rental units, in response to Planning Commission comments, the above recommendations include some minor adjustments to the minimum square footage, reducing them slightly from the initially proposed unit sizes by 50-100 square feet, to help improve the feasibility of these units for new development. The revisions also now specify that unit sizes are net (i.e., "paint to paint") so that the thickness of walls is not included in the unit size calculation. In developing the recommendations, staff consulted with Van Meter Williams Pollack (VMWP), the City's consultant who has extensive experience developing both market-rate and affordable projects throughout the Bay Area. The recommended unit sizes are based on considerations of livability (adequate living space for the typical household size that would be occupying a unit) and ability to include features such as storage and additional bathrooms as bedroom counts increase. VMWP noted that in Pleasanton, market-rate unit sizes tend to be larger than in more urban areas such as Oakland and San Francisco, so ensuring relative equity between the affordable and market-rate units means that affordable units should also be somewhat larger than in those other locations.

- *Bedroom Mix (17.44.050.G.)* The IZO has been amended to include new requirements for the bedroom mix (i.e., the number of units that are studios, one-, two-, or three-bedrooms) of the affordable units.
 - For-sale projects inclusionary units must reflect a similar average number of bedrooms as the market-rate units
 - In rental projects, a mix that includes at least 10% three-bedroom units is required, with a limitation set on studio units (no more than 10% studio units are allowed), and the remainder one- and two-bedroom units.

This mix is the same as that included and approved in the ODS, and matching average bedroom counts in for-sale projects is a commonly used approach that retains equivalency between the market-rate and affordable units.

Alternative Means of Compliance (17.44.040.080)

Consistent with direction provided by City Council on August 20, recommended amendments to the alternative compliance section (17.44.080) include:

- More detailed findings for approval of alternative compliance proposals, and clearly placing the burden of proof to support the basis of requests on the applicant.
- Establishing the City Council as the approving body for all alternative compliance requests.
- Establishing a clear priority among acceptable forms of alternative compliance, with (from most to least preferred): 1) Alternative configurations, unit types or clustering of units on site; 2) Constructing units off-site; 3) Dedicating land for an affordable housing project; and 4) Paying the Affordable Housing fee. As proposed in the text amendments, applicants are required to demonstrate that a higher-priority option is infeasible, before consideration is made of a lower-priority option.

- Strengthened, and where possible, objective criteria for each of the alternative compliance options to ensure that the alternative will continue to meet the purpose of the IZO and policy priorities of the City.

In addition, the amendments would remove the option to allow transfer of excess units as credits to help maximize the production of affordable units and avoid administrative complexities in terms of the timing, coordination and approvals required between the “sending” and “receiving” sites.

Procedures for Review

Among other clarifying provisions, the proposed IZO amendments would allow for affordable housing proposals/agreements in full compliance with the Ordinance (i.e., not requesting alternative compliance or otherwise deviating from the standard) to be approved by the same body responsible for approval of the underlying project. For example, if the project was subject to Planning Commission approval, then a fully compliant affordable housing agreement could also be reviewed and approved by the Planning Commission. Such actions would be subject to the typical appeal or “call-up” procedures allowed by the municipal code. Any affordable housing agreement proposal involving an alternative compliance request would be subject to City Council review and approval.

Other Revisions

Other more minor revisions are included throughout the Ordinance and reflected in the redline draft in Attachment 1. These generally aim to improve or clarify the language of the ordinance, reduce ambiguity, and/or create more objectivity. Additional revisions beyond those noted in the prior section include:

- 17.44.020 – Purpose: Revisions to remove reference to regulatory provisions more appropriately stated elsewhere in the Ordinance.
- 17.44.030 – Definitions: Revisions to the definitions section to align and update the definitions to terms used in the Ordinance, current practices, and other related regulatory requirements.
- 17.44.050 – Inclusionary Unit Provisions and Specifications: In addition to the changes described above, other revisions in this section would add more specificity or measurable standards.
- 17.44.060 – Affordable Housing Agreement: Clarifying that where a project is permitted by City Council to pay affordable housing fees such project does not require a separate affordable housing agreement, and the requirement would instead be memorialized in a City Council resolution for approval.
- 17.44.070 – Incentives to Encourage On-Site Construction of Inclusionary Units: Deletion of the incentive for “priority processing” since this requirement may conflict with project review timelines mandated by State law.
- 17.44.080 – Alternative Means of Compliance. Other minor revisions to clarify/strengthen requirements and criteria for approval of alternative compliance requests.
- 17.44.090 – Administration. Addition of a provision regarding amendment of affordable housing agreements to allow administrative approval of minor, non-substantive changes, with other amendments subject to approval by the original approving body.

Related Amendments to PMC Chapters 17.40, 18.38, and Objective Design Standards

In addition to the various amendments to Chapter 17.44, various amendments are proposed to other chapters of the PMC and to the 2023 Objective Design Standards to align with the IZO amendments and to make other limited updates to align with State law. In summary, these include:

Chapter 17.40 – Affordable Housing Fee

Minor revisions have been made to this chapter, including:

- Clarification of the purposes for which affordable housing funds may be used, to include affordable housing programs as well as construction of affordable housing units.
- Modernizing/update terminology (e.g., referencing facilities for religious purposes as being exempt from the affordable housing fee) and/or align it to existing regulations (e.g., adding a reference to Junior ADUs, as well as ADUs as being exempt from the affordable housing fee.) Since the Planning Commission review, an additional update has been made to definitions of Lower- and Moderate-Income Housing Units, to align them with the definitions used in the IZO.
- Amending the method by which annual increases to the fee are made to be indexed to the Construction Cost Index (CCI), rather than the Consumer Price Index (CPI), since provision of affordable/inclusionary housing is a construction-related cost.
- Deletion of references to annual reporting and other requirements pursuant to AB1600 (Mitigation Fee Act) since the affordable housing fee is not considered an impact fee subject to AB1600.

Chapter 18.38 – Housing Opportunity Zone District

As part of implementation of the 2023-2031 (6th Cycle) Housing Element, the City rezoned sites and created the Housing Opportunity Zone District. Since the IZO was pending update, some more detailed standards for inclusionary housing were included in this chapter. Because those provisions would be redundant with the updated IZO, this chapter of the PMC would be amended to delete them.

Objective Design Standards for Housing Element Sites

Similar to Chapter 18.38, the ODS were adopted prior to this update of the IZO, and so detailed standards were included in the ODS for required affordable housing units. Similarly, those standards are proposed to be deleted from the ODS, and instead the ODS would defer to the IZO for affordable housing requirements.

EQUITY AND SUSTAINABILITY

Adopting the updated Inclusionary Zoning Ordinance and related PMC amendments helps to advance equity and sustainability goals, by improving and strengthening the ordinance and its implementing procedures to encourage the maximum production of affordable housing units, and ensure that the housing needs of Pleasanton's lower-income households are met.

OUTREACH

Notice of this meeting was placed in The Valley Times, and interested parties requesting notification were also sent notices. Following this meeting and with direction from City Council,

staff is scheduled to present the key findings and recommendations to meetings of the Chamber of Commerce Economic Development and Government Relations (EDGR) Committee; the Business Organization Partners (BOP), and the Economic Vitality Committee (EVC).

STRATEGIC PLAN ALIGNMENT

Completion of these updates is consistent with the ONE Pleasanton Strategic Plan goal of *Building a Community Where Everyone Belongs*, Strategy – Implement the Housing Element and develop a plan to end homelessness, and the 6th Cycle Housing Element Program 2.1 – Continue to implement the Inclusionary Zoning Ordinance and actively pursue strategies to improve its effectiveness in producing affordable housing units in conjunction with new development.

FISCAL IMPACT

Adopting the IZO and related Code amendments would not have a direct fiscal impact, since its provisions are intended to better align the City's requirements and standards with respect to provision of affordable housing with the City's broader housing policy goals, while ensuring those requirements are not an impediment to overall residential development that may contribute future property tax and other revenues.

Prepared by:



Ellen Clark, Director of
Community Development

Submitted by:



Ellen Clark, Director of Community
Development

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Redline Amendments, PMC Chapters 17.40, 17.44, 18.38 and Objective Design Standards
2. May 7 and August 20, 2024 City Council Workshop Minutes
3. Presentation

CITY COUNCIL AGENDA REPORT

November 19, 2024
Finance

TITLE: ACCEPT THE MONTHLY DISBURSEMENT AND INVESTMENT REPORT FOR SEPTEMBER 2024

SUMMARY

Attached is the City of Pleasanton monthly disbursement and investment report for September 2024.

RECOMMENDATION

Accept claim disbursements in the amount of \$18,037,004 and the investment report for the month of September 2024.

BACKGROUND

The City's Investment Policy requires the Director of Finance to submit a monthly transaction report to the City Council within 60 days of the end of the reporting period in accordance with California Government Code Section 53607.

The Investment Policy also requires the Director of Finance to submit a quarterly report to the City Council on the status of the City's investment portfolio no later than 45 days after the end of each month. This report shall include the types of investments, the amount of money invested with various institutions, purchase and maturity dates, and yield on investments. The Director of Finance certifies that the investment portfolio complies with the investment policy and will meet cash flow needs for the next six months. This report also includes check and electronic payment information for September 2024.

DISCUSSION

The book value of the City of Pleasanton primary investment portfolio decreased by \$31.1 million from \$257.9 million to \$226.8 million during the quarter ending September 30, 2024. This decrease was primarily due to large disbursements to various vendors related to the new fiscal year (liability insurance premium, prepayment for unfunded pension liability, etc.). The fiscal year-to-date effective rate of return on the portfolio was 1.87 percent. The average days to maturity (ADM) decreased from 443 days on June 30, 2024, to 428 days on September 30, 2024.

Local Agency Investment Fund

The City's investment in the Local Agency Investment Fund (LAIF) decreased to \$39.3 million from \$69.5 million during the quarter ending September 30, 2024. The quarterly LAIF apportionment interest rate was 4.71 percent with ADM of 231 days. The average monthly effective yield was 4.58 percent in September, 4.58 percent in August, and 4.52 percent in July.

During the quarter, two medium-term notes matured, Paccar Inc. on August 15, 2024, for

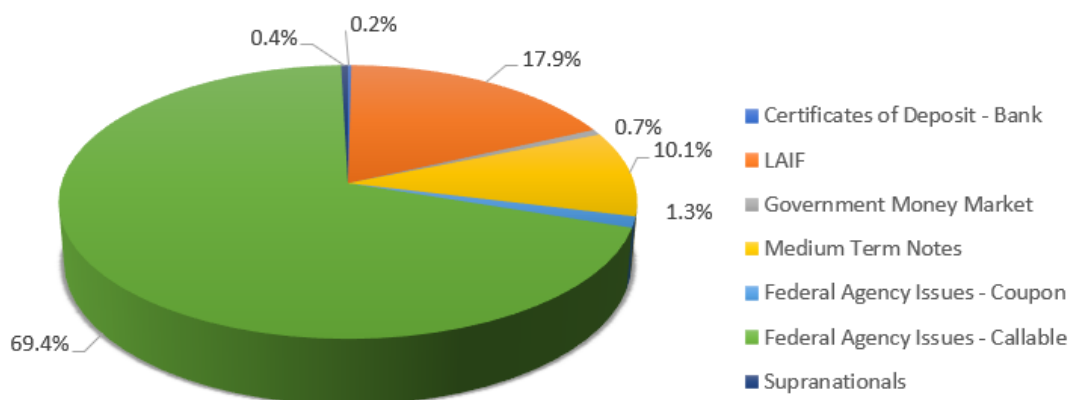
approximately \$1.3 million, and Apple Inc. on September 11, 2024, for approximately \$1.0 million, including interest. The certificate of deposit with Fremont Bank matured and was reinvested. As of September 30, 2024, approximately 70.7 percent of the total portfolio consisted of federal agency securities, while the LAIF investment was 17.9 percent of the portfolio. Corporate notes accounted for 10.1 percent of the portfolio, Government Money Market 0.7 percent, supranationals 0.4 percent, and certificates of deposit 0.2 percent.

- Fair Market Value of total portfolio - \$218,916,144
- Fiscal year-to-date effective rate of return - 1.87 percent
- Weighted average days to maturity – 428 days
- Fiscal year-to-date net interest earnings - \$1,115,785

Asset Composition

Investment	Percent of Portfolio
Certificates of Deposit - Bank	0.2%
LAIF	17.9%
Gov't Money Market	0.7%
Medium Term Notes	10.1%
Federal Agency Issues - Coupon	1.3%
Federal Agency Issues - Callable	69.4%
Supranationals	0.4%
	100.00%

Sector Allocation



As of September 30, 2024, the effective rate of return is 1.87 percent.

Comparative Market Rates

(September 30, 2024)

Three Month Treasury Bill	4.73%
Six Month Treasury Bill	4.38%
One Year Treasury Bill	3.98%
Two Year Treasury Note	3.66%

Historical Rates

City of Pleasanton Pool

September 30, 2020	1.74%
September 30, 2021	1.32%
September 30, 2022	1.24%
September 30, 2023	1.52%

The effective fiscal year rate of return on the portfolio was 1.87 percent, an increase of 0.21 percent from 1.66 percent from last quarter and an increase of 0.35 percent from 1.52 percent reported at the same time last year. As reported previously, the Federal Reserve (the Fed) raised interest rates since March 2022 and halted increases in July 2023, resulting in the highest federal funds rate in 25 years. This September, the Fed announced a new target rate of 4.75 percent to 5.00 percent, down from 5.25 percent to 5.50 percent. Most of the City's investment portfolio was purchased before rate hikes, and the overall investment return is expected to be lower than the market rates in the near term. As securities mature and funds are reinvested, the City will be able to achieve higher investment returns. The Fed has further trimmed rates by 0.25 at the meeting this November.

As of September 30, 2024, the entire portfolio, exclusive of money market accounts and LAIF was held in third-party safekeeping for the benefit of the City of Pleasanton at Bank of New York Mellon. Bank of New York Mellon is a contractual agent for the City.

As of September 30, 2024, all investments in the portfolio are authorized by State of California Government Section 53600 et. Seq. and the City's investment policy.

Securities rated below "AA-/AA3"

Issuer	Par Value	Maturity Date	Rating (S&P/Moody)
JPMorgan Chase	3,000,000	6/22/2026	A
Toyota Motor Credit Corp	1,600,000	10/7/2024	A
Toyota Motor Credit Corp	3,000,000	1/9/2026	A
Truist Bank	2,000,000	3/10/2025	A
3M Company	2,000,000	2/14/2025	BBB
Total	\$11,600,000		

Noe the medium term note with 3M Company is rated at A by Moody's and rated at BBB+ by S&P. A rating of A indicates the investment grade is very high and a rating of BBB+ indicates the investment grade is good. When this investment was purchased in 2019, it met the A rating category required by the City's investment policy. This investment is scheduled to mature in February 2025; staff has been monitoring this investment and will take action, such as selling the security before maturity, if warranted.

Purchases and Maturities

No securities were purchased during the quarter; two securities matured, one in August and one in September; and one certificate of deposit matured in September and was renewed. Staff continued to be conservative on investment. Staff will continue to monitor cash inflows

and outflows, taking into consideration anticipated construction costs for large capital projects and unexpected events.

Purchases

Issuer	Par Value	Maturity Date	Coupon (%)	Yield (%)
Fremont Bank Certificate of Deposit	\$230,000	12/21/2024	4.17	4.1
	\$230,000			

Maturities

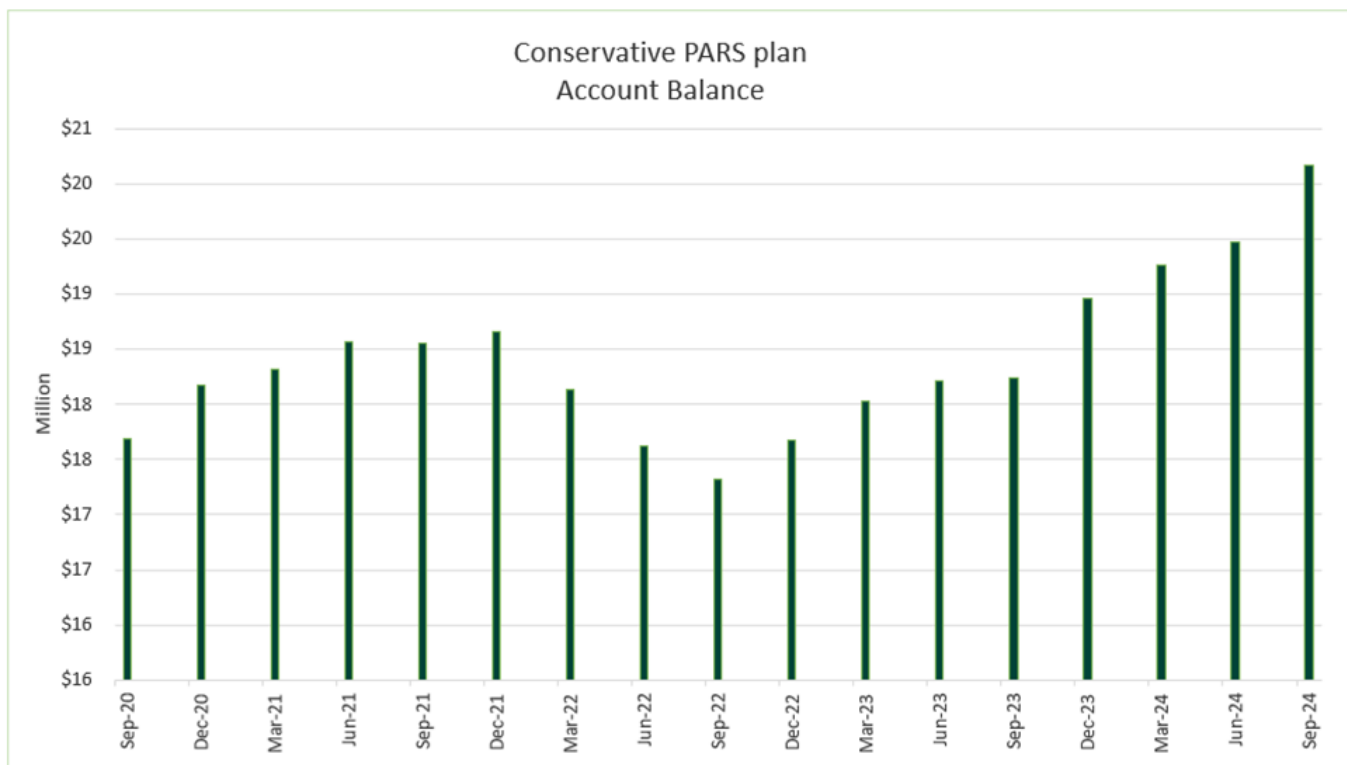
Issuer	Par Value	Maturity Date	Coupon (%)	Yield (%)
PACCAR Finance Corp	\$1,330,000	8/15/2024	2.15	2.8
Apple Inc.	\$1,040,000	9/11/2024	1.80	1.8
Fremont Bank Certificate of Deposit	\$239,245	9/21/2024	4.89	4.8
	\$2,609,245			

Section 115 Trust Fund

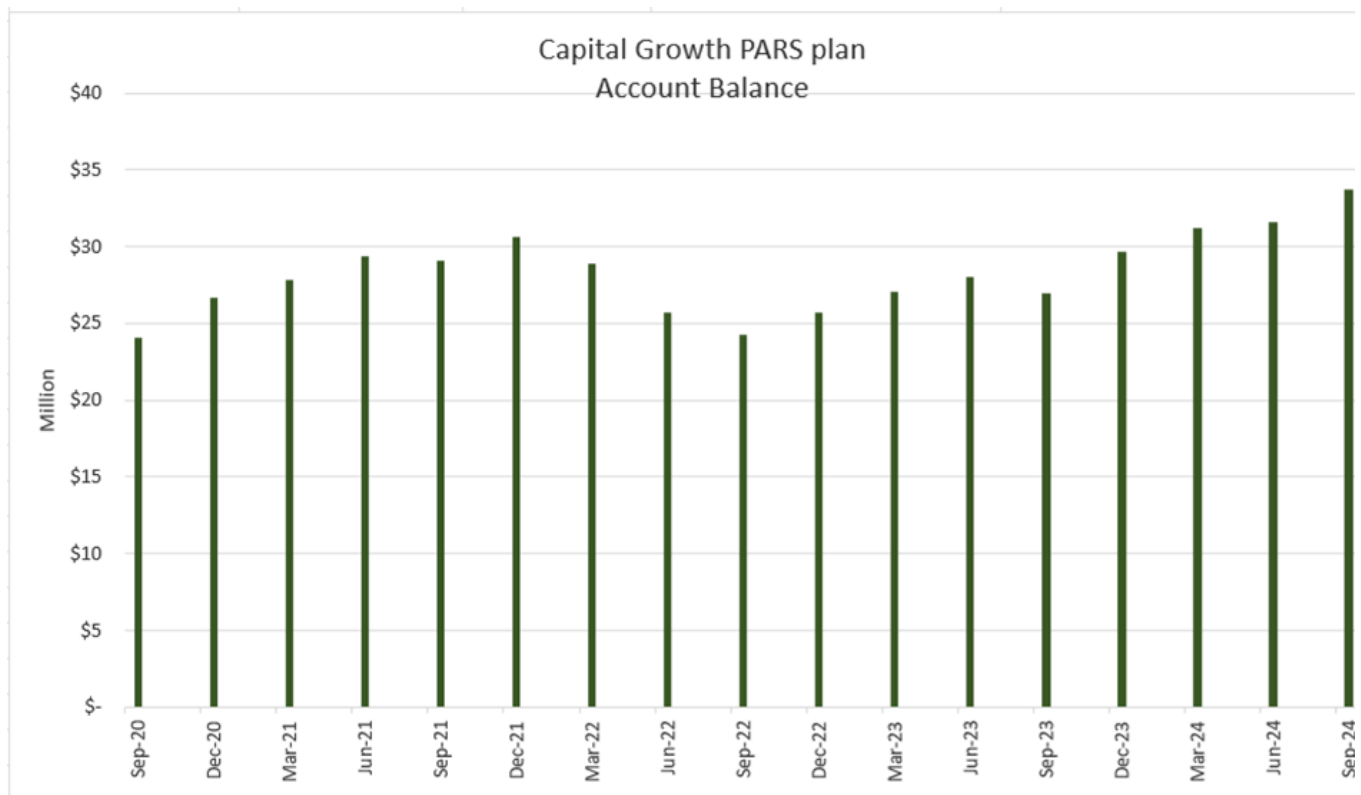
In September 2018, the City Council approved the investment of \$28.0 million of various reserves into a Section 115 Trust Fund to help smooth the pension liabilities which are expected to grow in the long run. The investment is made into two separate portfolios, the first for \$6.7 million into a Conservative portfolio which is available to pay the annual unfunded liabilities if necessary, and the second for \$21.3 million into a long-term Capital Growth portfolio.

In February 2020, the City Council authorized Finance staff to deposit to, and withdraw from, the Conservative portfolio an additional amount up to the total annual required CalPERS payment. In March and September 2020, two additional \$5.0 million contributions were deposited into the Conservative portfolio for a total of \$16.7 million deposited into the Conservative portfolio.

As presented in the chart below, the Conservative portfolio balance was \$20.2 million at the end of September 30, 2024, an increase of \$0.7 million from the prior quarter. The Conservative portfolio investment return for the quarter ended September 30, 2024, was 3.63 percent, and the five-year annualized return was 3.99 percent.



The second portfolio (Capital Growth) addresses the longer-term pension liabilities with an initial investment of \$21.3 million. The focus of this portfolio is to earn a higher rate of return over the next 10 years or so before the City needs to draw upon it.



The Capital Growth portfolio balance was \$33.7 million at the end of September 30, 2024, an increase of \$2.1 million from the prior quarter. The Capital Growth portfolio quarterly investment return was 6.90 percent, and the five-year annualized return was 8.91 percent.

The two portfolios total \$53.9 million, which are held by a third party for the benefit of the City of Pleasanton at US Bank. US Bank is the contractual agent for PARS trust investments that are managed by PFM Asset Management (formerly Highmark Capital Management).

EQUITY AND SUSTAINABILITY

Not applicable, as this item is a routine administrative matter of City business.

OUTREACH

No outreach was conducted, as this item is a routine administrative matter of City business.

STRATEGIC PLAN ALIGNMENT

Not applicable, as this item is a routine administrative matter of City business.

FISCAL IMPACT

There is no fiscal impact associated with this action.

Prepared by:



Dawn DeMarcus, Senior
Budget and Finance Analyst

Submitted by:



Susan Hsieh, Director of Finance

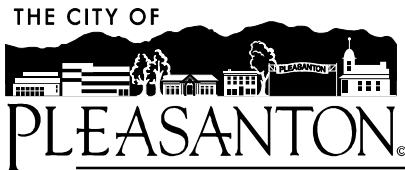
Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. September 2024 Disbursements and Investment Report



SEPTEMBER 2024 DISBURSEMENTS

CHECK REGISTER*

<u>DATE</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
9/5/2024	64287-64387	\$ 1,930,935
9/6/2024	64388-64399	370,771
9/12/2024	64400-64470	4,603,456
9/19/2024	64475-64566	1,089,548
9/20/2024	64584-64610	508,282
9/23/2024	64613	13,368
9/25/2024	64614	30,000
9/26/2024	64615-64733	590,673
		<u>\$ 9,137,033</u>

ACH PAYMENTS

<u>DATE</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
9/5/2024	64279-64286	\$ 241,838
9/12/2024	64471-64474	426,136
9/19/2024	64567-64583	3,146,779
9/20/2024	64611-64612	398,919
9/26/2024	64734-64736	113,344

Payroll & Tax related ACH Payments	997,358
	<u>\$ 5,324,375</u>

WIRE TRANSFERS

AMOUNT

\$ -

PAYROLL TRANSFERS

<u>DATE</u>	<u>AMOUNT</u>
9/5/2024	\$ 1,831,770
9/19/2024	1,743,827
	<u>\$ 3,575,597</u>

TOTAL DISBURSEMENTS

\$ 18,037,004

* Detailed registers available upon request.



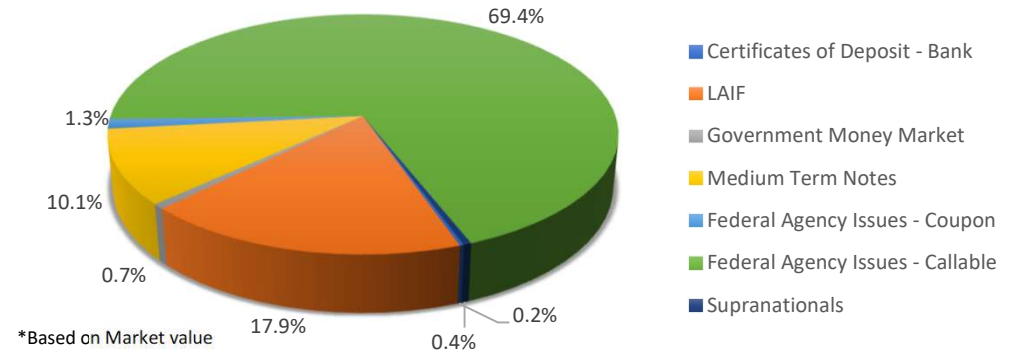
Portfolio Snapshot

September 30, 2024

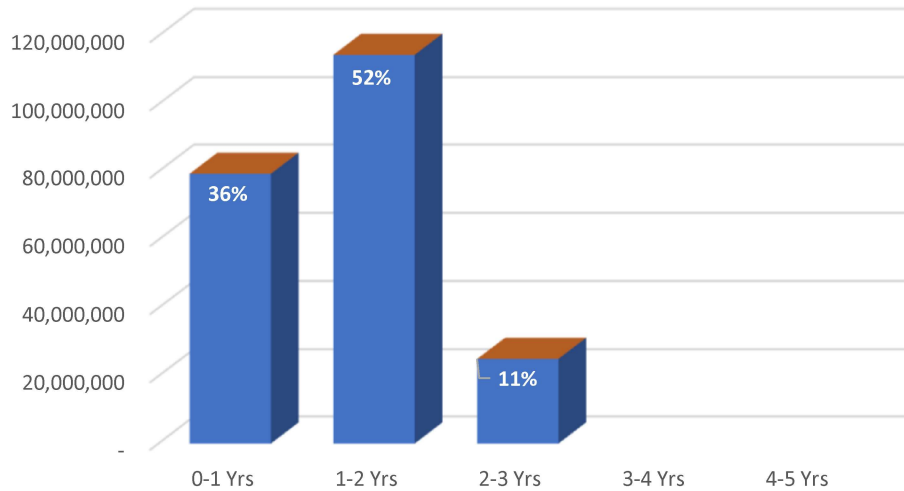
Portfolio Characteristics

Total Market Value	\$218,916,144
Effective Rate of Return	1.87%
Average Days to Maturity	428

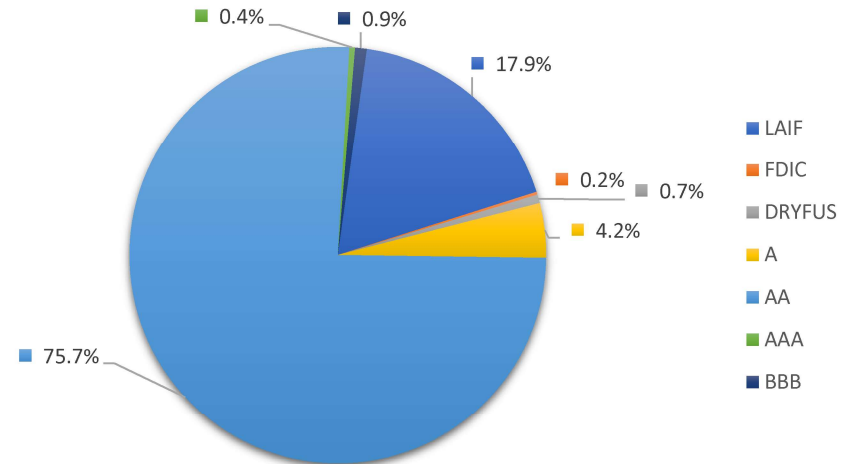
Sector Allocation



Maturity Distribution



Assigned Credit Ratings of Investments





CITY OF PLEASANTON
Portfolio Management
Portfolio Summary
September 30, 2024

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Certificates of Deposit - Bank	480,000.00	480,000.00	480,000.00	0.21	233	139	4.483	4.545
LAIF	39,305,517.89	39,160,718.01	39,305,517.89	17.33	1	1	4.419	4.480
Gov't Money Market	1,465,257.44	1,465,257.44	1,465,257.44	0.65	1	1	4.507	4.570
Medium Term Notes	22,600,000.00	22,069,294.00	23,170,318.68	10.22	1,814	324	1.397	1.417
Federal Agency Issues - Coupon	3,000,000.00	2,844,060.00	2,995,657.09	1.32	1,825	811	1.262	1.280
Federal Agency Issues - Callable	158,630,000.00	151,941,614.85	158,420,440.80	69.84	1,822	546	0.903	0.916
Supranationals	1,000,000.00	955,200.00	980,200.00	0.43	1,704	513	0.922	0.935
	226,480,775.33	218,916,144.30	226,817,391.90	100.00%	1,490	428	1.599	1.621
Investments								

Total Earnings	September 30	Month Ending	Fiscal Year To Date
Current Year		329,659.30	1,115,784.52
Average Daily Balance		229,828,688.26	237,184,108.41
Effective Rate of Return		1.75%	1.87%

I hereby certify that, to the best of my knowledge, this report includes all investments in the cash management program, is in accordance with the City's current investment policy dated June 18, 2024 and will meet the City's cash flow needs for the next six months. Market value amounts are from Bank of New York Mellon (safekeeping bank) month-end statements. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

11/7/2024

SUSAN HSIEH, DIRECTOR OF FINANCE

CITY OF PLEASANTON
Portfolio Management
Portfolio Details - Investments
September 30, 2024

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
SYS-1093	1093-3	Fremont Bank		09/22/2024	230,000.00	230,000.00	230,000.00	4.170	4.113	4.170	81	12/21/2024
SYS 1091	1091-2	United Business Bank		04/11/2024	250,000.00	250,000.00	250,000.00	4.890	4.823	4.890	192	04/11/2025
Subtotal and Average			478,496.80		480,000.00	480,000.00	480,000.00		4.483	4.545	139	
LAIF												
SYS5	5	LOCAL AGENCY INVESTMENT FUND			39,305,517.89	39,160,718.01	39,305,517.89	4.480	4.419	4.480	1	
Subtotal and Average			42,472,184.56		39,305,517.89	39,160,718.01	39,305,517.89		4.419	4.480	1	
Gov't Money Market												
X9USDCRGO	7	Dryfus Govt Cash Mgmt 672		08/23/2024	1,465,257.44	1,465,257.44	1,465,257.44	4.570	4.507	4.570	1	
Subtotal and Average			964,723.66		1,465,257.44	1,465,257.44	1,465,257.44		4.507	4.570	1	
Medium Term Notes												
89236TGL3	6046	Toyota Motor Credit Corp		10/24/2019	1,600,000.00	1,599,184.00	1,599,984.00	2.000	1.973	2.000	6	10/07/2024
037833DF4	6049	Apple Inc.		01/13/2020	1,000,000.00	994,710.00	1,037,212.20	2.750	1.938	1.965	104	01/13/2025
88579YBH3	6053	3M Company		02/14/2020	2,000,000.00	1,977,820.00	2,016,869.48	2.000	1.798	1.823	136	02/14/2025
30231GAF9	6056	EXXON MOBIL CORPORATION		03/11/2020	3,000,000.00	2,973,900.00	3,145,587.00	2.709	1.667	1.690	156	03/06/2025
89788JAA7	6058	Truist Bank		03/13/2020	2,000,000.00	1,971,160.00	1,969,486.00	1.500	1.796	1.821	160	03/10/2025
30231GBH4	6064	EXXON MOBIL CORPORATION		04/20/2020	2,000,000.00	1,984,960.00	2,113,800.00	2.992	1.753	1.777	169	03/19/2025
89236THW8	6067	Toyota Motor Credit Corp		03/09/2021	3,000,000.00	2,878,050.00	2,959,140.00	0.800	1.075	1.090	465	01/09/2026
037833EB2	6065	Apple Inc.		02/08/2021	2,000,000.00	1,917,180.00	1,996,860.00	0.700	0.722	0.732	495	02/08/2026
037833BY5	6066	Apple Inc.		02/23/2021	3,000,000.00	2,973,150.00	3,331,380.00	3.250	0.967	0.981	510	02/23/2026
46632FSCO	6068	JPMorgan Chase Bank NA		06/22/2021	3,000,000.00	2,799,180.00	3,000,000.00	1.100	1.085	1.100	629	06/22/2026
Subtotal and Average			23,516,985.35		22,600,000.00	22,069,294.00	23,170,318.68		1.397	1.417	324	
Federal Agency Issues - Coupon												
3130AQF65	3576	FEDERAL HOME LOAN BANK		12/22/2021	3,000,000.00	2,844,060.00	2,995,657.09	1.250	1.262	1.280	811	12/21/2026
Subtotal and Average			2,995,657.09		3,000,000.00	2,844,060.00	2,995,657.09		1.262	1.280	811	
Federal Agency Issues - Callable												
3134GVZ68	4535	FREDDIE MAC		06/23/2020	3,000,000.00	2,923,410.00	2,998,950.00	0.700	0.697	0.707	265	06/23/2025
3133ELQ49	4537	FEDERAL FARM CREDIT BANK		07/06/2020	3,000,000.00	2,919,390.00	2,997,750.00	0.700	0.706	0.715	272	06/30/2025
3136G4YH0	4538	FEDERAL NATIONAL MORTGAGE ASSN		07/14/2020	3,250,000.00	3,160,300.00	3,248,862.50	0.700	0.697	0.707	286	07/14/2025
3136G4A45	4541	FEDERAL NATIONAL MORTGAGE ASSN		07/22/2020	3,000,000.00	2,914,980.00	3,000,000.00	0.710	0.700	0.710	294	07/22/2025
3130AJZ36	4544	FEDERAL HOME LOAN BANK		08/27/2020	3,000,000.00	2,907,150.00	2,997,000.00	0.600	0.612	0.620	330	08/27/2025
3134GWA55	4545	FREDDIE MAC		09/09/2020	3,000,000.00	2,900,160.00	2,998,950.00	0.650	0.648	0.657	343	09/09/2025
3133EMB30	4548	FEDERAL FARM CREDIT BANK		10/05/2020	3,340,000.00	3,235,825.40	3,336,660.00	0.530	0.543	0.550	363	09/29/2025
3134GWW93	4547	FREDDIE MAC		09/30/2020	3,000,000.00	2,898,450.00	3,000,000.00	0.550	0.542	0.550	364	09/30/2025

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CITY OF PLEASANTON
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Callable												
3134GWWT9	4549	FREDDIE MAC		10/07/2020	3,000,000.00	2,900,280.00	2,997,600.00	0.550	0.559	0.566	364	09/30/2025
3134GW3F1	4550	FREDDIE MAC		10/28/2020	3,000,000.00	2,901,060.00	3,000,000.00	0.600	0.592	0.600	392	10/28/2025
3130AKGD2	4553	FEDERAL HOME LOAN BANK		11/25/2020	3,000,000.00	2,885,700.00	2,996,250.00	0.570	0.587	0.595	420	11/25/2025
3135GA3W9	4552	FEDERAL NATIONAL MORTGAGE ASSN		11/25/2020	3,000,000.00	2,893,830.00	3,000,000.00	0.600	0.592	0.600	420	11/25/2025
3134GXDM3	4554	FREDDIE MAC		12/01/2020	3,000,000.00	2,893,110.00	3,000,000.00	0.620	0.612	0.620	426	12/01/2025
3130AKQ74	4555	FEDERAL HOME LOAN BANK		01/22/2021	3,000,000.00	2,875,800.00	3,000,000.00	0.625	0.616	0.625	478	01/22/2026
3130AKRN8	4557	FEDERAL HOME LOAN BANK		01/28/2021	3,000,000.00	2,875,170.00	3,000,000.00	0.650	0.641	0.650	484	01/28/2026
3135G06R9	4556	FEDERAL NATIONAL MORTGAGE ASSN		01/28/2021	3,000,000.00	2,876,610.00	3,000,000.00	0.550	0.542	0.550	484	01/28/2026
3130AKXQ4	4558	FEDERAL HOME LOAN BANK		02/12/2021	3,000,000.00	2,868,750.00	3,000,000.00	0.600	0.109	0.110	499	02/12/2026
3130AL3S1	4560	FEDERAL HOME LOAN BANK		02/17/2021	3,000,000.00	2,868,900.00	3,000,000.00	0.625	0.616	0.625	504	02/17/2026
3130AL5X8	4561	FEDERAL HOME LOAN BANK		02/24/2021	3,000,000.00	2,866,230.00	3,000,000.00	0.650	0.641	0.650	511	02/24/2026
3130AKXJ0	4562	FEDERAL HOME LOAN BANK		02/24/2021	3,125,000.00	2,985,406.25	3,122,500.00	0.600	0.608	0.616	511	02/24/2026
3130ALCV4	4563	FEDERAL HOME LOAN BANK		02/24/2021	3,000,000.00	2,868,600.00	3,000,000.00	0.750	0.740	0.750	511	02/24/2026
3130AKZ25	4559	FEDERAL HOME LOAN BANK		02/26/2021	3,000,000.00	2,867,460.00	3,000,000.00	0.650	0.641	0.650	513	02/26/2026
3130ALGR9	4572	FEDERAL HOME LOAN BANK		03/15/2021	3,000,000.00	2,871,450.00	2,989,560.00	0.850	0.909	0.922	513	02/26/2026
3130ALGR9	4574	FEDERAL HOME LOAN BANK		03/18/2021	3,000,000.00	2,871,450.00	2,985,960.00	0.850	0.934	0.947	513	02/26/2026
3130ALGR9	4577	FEDERAL HOME LOAN BANK		03/22/2021	3,000,000.00	2,871,450.00	2,982,510.00	0.850	0.958	0.971	513	02/26/2026
3130ALGR9	4579	FEDERAL HOME LOAN BANK		03/31/2021	3,000,000.00	2,871,450.00	2,978,517.00	0.850	0.986	1.000	513	02/26/2026
3130ALDN1	4565	FEDERAL HOME LOAN BANK		03/16/2021	3,000,000.00	2,869,440.00	3,000,000.00	0.800	0.789	0.800	531	03/16/2026
3130ALGC2	4569	FEDERAL HOME LOAN BANK		03/23/2021	3,000,000.00	2,869,260.00	3,000,000.00	0.875	0.863	0.875	538	03/23/2026
3130ALGC2	4576	FEDERAL HOME LOAN BANK		03/23/2021	3,000,000.00	2,869,260.00	2,987,700.00	0.875	0.946	0.959	538	03/23/2026
3133EMUK6	4575	FEDERAL FARM CREDIT BANK		03/25/2021	3,000,000.00	2,882,580.00	3,000,000.00	1.050	1.036	1.050	540	03/25/2026
3130ALMM3	4571	FEDERAL HOME LOAN BANK		03/30/2021	3,000,000.00	2,874,120.00	3,000,000.00	1.000	0.986	1.000	545	03/30/2026
3130ALNT7	4578	FEDERAL HOME LOAN BANK		03/30/2021	3,000,000.00	2,873,250.00	2,998,050.00	0.980	0.980	0.993	545	03/30/2026
3130ALMM3	4581	FEDERAL HOME LOAN BANK		04/05/2021	3,000,000.00	2,874,120.00	2,996,250.00	1.000	1.012	1.026	545	03/30/2026
3130ALUC6	4580	FEDERAL HOME LOAN BANK		04/15/2021	3,000,000.00	2,871,570.00	2,995,500.00	1.020	1.036	1.051	561	04/15/2026
3130AMCL4	4585	FEDERAL HOME LOAN BANK		05/20/2021	2,795,000.00	2,650,889.80	2,795,000.00	1.020	1.006	1.020	595	05/19/2026
3130AMH62	4587	FEDERAL HOME LOAN BANK		05/26/2021	3,000,000.00	2,861,130.00	2,998,500.00	1.000	0.996	1.010	602	05/26/2026
3130AMGW6	4588	FEDERAL HOME LOAN BANK		05/26/2021	3,000,000.00	2,859,600.00	2,998,950.00	0.980	0.974	0.987	602	05/26/2026
3130AMHB1	4590	FEDERAL HOME LOAN BANK		06/02/2021	2,750,000.00	2,616,735.00	2,746,562.50	0.875	0.888	0.901	602	05/26/2026
3130AMH62	4591	FEDERAL HOME LOAN BANK		06/02/2021	1,500,000.00	1,430,565.00	1,500,000.00	1.000	0.986	1.000	602	05/26/2026
3133EMH21	4595	FEDERAL FARM CREDIT BANK		06/24/2021	3,000,000.00	2,857,020.00	2,997,000.00	0.900	0.908	0.921	622	06/15/2026
3130AMSL7	4592	FEDERAL HOME LOAN BANK		06/30/2021	3,000,000.00	2,858,820.00	3,000,000.00	1.030	1.016	1.030	637	06/30/2026
3130AMYA4	4594	FEDERAL HOME LOAN BANK		06/30/2021	3,000,000.00	2,860,830.00	3,000,000.00	1.070	1.055	1.070	637	06/30/2026
3130AN2Q2	4596	FEDERAL HOME LOAN BANK		06/30/2021	1,500,000.00	1,429,080.00	1,500,000.00	1.000	0.986	1.000	637	06/30/2026
3130AMWK4	4597	FEDERAL HOME LOAN BANK		07/14/2021	3,000,000.00	2,854,710.00	2,999,250.00	1.020	1.011	1.025	651	07/14/2026
3130AP2P9	4598	FEDERAL HOME LOAN BANK		09/30/2021	3,000,000.00	2,832,900.00	2,983,500.00	0.920	1.019	1.033	729	09/30/2026
3130APC94	4599	FEDERAL HOME LOAN BANK		10/14/2021	3,000,000.00	2,841,120.00	2,997,750.00	1.070	1.071	1.085	743	10/14/2026

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CITY OF PLEASANTON
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Callable												
3130APU78	4600	FEDERAL HOME LOAN BANK		12/09/2021	530,000.00	502,874.60	526,947.20	1.300	1.401	1.421	784	11/24/2026
3130APUR4	4601	FEDERAL HOME LOAN BANK		12/09/2021	1,840,000.00	1,745,828.80	1,829,401.60	1.300	1.401	1.421	784	11/24/2026
3130APVC6	4602	FEDERAL HOME LOAN BANK		12/09/2021	3,000,000.00	2,849,550.00	2,988,000.00	1.375	1.439	1.459	791	12/01/2026
3130AQG80	4605	FEDERAL HOME LOAN BANK		01/03/2022	3,000,000.00	2,848,470.00	2,999,250.00	1.420	1.406	1.425	819	12/29/2026
3130AQG80	4606	FEDERAL HOME LOAN BANK		01/10/2022	3,000,000.00	2,848,470.00	2,982,750.00	1.420	1.519	1.541	819	12/29/2026
3130AQEC3	4603	FEDERAL HOME LOAN BANK		12/30/2021	3,000,000.00	2,843,700.00	3,000,000.00	1.370	1.351	1.370	820	12/30/2026
3130AQEF6	4604	FEDERAL HOME LOAN BANK		12/30/2021	3,000,000.00	2,844,030.00	2,998,500.00	1.375	1.366	1.385	820	12/30/2026
3130AQLD3	4607	FEDERAL HOME LOAN BANK		02/08/2022	3,000,000.00	2,865,630.00	2,975,010.00	1.750	1.900	1.926	849	01/28/2027
3130AQW66	4608	FEDERAL HOME LOAN BANK		03/08/2022	3,000,000.00	2,883,690.00	2,995,500.00	2.080	2.083	2.112	877	02/25/2027
Subtotal and Average			158,420,440.80		158,630,000.00	151,941,614.85	158,420,440.80		0.903	0.916	546	
Supranationals												
45950VPS9	7000	International Finance Corp		06/28/2021	1,000,000.00	955,200.00	980,200.00	0.500	0.922	0.935	513	02/26/2026
Subtotal and Average			980,200.00		1,000,000.00	955,200.00	980,200.00		0.922	0.935	513	
Total and Average			229,828,688.26		226,480,775.33	218,916,144.30	226,817,391.90		1.599	1.621	428	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Certificates of Deposit - Bank													
SYS-1093	1093-3	FREMON		09/22/2024	230,000.00	230,000.00	230,000.00	4.170	81	4.170	236.49	0.00	12/21/2024
SYS 1091	1091-2	VCB		04/11/2024	250,000.00	250,000.00	250,000.00	4.890	192	4.890	5,794.32	0.00	04/11/2025
Subtotal and Average			478,496.80		480,000.00	480,000.00	480,000.00	4.545	139	4.545	6,030.81	0.00	
LAIF													
SYS5	5	LAIF			39,305,517.89	39,160,718.01	39,305,517.89	4.480	1	4.480	503,088.39	-144,799.88	
Subtotal and Average			42,472,184.56		39,305,517.89	39,160,718.01	39,305,517.89	4.480	1	4.480	503,088.39	-144,799.88	
Gov't Money Market													
X9USDCRGO	7	DRYFUS		08/23/2024	1,465,257.44	1,465,257.44	1,465,257.44	4.570	1	4.570	3,894.66	0.00	
Subtotal and Average			964,723.66		1,465,257.44	1,465,257.44	1,465,257.44	4.570	1	4.570	3,894.66	0.00	
Medium Term Notes													
89236TGL3	6046	TOYOTA		10/24/2019	1,600,000.00	1,599,184.00	1,599,984.00	2.000	6	2.000	15,466.67	-800.00	10/07/2024
037833DF4	6049	APPL		01/13/2020	1,000,000.00	994,710.00	1,037,212.20	2.750	104	1.964	5,958.33	-42,502.20	01/13/2025
88579YBH3	6053	3M		02/14/2020	2,000,000.00	1,977,820.00	2,016,869.48	2.000	136	1.822	5,222.22	-39,049.48	02/14/2025
30231GAF9	6056	XOM		03/11/2020	3,000,000.00	2,973,900.00	3,145,587.00	2.709	156	1.689	5,643.75	-171,687.00	03/06/2025
89788JAA7	6058	TRU		03/13/2020	2,000,000.00	1,971,160.00	1,969,486.00	1.500	160	1.821	1,750.00	1,674.00	03/10/2025
30231GBH4	6064	XOM		04/20/2020	2,000,000.00	1,984,960.00	2,113,800.00	2.992	169	1.777	1,994.67	-128,840.00	03/19/2025
89236THW8	6067	TOYOTA		03/09/2021	3,000,000.00	2,878,050.00	2,959,140.00	0.800	465	1.090	5,466.66	-81,090.00	01/09/2026
037833EB2	6065	APPL		02/08/2021	2,000,000.00	1,917,180.00	1,996,860.00	0.700	495	0.732	2,061.11	-79,680.00	02/08/2026
037833BY5	6066	APPL		02/23/2021	3,000,000.00	2,973,150.00	3,331,380.00	3.250	510	0.980	10,291.67	-358,230.00	02/23/2026
46632FSCO	6068	JP		06/22/2021	3,000,000.00	2,799,180.00	3,000,000.00	1.100	629	1.100	9,075.00	-200,820.00	06/22/2026
Subtotal and Average			23,516,985.35		22,600,000.00	22,069,294.00	23,170,318.68	1.976	324	1.417	62,930.08	-1,101,024.68	
Federal Agency Issues - Coupon													
3130AQF65	3576	FHLB		12/22/2021	3,000,000.00	2,844,060.00	2,995,657.09	1.250	811	1.280	10,416.66	-151,597.09	12/21/2026
Subtotal and Average			2,995,657.09		3,000,000.00	2,844,060.00	2,995,657.09	1.250	811	1.280	10,416.66	-151,597.09	
Federal Agency Issues - Callable													
3134GVZ68	4535	FHLMC		06/23/2020	3,000,000.00	2,923,410.00	2,998,950.00	0.700	265	0.707	5,716.67	-75,540.00	06/23/2025
3133ELQ49	4537	FFCB		07/06/2020	3,000,000.00	2,919,390.00	2,997,750.00	0.700	272	0.715	5,308.33	-78,360.00	06/30/2025
3136G4YH0	4538	FNMA		07/14/2020	3,250,000.00	3,160,300.00	3,248,862.50	0.700	286	0.707	4,865.97	-88,562.50	07/14/2025
3136G4A45	4541	FNMA		07/22/2020	3,000,000.00	2,914,980.00	3,000,000.00	0.710	294	0.710	4,082.50	-85,020.00	07/22/2025
3130AJZ36	4544	FHLB		08/27/2020	3,000,000.00	2,907,150.00	2,997,000.00	0.600	330	0.620	1,700.00	-89,850.00	08/27/2025
3134GWA55	4545	FHLMC		09/09/2020	3,000,000.00	2,900,160.00	2,998,950.00	0.650	343	0.657	1,191.67	-98,790.00	09/09/2025
3133EMBJ0	4548	FFCB		10/05/2020	3,340,000.00	3,235,825.40	3,336,660.00	0.530	363	0.550	98.34	-100,834.60	09/29/2025
3134GWW93	4547	FHLMC		09/30/2020	3,000,000.00	2,898,450.00	3,000,000.00	0.550	364	0.550	45.83	-101,550.00	09/30/2025
3134GWWT9	4549	FHLMC		10/07/2020	3,000,000.00	2,900,280.00	2,997,600.00	0.550	364	0.566	45.83	-97,320.00	09/30/2025

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Federal Agency Issues - Callable													
3134GW3F1	4550	FHLMC		10/28/2020	3,000,000.00	2,901,060.00	3,000,000.00	0.600	392	0.600	7,650.00	-98,940.00	10/28/2025
3130AKGD2	4553	FHLB		11/25/2020	3,000,000.00	2,885,700.00	2,996,250.00	0.570	420	0.595	5,985.00	-110,550.00	11/25/2025
3135GA3W9	4552	FNMA		11/25/2020	3,000,000.00	2,893,830.00	3,000,000.00	0.600	420	0.600	6,300.00	-106,170.00	11/25/2025
3134GXDM3	4554	FHLMC		12/01/2020	3,000,000.00	2,893,110.00	3,000,000.00	0.620	426	0.620	6,200.00	-106,890.00	12/01/2025
3130AKQ74	4555	FHLB		01/22/2021	3,000,000.00	2,875,800.00	3,000,000.00	0.625	478	0.625	3,593.75	-124,200.00	01/22/2026
3130AKRN8	4557	FHLB		01/28/2021	3,000,000.00	2,875,170.00	3,000,000.00	0.650	484	0.650	3,412.50	-124,830.00	01/28/2026
3135G06R9	4556	FNMA		01/28/2021	3,000,000.00	2,876,610.00	3,000,000.00	0.550	484	0.550	2,887.50	-123,390.00	01/28/2026
3130AKXQ4	4558	FHLB		02/12/2021	3,000,000.00	2,868,750.00	3,000,000.00	0.600	499	0.110	2,450.00	-131,250.00	02/12/2026
3130AL3S1	4560	FHLB		02/17/2021	3,000,000.00	2,868,900.00	3,000,000.00	0.625	504	0.625	2,291.67	-131,100.00	02/17/2026
3130AL5X8	4561	FHLB		02/24/2021	3,000,000.00	2,866,230.00	3,000,000.00	0.650	511	0.650	2,004.17	-133,770.00	02/24/2026
3130AKXJ0	4562	FHLB		02/24/2021	3,125,000.00	2,985,406.25	3,122,500.00	0.600	511	0.616	1,927.08	-137,093.75	02/24/2026
3130ALCV4	4563	FHLB		02/24/2021	3,000,000.00	2,868,600.00	3,000,000.00	0.750	511	0.750	2,312.50	-131,400.00	02/24/2026
3130AKZ25	4559	FHLB		02/26/2021	3,000,000.00	2,867,460.00	3,000,000.00	0.650	513	0.650	1,895.83	-132,540.00	02/26/2026
3130ALGR9	4572	FHLB		03/15/2021	3,000,000.00	2,871,450.00	2,989,560.00	0.850	513	0.922	2,479.17	-118,110.00	02/26/2026
3130ALGR9	4574	FHLB		03/18/2021	3,000,000.00	2,871,450.00	2,985,960.00	0.850	513	0.947	2,479.17	-114,510.00	02/26/2026
3130ALGR9	4577	FHLB		03/22/2021	3,000,000.00	2,871,450.00	2,982,510.00	0.850	513	0.971	2,479.17	-111,060.00	02/26/2026
3130ALGR9	4579	FHLB		03/31/2021	3,000,000.00	2,871,450.00	2,978,517.00	0.850	513	1.000	2,479.17	-107,067.00	02/26/2026
3130ALDN1	4565	FHLB		03/16/2021	3,000,000.00	2,869,440.00	3,000,000.00	0.800	531	0.800	1,000.00	-130,560.00	03/16/2026
3130ALGC2	4569	FHLB		03/23/2021	3,000,000.00	2,869,260.00	3,000,000.00	0.875	538	0.875	583.33	-130,740.00	03/23/2026
3130ALGC2	4576	FHLB		03/23/2021	3,000,000.00	2,869,260.00	2,987,700.00	0.875	538	0.959	583.33	-118,440.00	03/23/2026
3133EMUK6	4575	FFCB		03/25/2021	3,000,000.00	2,882,580.00	3,000,000.00	1.050	540	1.050	525.00	-117,420.00	03/25/2026
3130ALMM3	4571	FHLB		03/30/2021	3,000,000.00	2,874,120.00	3,000,000.00	1.000	545	1.000	83.33	-125,880.00	03/30/2026
3130ALNT7	4578	FHLB		03/30/2021	3,000,000.00	2,873,250.00	2,998,050.00	0.980	545	0.993	81.67	-124,800.00	03/30/2026
3130ALMM3	4581	FHLB		04/05/2021	3,000,000.00	2,874,120.00	2,996,250.00	1.000	545	1.025	83.33	-122,130.00	03/30/2026
3130ALUC6	4580	FHLB		04/15/2021	3,000,000.00	2,871,570.00	2,995,500.00	1.020	561	1.050	14,110.00	-123,930.00	04/15/2026
3130AMCL4	4585	FHLB		05/20/2021	2,795,000.00	2,650,889.80	2,795,000.00	1.020	595	1.019	10,453.30	-144,110.20	05/19/2026
3130AMH62	4587	FHLB		05/26/2021	3,000,000.00	2,861,130.00	2,998,500.00	1.000	602	1.010	10,416.67	-137,370.00	05/26/2026
3130AMGW6	4588	FHLB		05/26/2021	3,000,000.00	2,859,600.00	2,998,950.00	0.980	602	0.987	10,208.33	-139,350.00	05/26/2026
3130AMHB1	4590	FHLB		06/02/2021	2,750,000.00	2,616,735.00	2,746,562.50	0.875	602	0.900	8,355.03	-129,827.50	05/26/2026
3130AMH62	4591	FHLB		06/02/2021	1,500,000.00	1,430,565.00	1,500,000.00	1.000	602	0.999	5,208.33	-69,435.00	05/26/2026
3133EMH21	4595	FFCB		06/24/2021	3,000,000.00	2,857,020.00	2,997,000.00	0.900	622	0.920	7,950.00	-139,980.00	06/15/2026
3130AMSL7	4592	FHLB		06/30/2021	3,000,000.00	2,858,820.00	3,000,000.00	1.030	637	1.030	7,810.83	-141,180.00	06/30/2026
3130AMYA4	4594	FHLB		06/30/2021	3,000,000.00	2,860,830.00	3,000,000.00	1.070	637	1.070	8,114.17	-139,170.00	06/30/2026
3130AN2Q2	4596	FHLB		06/30/2021	1,500,000.00	1,429,080.00	1,500,000.00	1.000	637	1.000	3,791.67	-70,920.00	06/30/2026
3130AMWK4	4597	FHLB		07/14/2021	3,000,000.00	2,854,710.00	2,999,250.00	1.020	651	1.025	6,545.00	-144,540.00	07/14/2026
3130AP2P9	4598	FHLB		09/30/2021	3,000,000.00	2,832,900.00	2,983,500.00	0.920	729	1.033	76.67	-150,600.00	09/30/2026
3130APC94	4599	FHLB		10/14/2021	3,000,000.00	2,841,120.00	2,997,750.00	1.070	743	1.085	14,890.83	-156,630.00	10/14/2026
3130APU78	4600	FHLB		12/09/2021	530,000.00	502,874.60	526,947.20	1.300	784	1.420	2,430.64	-24,072.60	11/24/2026

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Current Rate	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss	Maturity Date
Federal Agency Issues - Callable													
3130APUR4	4601	FHLB		12/09/2021	1,840,000.00	1,745,828.80	1,829,401.60	1.300	784	1.420	8,438.44	-83,572.80	11/24/2026
3130APVC6	4602	FHLB		12/09/2021	3,000,000.00	2,849,550.00	2,988,000.00	1.375	791	1.458	13,750.00	-138,450.00	12/01/2026
3130AQG80	4605	FHLB		01/03/2022	3,000,000.00	2,848,470.00	2,999,250.00	1.420	819	1.425	10,886.67	-150,780.00	12/29/2026
3130AQG80	4606	FHLB		01/10/2022	3,000,000.00	2,848,470.00	2,982,750.00	1.420	819	1.540	10,886.67	-134,280.00	12/29/2026
3130AQEC3	4603	FHLB		12/30/2021	3,000,000.00	2,843,700.00	3,000,000.00	1.370	820	1.370	10,389.17	-156,300.00	12/30/2026
3130AQEF6	4604	FHLB		12/30/2021	3,000,000.00	2,844,030.00	2,998,500.00	1.375	820	1.385	10,427.08	-154,470.00	12/30/2026
3130AQLD3	4607	FHLB		02/08/2022	3,000,000.00	2,865,630.00	2,975,010.00	1.750	849	1.926	9,187.50	-109,380.00	01/28/2027
3130QW66	4608	FHLB		03/08/2022	3,000,000.00	2,883,690.00	2,995,500.00	2.080	877	2.111	6,240.00	-111,810.00	02/25/2027
Subtotal and Average			158,420,440.80		158,630,000.00	151,941,614.85	158,420,440.80	0.898	546	0.916	275,388.81	-6,478,825.95	
Supranationals													
45950VPS9	7000	IFC		06/28/2021	1,000,000.00	955,200.00	980,200.00	0.500	513	0.935	486.11	-25,000.00	02/26/2026
Subtotal and Average			980,200.00		1,000,000.00	955,200.00	980,200.00	0.500	513	0.935	486.11	-25,000.00	
Total and Average			229,828,688.26		226,480,775.33	218,916,144.30	226,817,391.90	1.663	428	1.621	862,235.52	-7,901,247.60	

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CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Certificates of Deposit - Bank												
SYS-1093	1093-3	FREMON	230,000.00	4.170	12/21/2024	09/22/2024	4.170				230,000.00	230,000.00
SYS 1091	1091-2	VCB	250,000.00	4.890	04/11/2025	04/11/2024	4.890				250,000.00	250,000.00
Certificates of Deposit - Bank Totals			480,000.00				4.545			0.00	480,000.00	480,000.00
LAIF												
SYS5	5	LAIF	39,305,517.89	4.480			4.480				39,305,517.89	39,305,517.89
LAIF Totals			39,305,517.89				4.480			0.00	39,305,517.89	39,305,517.89
Gov't Money Market												
X9USDCRGO	7	DRYFUS	1,465,257.44	4.570		08/23/2024	4.570				1,465,257.44	1,465,257.44
Gov't Money Market Totals			1,465,257.44				4.570			0.00	1,465,257.44	1,465,257.44
Medium Term Notes												
89236TGL3	6046	TOYOTA	1,600,000.00	2.000	10/07/2024	10/24/2019	2.000	A	A	Received	1,599,984.00	1,599,984.00
037833DF4	6049	APPL	1,000,000.00	2.750	01/13/2025	01/13/2020	1.965	AA	Aaa		1,037,212.20	1,037,212.20
88579YBH3	6053	3M	2,000,000.00	2.000	02/14/2025	02/14/2020	1.823	BBB	A		2,016,869.48	2,016,869.48
30231GAF9	6056	XOM	3,000,000.00	2.709	03/06/2025	03/11/2020	1.690	AA	Aa	Received	3,145,587.00	3,145,587.00
89788JAA7	6058	TRU	2,000,000.00	1.500	03/10/2025	03/13/2020	1.821	A	A	Received	1,969,486.00	1,969,486.00
30231GBH4	6064	XOM	2,000,000.00	2.992	03/19/2025	04/20/2020	1.777	AA	Aa	Received	2,113,800.00	2,113,800.00
89236THW8	6067	TOYOTA	3,000,000.00	0.800	01/09/2026	03/09/2021	1.090	A	A	Received	2,959,140.00	2,959,140.00
037833EB2	6065	APPL	2,000,000.00	0.700	02/08/2026	02/08/2021	0.732	AA	Aaa		1,996,860.00	1,996,860.00
037833BY5	6066	APPL	3,000,000.00	3.250	02/23/2026	02/23/2021	0.981	AA	Aaa		3,331,380.00	3,331,380.00
46632FSCO	6068	JP	3,000,000.00	1.100	06/22/2026	06/22/2021	1.100	A	Aa		3,000,000.00	3,000,000.00
Medium Term Notes Totals			22,600,000.00				1.417			0.00	23,170,318.68	23,170,318.68
Federal Agency Issues - Coupon												
3130AQF65	3576	FHLB	3,000,000.00	1.250	12/21/2026	12/22/2021	1.280	AA	Aaa		2,995,657.09	2,995,657.09
Federal Agency Issues - Coupon Totals			3,000,000.00				1.280			0.00	2,995,657.09	2,995,657.09
Federal Agency Issues - Callable												
3134GVZ68	4535	FHLMC	3,000,000.00	0.700	06/23/2025	06/23/2020	0.707	AA	Aaa		2,998,950.00	2,998,950.00
3133ELQ49	4537	FFCB	3,000,000.00	0.700	06/30/2025	07/06/2020	0.715	AA	Aaa	Received	2,997,750.00	2,997,750.00
3136G4YH0	4538	FNMA	3,250,000.00	0.700	07/14/2025	07/14/2020	0.707	AA			3,248,862.50	3,248,862.50
3136G4A45	4541	FNMA	3,000,000.00	0.710	07/22/2025	07/22/2020	0.710	AA	Aaa		3,000,000.00	3,000,000.00
3130AJZ36	4544	FHLB	3,000,000.00	0.600	08/27/2025	08/27/2020	0.620	AA	Aaa		2,997,000.00	2,997,000.00
3134GWA55	4545	FHLMC	3,000,000.00	0.650	09/09/2025	09/09/2020	0.657	AA	Aaa		2,998,950.00	2,998,950.00
3133EMBJ0	4548	FFCB	3,340,000.00	0.530	09/29/2025	10/05/2020	0.550	AA	Aaa	Received	3,336,660.00	3,336,660.00

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CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
September 30, 2024

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CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Federal Agency Issues - Callable												
3134GWW93	4547	FHLMC	3,000,000.00	0.550	09/30/2025	09/30/2020	0.550	AA	Aaa		3,000,000.00	3,000,000.00
3134GWWT9	4549	FHLMC	3,000,000.00	0.550	09/30/2025	10/07/2020	0.566		Aaa	Received	2,997,600.00	2,997,600.00
3134GW3F1	4550	FHLMC	3,000,000.00	0.600	10/28/2025	10/28/2020	0.600		Aaa		3,000,000.00	3,000,000.00
3130AKGD2	4553	FHLB	3,000,000.00	0.570	11/25/2025	11/25/2020	0.595	AA	Aaa		2,996,250.00	2,996,250.00
3135GA3W9	4552	FNMA	3,000,000.00	0.600	11/25/2025	11/25/2020	0.600	AA	Aaa		3,000,000.00	3,000,000.00
3134GXDM3	4554	FHLMC	3,000,000.00	0.620	12/01/2025	12/01/2020	0.620		Aaa		3,000,000.00	3,000,000.00
3130AKQ74	4555	FHLB	3,000,000.00	0.625	01/22/2026	01/22/2021	0.625	AA	Aaa		3,000,000.00	3,000,000.00
3130AKRN8	4557	FHLB	3,000,000.00	0.650	01/28/2026	01/28/2021	0.650	AA	Aaa		3,000,000.00	3,000,000.00
3135G06R9	4556	FNMA	3,000,000.00	0.550	01/28/2026	01/28/2021	0.550	AA	Aaa		3,000,000.00	3,000,000.00
3130AKXQ4	4558	FHLB	3,000,000.00	0.600	02/12/2026	02/12/2021	0.110	AA	Aaa		3,000,000.00	3,000,000.00
3130AL3S1	4560	FHLB	3,000,000.00	0.625	02/17/2026	02/17/2021	0.625	AA	Aaa		3,000,000.00	3,000,000.00
3130AL5X8	4561	FHLB	3,000,000.00	0.650	02/24/2026	02/24/2021	0.650	AA	Aaa		3,000,000.00	3,000,000.00
3130AKXJ0	4562	FHLB	3,125,000.00	0.600	02/24/2026	02/24/2021	0.616	AA			3,122,500.00	3,122,500.00
3130ALCV4	4563	FHLB	3,000,000.00	0.750	02/24/2026	02/24/2021	0.750	AA			3,000,000.00	3,000,000.00
3130AKZ25	4559	FHLB	3,000,000.00	0.650	02/26/2026	02/26/2021	0.650	AA	Aaa		3,000,000.00	3,000,000.00
3130ALGR9	4572	FHLB	3,000,000.00	0.850	02/26/2026	03/15/2021	0.922	AA	Aaa	Received	2,989,560.00	2,989,560.00
3130ALGR9	4574	FHLB	3,000,000.00	0.850	02/26/2026	03/18/2021	0.947	AA	Aaa	Received	2,985,960.00	2,985,960.00
3130ALGR9	4577	FHLB	3,000,000.00	0.850	02/26/2026	03/22/2021	0.971	AA	Aaa	Received	2,982,510.00	2,982,510.00
3130ALGR9	4579	FHLB	3,000,000.00	0.850	02/26/2026	03/31/2021	1.000	AA	Aaa	Received	2,978,517.00	2,978,517.00
3130ALDN1	4565	FHLB	3,000,000.00	0.800	03/16/2026	03/16/2021	0.800	AA	Aaa		3,000,000.00	3,000,000.00
3130ALGC2	4569	FHLB	3,000,000.00	0.875	03/23/2026	03/23/2021	0.875	AA	Aaa		3,000,000.00	3,000,000.00
3130ALGC2	4576	FHLB	3,000,000.00	0.875	03/23/2026	03/23/2021	0.959	AA	Aaa		2,987,700.00	2,987,700.00
3133EMUK6	4575	FFCB	3,000,000.00	1.050	03/25/2026	03/25/2021	1.050	AA	Aaa		3,000,000.00	3,000,000.00
3130ALMM3	4571	FHLB	3,000,000.00	1.000	03/30/2026	03/30/2021	1.000	AA	Aaa		3,000,000.00	3,000,000.00
3130ALNT7	4578	FHLB	3,000,000.00	0.980	03/30/2026	03/30/2021	0.993	AA	Aaa		2,998,050.00	2,998,050.00
3130ALMM3	4581	FHLB	3,000,000.00	1.000	03/30/2026	04/05/2021	1.026	AA	Aaa	Received	2,996,250.00	2,996,250.00
3130ALUC6	4580	FHLB	3,000,000.00	1.020	04/15/2026	04/15/2021	1.051	AA	Aaa		2,995,500.00	2,995,500.00
3130AMCL4	4585	FHLB	2,795,000.00	1.020	05/19/2026	05/20/2021	1.020	AA	Aaa	Received	2,795,000.00	2,795,000.00
3130AMH62	4587	FHLB	3,000,000.00	1.000	05/26/2026	05/26/2021	1.010	AA	Aaa		2,998,500.00	2,998,500.00
3130AMGW6	4588	FHLB	3,000,000.00	0.980	05/26/2026	05/26/2021	0.987	AA	Aaa		2,998,950.00	2,998,950.00
3130AMHB1	4590	FHLB	2,750,000.00	0.875	05/26/2026	06/02/2021	0.901	AA	Aaa	Received	2,746,562.50	2,746,562.50
3130AMH62	4591	FHLB	1,500,000.00	1.000	05/26/2026	06/02/2021	1.000	AA	Aaa	Received	1,500,000.00	1,500,000.00
3133EMH21	4595	FFCB	3,000,000.00	0.900	06/15/2026	06/24/2021	0.921	AA	Aaa	Received	2,997,000.00	2,997,000.00
3130AMSL7	4592	FHLB	3,000,000.00	1.030	06/30/2026	06/30/2021	1.030	AA	Aaa		3,000,000.00	3,000,000.00
3130AMYA4	4594	FHLB	3,000,000.00	1.070	06/30/2026	06/30/2021	1.070	AA	Aaa		3,000,000.00	3,000,000.00
3130AN2Q2	4596	FHLB	1,500,000.00	1.000	06/30/2026	06/30/2021	1.000	AA	Aaa		1,500,000.00	1,500,000.00
3130AMWK4	4597	FHLB	3,000,000.00	1.020	07/14/2026	07/14/2021	1.025	AA	Aaa		2,999,250.00	2,999,250.00

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CITY OF PLEASANTON
Portfolio Management
Investment Status Report - Investments
September 30, 2024

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CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM	S&P	Moody's	Accrued Interest At Purchase	Current Principal	Book Value
Federal Agency Issues - Callable												
3130AP2P9	4598	FHLB	3,000,000.00	0.920	09/30/2026	09/30/2021	1.033	AA	Aaa		2,983,500.00	2,983,500.00
3130APC94	4599	FHLB	3,000,000.00	1.070	10/14/2026	10/14/2021	1.085	AA	Aaa		2,997,750.00	2,997,750.00
3130APU78	4600	FHLB	530,000.00	1.300	11/24/2026	12/09/2021	1.421	AA	Aaa	Received	526,947.20	526,947.20
3130APUR4	4601	FHLB	1,840,000.00	1.300	11/24/2026	12/09/2021	1.421	AA	Aaa	Received	1,829,401.60	1,829,401.60
3130APVC6	4602	FHLB	3,000,000.00	1.375	12/01/2026	12/09/2021	1.459	AA	Aaa	Received	2,988,000.00	2,988,000.00
3130AQG80	4605	FHLB	3,000,000.00	1.420	12/29/2026	01/03/2022	1.425	AA	Aaa	Received	2,999,250.00	2,999,250.00
3130AQG80	4606	FHLB	3,000,000.00	1.420	12/29/2026	01/10/2022	1.541	AA	Aaa	Received	2,982,750.00	2,982,750.00
3130AQEC3	4603	FHLB	3,000,000.00	1.370	12/30/2026	12/30/2021	1.370	AA	Aaa		3,000,000.00	3,000,000.00
3130AQEF6	4604	FHLB	3,000,000.00	1.375	12/30/2026	12/30/2021	1.385	AA	Aaa		2,998,500.00	2,998,500.00
3130AQLD3	4607	FHLB	3,000,000.00	1.750	01/28/2027	02/08/2022	1.926	AA	Aaa	Received	2,975,010.00	2,975,010.00
3130AQW66	4608	FHLB	3,000,000.00	2.080	02/25/2027	03/08/2022	2.112	AA	Aaa	Received	2,995,500.00	2,995,500.00
Federal Agency Issues - Callable Totals			158,630,000.00				0.916			0.00	158,420,440.80	158,420,440.80
Supranationals												
45950VPS9	7000	IFC	1,000,000.00	0.500	02/26/2026	06/28/2021	0.935	AAA	Aaa	Received	980,200.00	980,200.00
Supranationals Totals			1,000,000.00				0.935			0.00	980,200.00	980,200.00
Investment Totals			226,480,775.33				1.621			0.00	226,817,391.90	226,817,391.90

CITY OF PLEASANTON
Portfolio Management
Activity By Type
September 1, 2024 through September 30, 2024

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Certificates of Deposit - Bank							
SYS	1093-2	Fremont Bank	4.890	09/21/2024	0.00	239,245.20	
SYS-1093	1093-3	Fremont Bank	4.170	09/22/2024	230,000.00	0.00	
		Subtotal			230,000.00	239,245.20	480,000.00
LAIF (Monthly Summary)							
SYS5	5	LOCAL AGENCY INVESTMENT FUND	4.480		0.00	5,000,000.00	
		Subtotal			0.00	5,000,000.00	39,305,517.89
Gov't Money Market (Monthly Summary)							
X9USDCRGO	7	Dryfus Govt Cash Mgmt 672	4.570		1,282,682.44	0.00	
		Subtotal			1,282,682.44	0.00	1,465,257.44
Medium Term Notes							
037833DM9	6048	Apple Inc.	1.800	09/11/2024	0.00	1,040,000.00	
		Subtotal			0.00	1,040,000.00	23,170,318.68
Federal Agency Issues - Coupon							
		Subtotal					2,995,657.09
Federal Agency Issues - Callable							
		Subtotal					158,420,440.80
Supranationals							
		Subtotal					980,200.00
		Total			1,512,682.44	6,279,245.20	226,817,391.90

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CITY OF PLEASANTON
Portfolio Management
Activity Summary
September 2023 through September 2024

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Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
September	2023	74	222,199,727.26	1.319	1.338	3.534	0	0	1,589	761
October	2023	74	216,627,684.25	1.304	1.322	3.670	0	0	1,612	744
November	2023	74	215,466,393.93	1.323	1.342	3.843	0	0	1,612	718
December	2023	74	230,337,361.67	1.688	1.711	3.929	0	0	1,386	594
January	2024	74	247,834,511.04	1.679	1.702	4.012	0	1	1,403	580
February	2024	73	243,504,467.82	1.665	1.688	4.122	0	0	1,426	566
March	2024	73	240,078,438.89	1.665	1.688	4.272	0	0	1,444	549
April	2024	75	254,330,644.64	1.915	1.942	4.272	2	2	1,305	475
May	2024	73	263,538,122.69	1.926	1.953	4.332	0	1	1,301	456
June	2024	72	260,556,724.84	1.920	1.946	4.480	0	0	1,326	443
July	2024	72	249,460,826.05	1.649	1.672	4.480	0	0	1,469	466
August	2024	73	232,025,539.32	1.645	1.668	4.480	1	1	1,467	443
September	2024	73	229,828,688.26	1.599	1.621	4.480	1	2	1,490	428
Average		73	238,914,323.07	1.638%	1.661%	4.147	0	1	1,448	556

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CITY OF PLEASANTON
Portfolio Management
Distribution of Investments By Type
September 2023 through September 2024

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Security Type	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	Average by Period
Certificates of Deposit - Bank	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2%
Certificates of Deposit - S & L														
LAIF	12.4	11.1	11.1	23.6	22.7	21.5	20.5	28.1	28.3	27.0	19.0	19.1	17.3	20.1%
Fidelity - Government Fund														
Gov't Money Market												0.1	0.7	0.1%
Managed Pool Accounts -4														
Passbook/Checking Accounts														
Medium Term Notes	13.1	13.3	13.3	11.4	11.2	11.4	11.5	10.4	9.7	9.9	11.0	10.5	10.2	11.3%
Bankers Acceptances														
Commercial Paper - Discount														
Federal Agency Issues - Coupon	1.4	1.4	1.4	1.2	1.2	1.2	1.3	1.1	1.1	1.2	1.3	1.3	1.3	1.3%
Federal Agency Issues - Discount														
Treasury Securities - Coupon														
Treasury Securities - Discount														
Federal Agency Issues - Callable	72.5	73.5	73.5	63.3	64.3	65.4	66.2	59.8	60.3	61.4	68.1	68.4	69.8	66.7%
Supranationals	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4%
Miscellaneous Securities - Discount														

CITY OF PLEASANTON
Portfolio Management
Interest Earnings Summary
September 30, 2024

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	September 30Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	247,460.36	739,682.86
Plus Accrued Interest at End of Period	355,244.16	355,244.16
Less Accrued Interest at Beginning of Period	(441,461.07)	(605,322.56)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	161,243.45	489,604.46
Adjusted by Capital Gains or Losses	0.00	35,803.60
Earnings during Periods	161,243.45	525,408.06
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	166.44	805,684.33
Plus Accrued Interest at End of Period	506,983.05	506,983.05
Less Accrued Interest at Beginning of Period	(338,733.64)	(722,290.92)
Interest Earned during Period	168,415.85	590,376.46
Total Interest Earned during Period	329,659.30	1,079,980.92
Total Capital Gains or Losses	0.00	35,803.60
Total Earnings during Period	329,659.30	1,115,784.52

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 28, 2024

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[PMIA Average Monthly Yields](#)

CITY OF PLEASANTON

DIRECTOR OF FINANCE
P.O. BOX 520
PLEASANTON, CA 94566

[Tran Type Definitions](#)

Account Number: 98-01-687

September 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
9/20/2024	9/19/2024	RW	1759617	1720136	DAWN DEMARCUS	-5,000,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	44,305,517.89
Total Withdrawal:	-5,000,000.00	Ending Balance:	39,305,517.89

CITY OF PLEASANTON
PARS Post-Employment Benefits Trust

Account Report for the Period
9/1/2024 to 9/30/2024

Susan Hsieh
Director of Finance
City of Pleasanton
123 Main Street
Pleasanton, CA 94566

Account Summary

Source	Balance as of 9/1/2024	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 9/30/2024
PENSION - Short Term	\$19,966,056.57	\$0.00	\$206,276.57	\$5,768.93	\$0.00	\$0.00	\$20,166,564.21
PENSION - Long Term	\$33,107,271.40	\$0.00	\$643,585.75	\$9,641.67	\$0.00	\$0.00	\$33,741,215.48
Totals	\$53,073,327.97	\$0.00	\$849,862.32	\$15,410.60	\$0.00	\$0.00	\$53,907,779.69

Investment Selection

Source
PENSION - Short Term City of Pleasanton
PENSION - Long Term City of Pleasanton - Capital Growth

Investment Objective

Source
PENSION - Short Term Individual Custom Account
PENSION - Long Term Individual Custom Account

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
PENSION - Short Term	1.03%	3.63%	10.95%	3.18%	3.99%	-	6/21/2018
PENSION - Long Term	1.94%	6.90%	25.37%	5.42%	8.91%	-	6/21/2018

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

CITY COUNCIL AGENDA REPORT

November 19, 2024
Finance

TITLE: ADOPT A RESOLUTION APPROVING THE REVISED INVESTMENT POLICY DOCUMENTS FOR THE CITY'S PARS SECTION 115 PENSION TRUST FUND

SUMMARY

At the June 5, 2018, meeting, the Council approved the investment strategies for a conservative portfolio and a capital growth custom portfolio for the City's PARS Section 115 Pension Trust. As stated in the investment guidelines documents, HighMark Capital Management (HighMark) is the investment management firm for the City's trust accounts.

In 2024, PARS informed the City that HighMark consolidated with PFM Asset Management (PFMAM), both of which are wholly owned subsidiaries of U.S. Bank. The consolidation does not have any significant impact on the City's existing PARS Plan, or the services provided to the City. The same investment management team will continue to serve in the same capacity but will now operate under PFMAM. All previously agreed-upon investment management fees and investment objectives for the City will remain the same.

Due to the consolidation, PFMAM has requested that the City approve the revised investment policy documents for both portfolios. Overall, the revisions to the investment policies are not significant. The key changes are highlighted in this report.

RECOMMENDATION

Adopt a resolution approving the revised investment policy documents for the City's PARS Section 115 Pension Trust Fund, including a conservative portfolio and a capital growth custom portfolio.

BACKGROUND

Like many agencies, the City has been proactive in implementing strategies to pay down its pension liabilities. In June 2018, the City established a Section 115 Pension Trust. Pension Trusts enable cities to set aside funds and earn greater investment returns than the City's General Fund. Those assets can then be used to stabilize pension costs in future years when needed.

The City established a Section 115 Pension Trust Fund with PARS with an initial contribution of \$28.0 million in June 2018 and subsequent contributions of \$10.0 million in FY 2019/20 for a total of \$38.0 million. Of the \$38.0 million, \$16.7 million was deposited into the PARS conservative portfolio and the balance into the PARS capital growth custom portfolio. The City's objective is to ensure there will be sufficient funds in the PARS Trust to meet the City's expected increased pension contributions associated with the City's unfunded pension liabilities and fully fund the liabilities over time.

At the end of September 2024, the total market value of the City's Trust Fund was \$53.9,

including \$20.2 million in the PARS conservative portfolio and \$33.7 million in the PARS capital growth custom portfolio. The City's net pension liability is currently over \$200 million. The City needs to continue to implement measures to reduce its pension obligation.

The asset allocation ranges for both portfolios under HighMark's management are presented below.

For the conservative portfolio, investments weigh more heavily in fixed income and have a lower allocation to equity, as presented in the table below. With a more conservative investment strategy, the investment return is also lower while the overall risk is low. At the end of June 30, 2024, the inception-to-date return for the conservative portfolio was 3.73% (annualized return), gross of investment advisory fees. The September 2024 quarterly report was not available when this report was prepared.

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	60%-95%	5%-20%
Policy: 5%	Policy: 80%	Policy: 15%

For the capital growth custom portfolio, investments weigh more heavily in equity and have a lower fixed-income allocation, as presented in the table below. A more aggressive investment strategy also yields higher investment returns, while the overall risk is higher than a conservative strategy. At the end of June 30, 2024, the inception-to-date return for the capital growth portfolio was 7.27% (annualized return), gross of investment advisory fees.

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	20%-40%	60%-75%
Policy: 5%	Policy: 25%	Policy: 70%

DISCUSSION

The key changes to the investment policy documents are highlighted below.

For the capital growth portfolio, the policy/target equity allocation has been changed from 70% to 75%, which is in line with PFMAM's target allocation for the capital appreciation investment objective. The target equity allocation for the conservative portfolio has not changed, remaining at 15%.

The asset allocation ranges for both portfolios under PFMAM's management are presented below.

Conservative Portfolio Asset Allocation Ranges and Target

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	4% - 19%	9.0%
International Equity	1% - 10%	4.5%
Other	0% - 8%	1.5%
Income Assets		
Fixed Income	50% - 95%	83%
Other	0% - 10%	0%
Real Return Assets	0% - 10%	0%
Cash Equivalents	0% - 20%	2%

Capital Growth Portfolio Asset Allocation Ranges and Target

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	25% - 65%	45.0%
International Equity	12% - 40%	22.5%
Other	0% - 20%	7.5%
Income Assets		
Fixed Income	10% - 30%	23.0%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	2%

For benchmarks, the previous benchmarks for domestic equity included S&P500 Index, Russell Mid-Cap Index, and the Russell 2000 Index (small cap). PFMAM uses the Russell 3000 Index as one index to comprehensively cover large cap, mid cap, and small cap investing.

For international equity investing, previously the portfolios were benchmarked against both the MSCI Emerging Market Index and the MSCI-EAFE Index for developed international equity investing. PFMAM uses one international equity index covering both emerging and developed markets: the MSCI ACWI Ex-US Index.

Finally, PFMAM includes a modest allocation to global infrastructure in its investment platform. This allocation can be found in combination with real estate equities in the “other growth” asset class segment in the investment guideline documents.

Overall, the revisions are not significant.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is a routine administrative matter of City business.

OUTREACH

No outreach was conducted, as this item is a routine administrative matter of City business.

STRATEGIC PLAN ALIGNMENT

This item aligns with the ONE Pleasanton strategic plan goal of Funding Our Future that supports financial health and sound fiscal policies.

FISCAL IMPACT

There is no fiscal impact associated with this action.

Prepared by:



Susan Hsieh, Director of
Finance

Submitted by:



Susan Hsieh, Director of Finance

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Resolution
2. Exhibit A to Resolution - Investment Policy Statement (Conservative Portfolio)
3. Exhibit B to Resolution - Investment Policy Statement (Capital Growth Portfolio)

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON
APPROVING THE REVISED INVESTMENT POLICY DOCUMENTS FOR THE
CITY'S PARS SECTION 115 PENSION TRUST FUND**

WHEREAS, at the June 5, 2018, meeting, the Council approved the investment strategies for a conservative portfolio and a capital growth custom portfolio for the City's PARS Section 115 Pension Trust; and

WHEREAS, as stated in the investment guidelines documents, HighMark Capital Management (HighMark) is the investment management firm for the City's trust accounts; and

WHEREAS, due to the consolidation of HighMark and PFM Asset Management (PFMAM), the same investment management team will continue to serve in the same capacity but will now operate under PFMAM; and

WHEREAS, PFMAM has requested that the City approve the revised investment policy documents for both portfolios; and

WHEREAS, staff is recommending approval of the investment policy documents attached to the resolution.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

Section 1. Adopt the investment policy documents as reflected in Exhibit A and Exhibit B.

Section 2. City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on November 19, 2024.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on November 19, 2024, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

INVESTMENT POLICY STATEMENT
FOR
CITY OF PLEASANTON CONSERVATIVE FUND
SECTION 115 TRUST PENSION FUND

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The City of Pleasanton “City” has established a section 115 Trust known as the City of Pleasanton Section 115 Pension Trust (the “Trust”). This Trust will be used to invest monies to fund the City’s unfunded liability in the California Public Employee Retirement System (“CalPERS”). The City has developed two sub-accounts under this Trust. The sub-account for this portfolio is named the “Conservative” account. It is seen as the first pool of assets that would be used to address pension expenses, and based on this assumption, the perceived time horizon is shorter. The City of Pleasanton City Council (“Council”) has given authority to the Plan Administrator to establish and adopt the investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

Funds set aside in the Section 115 Trust are safeguarded from diversion to other budgetary uses and generally may be invested in a broader range of securities than would typically be permitted for public agency operating funds, potentially increasing earnings. Therefore, higher returns can improve the City’s ability to meet future pension obligations. An additional advantage of holding funds in the Trust rather than contributing an equivalent amount directly to CalPERS is that the City retains control over the timing and amount of disbursements from the Trust. Retaining control of the funds in the Trust provides the flexibility to meet current or accrued liabilities based on the financial circumstances at that time. The City also controls the timing of contributions to the Trust.

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations, and investment guidelines for Fund assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges, and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence, and legal requirements for Trust assets.

Investment Authority

The City has appointed the Plan Administrator (the “Administrator”) to oversee certain policies and procedures related to the operation and administration of the Trust. The Administrator will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Administrator believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Administrator in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Administrator in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and limitations set forth in this Policy Statement. The Advisor will also select investment managers (“Managers”) and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, such as Exchange Traded Funds, that will be used to meet the Trust’s investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.
2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Administrator shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Administrator in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Subject to performance expectations over the long-term, to minimize principal fluctuations over the Time Horizon (as defined below).

5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled “Performance Expectations”.

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, certain real estate investments, and hedge funds focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, certain real estate investments, and hedge funds focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns, net of inflation. Investments within the Real Return category may include, but are not limited to, inflation protected securities, commodities, certain real estate investments, natural resources, liquid alternatives and hedge funds.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon (“Time Horizon”) of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Administrator has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. However, this portfolio of assets is viewed by the City as the first pool of assets that would be utilized to support pension expenses. As such, the time horizon for this portfolio could be less than five years based on budget conditions, or any increase in expenses arising from CalPERS.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the “Trust Distributions”). Remaining assets will be invested in longer-term

investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Administrator believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	4% - 19%	9.0%
International Equity	1% - 10%	4.5%
Other	0% - 8%	1.5%
Income Assets		
Fixed Income	50% - 95%	83%
Other	0% - 10%	0%
Real Return Assets	0% - 10%	0%
Cash Equivalents	0% - 20%	2%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the "Guidelines for Portfolio Holdings"). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

Limitations on Portfolio Holdings

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”).

Eligible Investments

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates
- Municipal Bonds
- Fixed income mutual funds.
- Eligible instruments issued pursuant to SEC Rule 144a (only if the Client is a documented Qualified Institutional Buyer ; QIB)

Quality

The individual securities portfolio will maintain a minimum weighted average effective quality of A- at all times. At the time of purchase, individual securities shall have a minimum effective quality rating of BBB-.

For purposes of determining an effective rating, when three agencies rate a security (S&P, Moodys, Fitch) the middle rating will be used. When only two of the three agencies rate a security the lower of the two ratings will be used. When only one agency rates a security that rating will be used.

Duration

The manager will maintain the portfolio duration within +/- 25% of the ICE BofA 1-3 Year Govt/Credit Bond Index duration at all times for the individual securities portfolio.

Diversification

- No more than 30% of the portfolio may be invested in securities issued under Rule 144A* without registration rights (no limit on Rule 144a securities with registration rights).

* Note: Rule 144A is an administrative rule under the SEC allowing, under certain circumstances, for qualified institutional investors to trade certain securities with other institutional investors without registering the trade with the SEC. Specifically, the rule allows private companies, both domestic and international, to sell unregistered securities, also known as Rule 144 securities, to qualified institution buyers (QIBs) through a broker-dealer.

OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, private debt and real assets, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio.

Diversifying Liquid Alternatives: Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using liquid alternative strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Liquid alternatives may also invest across asset classes. For purposes of asset allocation targets and limitations, liquid alternatives funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy liquid alternatives funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

Real Assets: Real assets are typically physical assets that have intrinsic worth due to their substance and properties. Real assets are primarily used for their lower correlation to traditional assets (i.e. stocks and bonds) and their inflation hedging properties. Categories of real asset investments include, but are not limited to, real estate, infrastructure, land, farmland, timberland, precious metals, and commodities. Public real assets are publicly traded and liquid. The benefit of lower correlation investments is that, when implemented correctly, these investments can potentially improve a portfolio’s expected risk-adjusted return over the long-term. The real assets category can be extended to include other forms of assets that offer similar inflation hedging properties such as pooled vehicles holding: commodities contracts, Treasury Inflation Protected Securities (“TIPS”), index-linked derivative contracts, certain forms of intellectual property, and the equity of companies in businesses thought to hedge inflation. For purposes of asset allocation targets and limitations, real assets may be categorized as “Other” under

either the Growth Assets or Income Assets category or in the Real Return Assets category, depending on the nature and risk/return profile of the investment.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Administrator for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Administrator the appropriateness of this Policy Statement for achieving the Trust’s stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Administrator to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Administrator advised of any

material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies, MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, ICE BofA 1-3 Year Govt/Credit Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the ICE BofA 1-3 Year Govt/Credit Index will be used to benchmark the fixed income portfolio. The categories “Other” will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Administrator recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Administrator. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the City of Pleasanton Plan Administrator:

Member

Date

Member

Date

INVESTMENT POLICY STATEMENT

FOR

CITY OF PLEASANTON CAPITAL GROWTH FUND

SECTION 115 TRUST PENSION FUND

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The City of Pleasanton “City” has established a section 115 Trust known as the City of Pleasanton Section 115 Pension Trust (the “Trust”). This Trust will be used to invest monies to fund the City’s unfunded liability in the California Public Employee Retirement System (“CalPERS”). The City has developed two sub-accounts under this Trust. The sub-account for this portfolio is named the ‘Capital Growth’ account. It is seen as the pool of assets that maintain a long-term horizon, and a growth objective is the primary focus. The City of Pleasanton City Council (“Council”) has given authority to the Plan Administrator to establish and adopt the investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

Funds set aside in the Section 115 Trust are safeguarded from diversion to other budgetary uses and generally may be invested in a broader range of securities than would typically be permitted for public agency operating funds, potentially increasing earnings. Therefore, higher returns can improve the City’s ability to meet future pension obligations. An additional advantage of holding funds in the Trust rather than contributing an equivalent amount directly to CalPERS is that the City retains control over the timing and amount of disbursements from the Trust. Retaining control of the funds in the Trust provides the flexibility to meet current or accrued liabilities based on the financial circumstances at that time. The City also controls the timing of contributions to the Trust.

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations, and investment guidelines for Fund assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges, and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence, and legal requirements for Trust assets.

Investment Authority

The City has appointed the Plan Administrator (the “Administrator”) to oversee certain policies and procedures related to the operation and administration of the Trust. The Administrator will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Administrator believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Administrator in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Administrator in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and limitations set forth in this Policy Statement. The Advisor will also select investment managers (“Managers”) and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, such as Exchange Traded Funds, that will be used to meet the Trust’s investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.
2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Administrator shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Administrator in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards:
(a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Subject to performance expectations over the long-term, to minimize principal fluctuations over the Time Horizon (as defined below).

5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled “Performance Expectations”.

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, certain real estate investments, and hedge funds focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, certain real estate investments, and hedge funds focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns, net of inflation. Investments within the Real Return category may include, but are not limited to, inflation protected securities, commodities, certain real estate investments, natural resources, liquid alternatives and hedge funds.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon (“Time Horizon”) of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Administrator has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the “Trust Distributions”). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Administrator believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	25% - 65%	45.0%
International Equity	12% - 40%	22.5%
Other	0% - 20%	7.5%
Income Assets		
Fixed Income	10% - 30%	23.0%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	2%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the "Guidelines for Portfolio Holdings"). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

Limitations on Portfolio Holdings

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”).

Eligible Investments

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates
- Municipal Bonds
- Fixed income mutual funds.
- Eligible instruments issued pursuant to SEC Rule 144a (only if the Client is a documented Qualified Institutional Buyer ; QIB)

Quality

The individual securities portfolio will maintain a minimum weighted average effective quality of A- at all times. At the time of purchase, individual securities shall have a minimum effective quality rating of BBB-.

For purposes of determining an effective rating, when three agencies rate a security (S&P, Moodys, Fitch) the middle rating will be used. When only two of the three agencies rate a security the lower of the two ratings will be used. When only one agency rates a security that rating will be used.

Duration

The manager will maintain the portfolio duration within +/- 25% of the Bloomberg US Aggregate Bond Index duration at all times for the individual securities portfolio.

Diversification

- No more than 30% of the portfolio may be invested in securities issued under Rule 144A* without registration rights (no limit on Rule 144a securities with registration rights).

* Note: Rule 144A is an administrative rule under the SEC allowing, under certain circumstances, for qualified institutional investors to trade certain securities with other institutional investors without registering the trade with the SEC. Specifically, the rule allows private companies, both domestic and international, to sell unregistered securities, also known as Rule 144 securities, to qualified institution buyers (QIBs) through a broker-dealer.

OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, private debt and real assets, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio.

Diversifying Liquid Alternatives): Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using liquid alternative strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Liquid alternatives may also invest across asset classes. For purposes of asset allocation targets and limitations, liquid alternatives funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy liquid alternatives funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

Real Assets: Real assets are typically physical assets that have intrinsic worth due to their substance and properties. Real assets are primarily used for their lower correlation to traditional assets (i.e. stocks and bonds) and their inflation hedging properties. Categories of real asset investments include, but are not limited to, real estate, infrastructure, land, farmland, timberland, precious metals, and commodities. Public real assets are publicly traded and liquid. The benefit of lower correlation investments is that, when implemented correctly, these investments can potentially improve a portfolio’s expected risk-adjusted return over the long-term. The real assets category can be extended to include other forms of assets that offer similar inflation hedging properties such as pooled vehicles holding: commodities contracts, Treasury Inflation Protected Securities (“TIPS”), index-linked derivative contracts, certain forms of intellectual property, and the equity of companies in businesses thought to hedge inflation. For purposes of asset allocation targets and limitations, real assets may be categorized as “Other” under

either the Growth Assets or Income Assets category or in the Real Return Assets category, depending on the nature and risk/return profile of the investment.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Administrator for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Administrator the appropriateness of this Policy Statement for achieving the Trust’s stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Administrator to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Administrator advised of any

material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies, MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities Bloomberg US Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Bloomberg US Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories “Other” will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Administrator recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Administrator. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the City of Pleasanton Plan Administrator:

Member

Date

Member

Date

November 19, 2024
Library and Recreation

TITLE: APPROVE FIRST AMENDMENT TO THE SERVICES AGREEMENT WITH FOLGER GRAPHICS FOR ACTIVITIES GUIDE, CITY NEWSLETTER, AND CITY ANNUAL REPORT PRINTING SERVICES IN AN AMOUNT NOT TO EXCEED \$76,238 FROM DECEMBER 1, 2024 TO NOVEMBER 30, 2025

SUMMARY

The City produces a Library and Recreation Activities Guide, which is distributed three times a year. The City also produces a City newsletter up to three times a year, and a City Annual Report once a year. This amendment extends the agreement with Folger Graphics for printing services to produce these documents for an additional year at an annual not to exceed amount of \$76,238 for the extension year, a reduction from \$98,426 in the previous year.

RECOMMENDATION

Approve first amendment to the services agreement with Folger Graphics for Activities Guide, City Newsletter, and City Annual Report printing services in an amount not to exceed \$76,238 from December 1, 2024 to November 30, 2025.

BACKGROUND

The Library and Recreation Department provides a variety of recreational classes, preschool activities, and environmental education and civic arts programs. It also manages and coordinates all youth and adult sports, recreation activities for developmentally disabled adults, and community-wide special events. The department advertises these classes and programs in its triannual Activities Guide, and residents utilize the document to register for the wide variety of activities available.

The City also provides the Progress Newsletters and an Annual Report to inform residents of important topics, events, and key milestones.

The City and Folger Graphics executed the original agreement on November 20, 2021 with a three-year term and a not to exceed amount of \$91,000 in year one, \$94,640 in year two, and \$98,426 in year three for a total amount of \$284,066 (four percent increase per year).

DISCUSSION

In an effort to reduce general fund expenses, the Library and Recreation Department recommends reducing the Activities Guide paper quality to newsprint. This would save the City approximately \$21,400 per year compared to the original agreement terms. The front and back inside and outside covers would retain their current glossy color format to ensure the Activities Guide is noticeable when it is mailed to Pleasanton residents. The City Newsletter and City Annual Report will remain the same, and both have price increases.

In addition to transitioning to newsprint, the City no longer needs quotations from Folger

Graphics at page counts as high as in the original agreement, which reduces the not to exceed amount as well.

Folger Graphics has provided excellent service to the City of Pleasanton and has demonstrated a high level of professionalism and quality of work.

EQUITY AND SUSTAINABILITY

Not applicable.

OUTREACH

No outreach was conducted as this is a matter of routine City business.

STRATEGIC PLAN ALIGNMENT

By reducing printing costs for the Activities Guide, this Amendment advances the ONE Pleasanton Goal A - Funding our Future to support financial health and sound fiscal policies through long-term planning, cost recovery, and cost containment.

FISCAL IMPACT

Funding for this contract is included in the Library and Recreation Department budget and in the City Manager's Office's Communication Division budget. The not to exceed amount is \$41,346 for Library and Recreation, and \$34,892 for the City Manager's Office for a total of \$76,238.

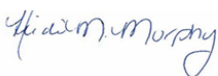
The not to exceed amount of this Amendment assumes the City will request the maximum page numbers for the Activities Guide, City Newsletter, and City Annual Report. If the City chooses to create an item that is fewer pages, there will be additional cost savings.

Prepared by:



Zachary Reda, Management Analyst

Submitted by:



Heidi Murphy, Director of Library and Recreation

Approved by:



Gerry Beaudin, City Manager

Attachments:

1. First Amendment to Agreement

FIRST AMENDMENT TO AGREEMENT

This First Amendment to Agreement ("First Amendment") is entered into this First day of December 2024 by the City of Pleasanton ("City") and Folger Graphics, Inc. ("Contractor")

Whereas, on November 30, 2021 City and Contractor entered into an Agreement for printing services ("Agreement"); and

Whereas, respective to Section 1. Contractor's Services, Contractor has provided Quotation 89775, 89775 Version: 1, 89775 Version: 2, 89775 Version: 3, and 89671, to reflect new paper quality and prices, included herein as Exhibit A.

Whereas, respective to Section 6. Terms, the Parties wish to extend the term of this Agreement through November 30, 2025

Whereas, respective to Section 7. Compensation, the Parties wish to update the total compensation of this Agreement; and

Whereas, the parties desire to amend to the Agreement

Now, therefore, in exchange for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement, "Contractor's Services" is amended to read:
 1. **Contractor's Services**. Contractor shall diligently perform the services and produce the materials, as hereinafter set forth;
 - a. Contractor shall perform all work as described in Quotation 89775, 89775 Version: 1, 89775 Version: 2, 89775 Version: 3, and 89671, included herein as Exhibit A, Scope of Work, attached hereto and incorporated herein by this reference.
 - b. Contractor shall meet with City staff as necessary to complete the Scope of Work described in Section 1.a, above.
2. Section 6 of the Agreement, "Terms" is amended to extend the term through November 30, 2025.
3. Section 7 of the Agreement, "Compensation" is amended to make the not to exceed amount \$76,238 From December 1, 2024, to November 30, 2025; the not to exceed amount for the original Agreement and the First Amendment total \$360,304.
4. This amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

5. All other terms and conditions of the Agreement shall remain in full force and effect.

In witness whereof, authorized representatives of the parties have executed this First Amendment to the Agreement as of the date first above written.

CITY OF PLEASANTON

CONTRACTOR *or* CONSULTANT

Gerry Beaudin, City Manager

By: _____

Signature

Print name

Title: _____

*[If Contractor or Consultant is a corporation,
signatures must comply with California
Corporations Code §313]*

ATTEST:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

By: _____

Signature

Print name

Title: _____

Rev. 3/23

**Exhibit A for First Amendment
Scope of Work with Folger Graphics
*Scope of work will include the following projects and tasks:***

Library and Recreation Activities Guide

Task 1: Produce a final printing proof from an uploaded file (PDF) received from City's contract graphics artist. The production timeline should allow for changes (spelling, dates, grammar, corrections, etc.) before the final draft is printed. The contractor shall submit costs associated with revisions made on the printing proof to the Project Manager and receive the Project Manager's approval before final printing of the project.

Task 2: Provide same-day courier service to drop off and deliver printing proof copy to and from the City of Pleasanton Library and Recreation Office, located at 400 Old Bernal Avenue, Pleasanton, CA.

Task 3: Produce up to 32,000 copies of the Library and Recreation Activities Guide three (3) times a year. Each brochure will contain up to 76 pages, cover to cover, depending upon content, and will be produced in accordance with the specifications below:

The document shall consist of a four-color, smooth Hi-Brite offset cover (outside front cover, inside front cover, inside back cover, outside back cover), and inside document color shall consist of newsprint throughout. Paperweight shall be 80# House Gloss for cover and 27.7# Newsprint for inside material. Bindery shall be stapled using saddle stitch.

Task 4: Obtain City of Pleasanton residential mailing list/routes for zip codes 94566 and 94588 and deliver the appropriate number of activities guides to Pleasanton Post Office, located at 4300 Black Avenue, Pleasanton, CA. *Post office boxes and commercial addresses are not to be included.*

Task 5: Deliver remaining activities guides to the Library and Recreation Department-Administration Office on the same day as delivery is made to the Post Office.

City Newsletter

Task 1: Produce up to 33,308 copies of the City's Newsletter up to three times per year, generally Spring, Summer, Fall. Each publication will contain up to 12 pages, cover to cover, depending upon content, and will be produced in accordance with the specifications below:

- 4 Color Process & 60# web offset Throughout
- Cut, Score, Fold, Mail

Task 2: Obtain City of Pleasanton residential mailing list/routes for zip codes 94566 and 94588 and deliver the appropriate number of newsletters to Pleasanton Post Office, located at 4300 Black Avenue, Pleasanton, CA. *Post office boxes and commercial addresses are not to be included.*

Task 3: Deliver remaining newsletters to the City of Pleasanton Administration Office, located at 200 Old Bernal Avenue, Pleasanton CA on the same day as delivery is made to the Post Office.

City Annual Report

Task 1: Produce up to 33,294 copies of the City's Annual Report one time per year, usually early spring. Each Annual Report will contain up to 8 pages, cover to cover, depending upon content, and will be produced in accordance with the specifications below:

- 8.5 x 11 on 80# Silk 500 qty
- 8.5 x 11 on 70# Silk 32,794 qty
- 4 Color Process & Satin Aqueous Throughout

Task 2: Insert Annual Report into Newsletter for mailing.

Printing for up to 33,308 per guide, by page count	Amount (Annual)
72 pages + Cover	\$13,690 (\$41,070)
Additional Price quotes included below	
Annual sales tax on approximately 6,000 booklets (2,000 per Guide @ 76 pages) to be delivered directly to the Library and Recreation Administration Office (400 Bernal Avenue)	\$275.94
Maximum Total Annual Costs	
Turnaround time to receive, print and deliver blueline and color key to Library and Recreation Administration Office (400 Bernal Avenue)	2-3 days
Turnaround time from receipt of blueline to print and deliver to Post Office and Library and Recreation Administration Office (400 Bernal Avenue)	7 days

* The parties shall agree in writing to a production timeline for each Activity Guide, which shall include these and other relevant elements.

Printing for up to 32,000 per newsletter, by page count	Amount (Annual)
12 pages	\$6,890(\$20,670)

Additional Price Quotes included below	
Annual sales tax on all booklets to be delivered directly to the City of Pleasanton Administration Office	\$2,222.03
Maximum Total Annual Costs	
Turnaround time to receive, print and deliver blue line and color key to the City of Pleasanton Administration Office (200 Bernal Avenue)	2-3 days
Turnaround time from receipt of blue line to print and deliver to Post Office and City of Pleasanton Administration Office (200 Bernal Avenue)	7 days

Printing for up to 33,294 annually, by page count	Amount (Annual)
8 pages	\$10,835
Annual sales tax on all reports to be delivered directly to the City of Pleasanton Administration Office	\$1,164.76
Maximum Total Annual Costs	
Turnaround time to receive, print and deliver blue line and color key to the City of Pleasanton Administration Office (200 Bernal Avenue)	2-3 days
Turnaround time from receipt of blue line to print and deliver to Post Office and City of Pleasanton Administration Office (200 Bernal Avenue)	7 days



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

To: City of Pleasanton
Kara Yost
400 Old Bernal Avenue
Pleasanton, CA 94566
Phone: (925) 931-3422
Email: kyost@cityofpleasantonca.gov

Date 10/24/24
Salesperson Kirk Folger
Estimator Julia Mullins

Dear Kara Yost

We would like to thank you for your time and consideration in regards to this quotation. Included is the detailed product specifications and prices. The quotation is confidential and is intended solely for the use of the addressee(s) named above.

Below Is Your Detailed Production Specifications for this Request

Description Activities Guide
40 Pages + Cover
8.25 x 10.5

Cover:
70# gloss book - 4CP + GAQ / Same

Text (1-40):
27.7# Newsprint - 4CP / Same

PDF supplied - Signa Proof

Stitch and Trim

CRT sort 29,361 qty (x2 setups)
Deliver to Pleasanton PO

Box 700 qty
Deliver to Customer

Prices

Quantity	Price
30,061	\$9,665.00

Schedule Delivery dates are based on proof being returned as expected

Sincerely,

Upon acceptance please indicate the quantity required

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Quoted By: _____ Kirk Folger _____ Sign: _____ Date: _____
Accepted By: _____ Sign: _____ Date: _____

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



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Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 1

To:

City of Pleasanton
Kara Yost
400 Old Bernal Avenue
Pleasanton, CA 94566
Phone: (925) 931-3422
Email: kyost@cityofpleasantonca.gov

Date	10/24/24
Salesperson	Kirk Folger
Estimator	Julia Mullins

Dear Kara Yost

We would like to thank you for your time and consideration in regards to this quotation. Included is the detailed product specifications and prices. The quotation is confidential and is intended solely for the use of the addressee(s) named above.

Below Is Your Detailed Production Specifications for this Request

Description	Activities Guide 48 Pages + Cover 8.25 x 10.5 Cover: 70# gloss book - 4CP + GAQ / Same Text (1-48): 27.7# Newsprint - 4CP / Same PDF supplied - Signa Proof Stitch and Trim CRT sort 29,361 qty (x2 setups) Deliver to Pleasanton PO Box 700 qty Deliver to Customer
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Prices

Quantity	Price
30,061	\$10,165.00

Schedule Delivery dates are based on proof being returned as expected

Sincerely,

Upon acceptance please indicate the quantity required

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 1

Quoted By: Kirk Folger Sign: _____ Date: _____
Accepted By: _____ Sign: _____ Date: _____

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 2

To:

City of Pleasanton
Kara Yost
400 Old Bernal Avenue
Pleasanton, CA 94566
Phone: (925) 931-3422
Email: kyost@cityofpleasantonca.gov

Date

10/24/24

Salesperson
Estimator

Kirk Folger
Julia Mullins

Dear Kara Yost

We would like to thank you for your time and consideration in regards to this quotation. Included is the detailed product specifications and prices. The quotation is confidential and is intended solely for the use of the addressee(s) named above.

Below Is Your Detailed Production Specifications for this Request

Description	Activities Guide 56 Pages + Cover 8.25 x 10.5 Cover: 70# gloss book - 4CP + GAQ / Same Text (1-32+1-24): 27.7# Newsprint - 4CP / Same PDF supplied - Signa Proof Stitch and Trim CRT sort 29,361 qty (x2 setups) Deliver to Pleasanton PO Box 700 qty Deliver to Customer
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Prices

Quantity	Price
30,061	\$12,235.00

Schedule Delivery dates are based on proof being returned as expected

Sincerely,

Upon acceptance please indicate the quantity required

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 2

Quoted By: _____ Kirk Folger _____ Sign: _____ Date: _____
Accepted By: _____ Sign: _____ Date: _____

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 3

To:

City of Pleasanton
Kara Yost
400 Old Bernal Avenue
Pleasanton, CA 94566
Phone: (925) 931-3422
Email: kyost@cityofpleasantonca.gov

Date	10/24/24
Salesperson	Kirk Folger
Estimator	Julia Mullins

Dear Kara Yost

We would like to thank you for your time and consideration in regards to this quotation. Included is the detailed product specifications and prices. The quotation is confidential and is intended solely for the use of the addressee(s) named above.

Below Is Your Detailed Production Specifications for this Request

Description	Activities Guide 64 Pages + Cover 8.25 x 10.5 Cover: 70# gloss book - 4CP + GAQ / Same Text (2-32s): 27.7# Newsprint - 4CP / Same PDF supplied - Signa Proof Stitch and Trim CRT sort 29,361 qty (x2 setups) Deliver to Pleasanton PO Box 700 qty Deliver to Customer
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Prices

Quantity	Price
30,061	\$12,745.00

Schedule Delivery dates are based on proof being returned as expected

Sincerely,

Upon acceptance please indicate the quantity required

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89775

Version: 3

Quoted By: _____ Kirk Folger _____ Sign: _____ Date: _____
Accepted By: _____ Sign: _____ Date: _____

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.



FolgerGraphics

21093 Forbes Avenue
Hayward, CA 94545-1115
Phone: (510) 887-5656
Fax: (510) 887-5831
<http://www.folgergraphics.com/>

Quotation

89671

To: City of Pleasanton - City Manager's Office
Heather Tiernan
400 Old Bernal Ave.
Pleasanton, CA 94566
Phone: (925) 931-5044
Email: htiernan@cityofpleasantonca.gov

Date 10/21/24
Salesperson Kirk Folger
Estimator Julia Mullins

Dear Heather Tiernan

We would like to thank you for your time and consideration in regards to this quotation. Included is the detailed product specifications and prices. The quotation is confidential and is intended solely for the use of the addressee(s) named above.

Below Is Your Detailed Production Specifications for this Request

Description City Newsletter - 8 Pages
Size 8.25 x 10.75

4CP throughout
60# Web Offset

PDF supplied - Signa Proof

Fold, Stitch and Trim

CRT 32,808 qty (2 setups)
Deliver to Pleasanton PO - FG Truck

Deliver 500 qty to Customer - FG Van

Prices

Quantity	Price
33,308	\$5,875.00

Schedule Delivery dates are based on proof being returned as expected

Sincerely,

Upon acceptance please indicate the quantity required

Quoted By: Kirk Folger **Sign:** _____ **Date:** _____

Accepted By: _____ **Sign:** _____ **Date:** _____

Thank You for giving us the opportunity to submit this quote. As always, quotes are based on a physical inspection of your originals and are valid for 30 days unless otherwise specified.
Stock price and availability are subject to change at time of actual order. If a change is needed you will be notified.

CITY COUNCIL AGENDA REPORT

November 19, 2024
Public Works - Utilities Division

TITLE: APPROVE AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE CITY OF PLEASANTON AND ZONE 7 WATER AGENCY TO PERFORM PHASE I FEASIBILITY REVIEW FOR THE REGIONAL GROUNDWATER FACILITIES PROJECT FOR A REVISED TOTAL NOT-TO-EXCEED AMOUNT OF \$2,733,178

SUMMARY

Following Zone 7 Water Agency's (Zone 7) contract solicitations and awards for the Regional Groundwater Facility Project-Phase 1 Feasibility study, staff recommends the City amend its agreement with Zone 7 to reflect the new total not-to-exceed amount of \$2,733,178 inclusive of a 10 percent contingency. Zone 7 and the City will share the cost of Phase I - Feasibility Study for the consultant and construction contract with \$1,449,947 allocated to Zone 7 and \$1,283,231 allocated to the City.

RECOMMENDATION

Authorize the City Manager or their delegate(s) to execute Amendment No. 1 to the Agreement between the City of Pleasanton and Zone 7 Water Agency to perform Phase I Feasibility Study for the Regional Groundwater Facilities Project to reflect the new total not-to-exceed amount of \$2,733,178 inclusive of a 10 percent contingency, by which Zone 7 and the City will share the cost of Phase I - Feasibility Study for the consultant and construction contract with \$1,449,947 allocated to Zone 7 and \$1,283,231 allocated to the City.

BACKGROUND

On June 18, 2024, the City Council approved an agreement between the City and Zone 7 Water Agency to perform Phase I of the Regional Groundwater Facilities Project to determine the feasibility for the City and Zone 7 to construct and operate new groundwater well facilities in the Bernal subbasin to recover the use of the City's groundwater production quota (GPQ) and increase Zone 7's groundwater production capacity for the Tri-Valley region. Per the original agreement, the contractor and consultant services cost will be equally shared (50/50 cost sharing) with a not-to-exceed limit of \$2,000,000.

Concurrently, in June 2024, the well siting analysis was completed to identify the top three locations for potential groundwater facilities. The locations resulting from the analysis are in public parks owned and operated by the City: Del Prado Park, Pleasanton Tennis and Community Park, and Hansen Park.

DISCUSSION

Zone 7 prepared and advertised a Request for Bids to solicit bids for up to three test well constructions (up to one test well per park location). Zone 7 received five bids; the bid from Nor-Cal Pump & Well Drilling, Inc. was deemed the lowest, responsive, responsible, and qualified bid with a total bid amount of \$1,400,871. Zone 7 also prepared and advertised a

Request for Proposals (RFP) for consulting services to perform test well construction oversight, water quality and yield testing, an assessment of groundwater sustainability, a feasibility review of alternative project configurations, and a basis of design for the recommended alternative. Zone 7 received five proposals and, after interviews were conducted by a committee consisting of Zone 7 and City staff, Luhdorff & Scalmanini Consulting Engineers (LSCE) was selected as the most qualified for this project, with a final and best contract amount for the Phase 1 project of \$1,083,836. As noted, City staff participated in the contract solicitation and selection processes which align with the City's procurement process.

On October 16, 2024, the Zone 7 Board of Directors authorized its General Manager to enter into agreement with Nor-Cal Pump & Well Drilling, Inc. for a not-to-exceed limit of \$1,540,958 which includes a 10 percent contingency. Also on October 16, 2024, the Zone 7 Board authorized its General Manager to enter into agreement with LSCE for a not-to-exceed limit of \$1,192,220 which includes a 10 percent contingency. This agreement includes approximately \$175,000 of optional services that are specific to Zone 7 regional efforts and, if performed, will not be part of the cost share with the City. The Zone 7 agenda report is provided as Attachment 2.

When combined, anticipated services for the contractor test well construction agreement, the consultant feasibility study agreement, and other minor services are \$2,733,178, which exceeds the not-to-exceed limit of the original City and Zone 7 agreement of \$2,000,000. Therefore, staff recommends the City approve Amendment No. 1 (Attachment 1) to the original agreement with Zone 7 to increase the total not-to-exceed limit by \$733,178 to a revised not-to-exceed limit of \$2,733,178 with cost sharing of \$1,449,947 for Zone 7 and \$1,283,231 for the City.

Other terms and conditions in the original agreement are unchanged.

EQUITY AND SUSTAINABILITY

Approval of this action advances the Citywide Climate Action Plan 2.0 (CAP) - Water Resources - Reduce GHG emissions from water usage (including conveyance) and prepare community water resources for a changing climate which will result in cost savings, enhance water quality and availability, improve infrastructure, and increase resiliency.

OUTREACH

Phase I of the project include community engagement efforts led by the City, including notifications of test well construction activities and outreach to understand and mitigate potential impacts. A November 1 community meeting held in the Pleasanton Tennis and Community Park was promoted to neighborhoods near the three identified parks and shared more broadly on the City's social media platforms.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic goal of *Investing in Our Environment* - Strategy 3 to identify funding and implement the recommendations from the Water Supply Alternative Study to resolve PFAS water quality issues.

FISCAL IMPACT

This project is funded by the City Groundwater Supply Project (CIP 24174). The total programmed amount in the four-year Capital Improvement Program for CIP 24174 is \$4,000,000, which includes a budget allowance of approximately \$1,500,000 for feasibility review (Phase I) and \$2,500,000 for final design (first part of Phase II). Amendment No.1 to the agreement between the City and Zone 7 for Phase I increases anticipated City expenditures associated with the agreement to \$1,283,231, which leaves a remaining Phase I balance of \$216,769. Expenditures for final design activities will occur after the completion of the feasibility review, on approval to proceed by the City Council, and are anticipated to be less than the total programmed funding.

Prepared by:



Ryan Smith, Assistant Dir. of Public Works - Utilities

Submitted by:



Siew-Chin Yeong, Director of Public Works

Approved by:



Gerry Beaudin, City Manager

Attachments:

1. First Amendment to Final Cost Sharing Agreement between the City and Zone 7
2. Zone 7 Board Award Contract October 16, 2024

**FIRST AMENDMENT TO
AGREEMENT BETWEEN ZONE 7 WATER AGENCY AND THE CITY OF PLEASANTON FOR THE
REGIONAL GROUNDWATER FACILITIES PROJECT – PHASE I FEASIBILITY STUDY**

This First Amendment (“First Amendment”) is entered into on November 19, 2024, between the Alameda County Flood Control and Water Conservation District, Zone 7, a public body, corporate and politic, (“Zone 7” or “Zone 7 Water Agency”) and the City of Pleasanton, a municipal corporation (“City”). Zone 7 and City may be referred to individually as party, or collectively as parties.

RECITALS

WHEREAS, on August 8, 2024, Zone 7 and the City entered into an Agreement For The Regional Ground Water Facilities Project – Phase I (“Agreement”); and

WHEREAS, the parties wish to amend the Agreement to increase the not-to-exceed limit for the total costs of Phase I.

NOW, THEREFORE, for valuable consideration of the contributions and commitments hereinafter set forth, both parties agree as follows:

Section 1. The first sentence of section 3 of the Agreement (Cost-sharing) is amended to read as follows:

Zone 7 and the City shall share the cost of Phase I-Feasibility Study for the consultant and construction contract with cost sharing of One Million, Four Hundred Forty Nine Thousands, Nine Hundred Forty Seven Dollars (\$1,449,947.00) for Zone 7 and One Million, Two Hundred Eighty Three Thousands, Two Hundred Thirty One Dollars (\$1,283,231.00) for Pleasanton, for a total cost of Phase 1 for an amount Not-To-Exceed Two Million, Seven Hundred Thirty Three Thousands, One Hundred Seventy Eight Dollars (\$2,733,178.00) including a 10% contingency.

Section 2. All other terms and conditions of the Agreement shall remain in full force and effect.

Section 3. All parties consent to using DocuSign for this First Amendment.

CITY OF PLEASANTON	ALAMEDA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT, ZONE 7
--------------------	---

_____ Gerry Beaudin, City Manager	_____ Valerie Pryor, General Manager
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ATTEST:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

ORIGINATING SECTION: Office of the General Manager

CONTACT: Valerie Pryor

AGENDA DATE: October 16, 2024

SUBJECT: Award Contracts to Nor-Cal Pump & Well Drilling, Inc. (Project 308-24) and Luhdorff & Scalmanini Consulting Engineers (LSCE) (Project 2025-12) for the Regional Groundwater Facilities Project – Phase I (Feasibility Study)

SUMMARY:

- To support the Mission to deliver safe, reliable, efficient, and sustainable water, Zone 7 Water Agency (Zone 7) is partnering with the City of Pleasanton (City) to evaluate the feasibility of a Joint Regional Groundwater Facilities Project (Project) in the Bernal subbasin. This action supports Strategic Plan Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities.
- Zone 7 has been exploring the Bernal subbasin to recover groundwater production capacity, which has been reduced due to out-of-commission wells to address PFAS contamination, to enhance water supply reliability, and also to meet projected future demands. The City of Pleasanton is also planning to install new groundwater wells to recover its annual groundwater pumping quota (GPQ) of 3,500 acre-feet (AF).
- At the July 2024 Board Meeting, the Zone 7 Board authorized the General Manager to enter into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I". This agreement defines the project description, the scope of work, contractor/consultant services, cost-sharing, and decision-making process, among others for a feasibility study into a potential joint project to install additional groundwater supply wells. Feasibility study costs are split equally between Zone 7 and Pleasanton.
- If a joint project is determined to be feasible and the City and Zone 7 decide to proceed with joint development of the project, additional agreements and cost allocation for design, construction, and operations and maintenance will be negotiated and brought to the Zone 7 Board and Pleasanton City Council for approvals.
- Phase I, the current phase of the joint project, is to conduct the feasibility study. This feasibility study involves installing up to three test wells in the City of Pleasanton property to assess water quality and aquifer production. The test wells will be sampled and analyzed for water quality, including PFAS. They will also be evaluated to identify potential groundwater production yields and sustainability.

- If the test wells show that tested locations are productive and favorable for developing municipal production wells, projected production rates at the test well locations will be analyzed using the updated groundwater model to evaluate potential impacts on basin storage and water quality, including the known PFAS footprint.
- The Feasibility Study will also include a basis of design report to prepare costs and conceptual designs for installing up to three new municipal supply wells, necessary infrastructure, pipelines to transport the water to the Hopyard wellfield, and upgrades to the Hopyard Treatment facility to treat increased water production. This scope of work requires contracting with a drilling contractor as well as a consultant specializing in hydrogeology and engineering.
- In accordance with the Agency Purchasing Policy, a Request for Bid (Project No. 308-24) was advertised to solicit bids for up to three test well constructions. Of the five bids received, the bid from Nor-Cal Pump & Well Drilling, Inc. was deemed the lowest, responsive, responsible, and qualified bid with a total bid amount of \$1,400,871.
- Similarly, in accordance with the Agency Purchasing Policy, a Request for Proposals (RFP)(Project No. 2025-12) was advertised to solicit proposals for consulting services for geologic logging and oversight of up to three test well constructions, water quality testing, yield and aquifer testing, model scenarios, testing results report, feasibility study, and basis of design report for the preferred project if it is deemed feasible. Of the five proposals received and the subsequent interviews, the Luhdorff & Scalmanini Consulting Engineers (LSCE) team was selected as the most qualified for this project by the selection committee. Their final and best proposal's contract amount for the Phase I project was \$1,083,836.
- The estimated budget for the RFP included additional optional items for a basis of design report for the potential future treatment of Per- and poly-fluoroalkyl substances (PFAS) and Total Dissolved Solids (TDS) as part of the planning process. Note that these optional items are to be funded by Zone 7 at this time, and not Pleasanton. The estimated cost share is \$1,449,947 for Zone 7 and \$1,283,231 for Pleasanton.
- Staff recommends that the Board authorize the General Manager to enter into a contract with Nor-Cal Pump & Well Drilling, Inc. for an amount not to exceed \$1,540,958, including a 10% contingency, and to negotiate and execute a contract with LSCE for an amount not to exceed \$1,192,220, including a 10% contingency.
- When complete, the test wells can be repurposed as monitoring wells to continue implementing the PFAS monitoring program. If based on the feasibility study's findings, Zone 7 and/or Pleasanton choose to develop production wells, the development of production wells would be new capital improvement projects. The typical process includes design, bidding and public works construction contracting. This process typically takes one to three years, and staff will follow the standard procedure to seek the Board's prior approval.

FUNDING:

The total cost, including 10% contingency for both the drilling contract and consulting contract, is \$2,733,178. \$1.8 million of funding is available in the FY 2024-26 Adopted Budget from Fund 120 – Water Renewal/Replacement and System-wide Improvements and Fund 130 – Water Enterprise Expansion. An additional appropriation of \$933,178 in the Fiscal Year 2024-25 budget from Fund 120 and Fund 130 is requested to complete the project.

RECOMMENDED ACTION:

Adopt the attached Resolutions.

ATTACHMENTS:

Resolution for Drilling Contract
Resolution for Consulting Services Contract

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY
SECONDED BY

Award a Contract to Nor-Cal Pump & Well Drilling, Inc. for the Joint Regional Groundwater Facilities Project (Project No. 308-24)

WHEREAS, in support of Zone 7 Water Agency's (Zone 7's) mission to deliver safe, reliable, efficient, and sustainable Water, Zone 7 is partnering with the City of Pleasanton (City) on a Joint Regional Groundwater Facilities Project (Project), which supports Strategic Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities; and

WHEREAS, a feasibility study (Project Phase I) is necessary to evaluate the feasibility of the project, including costs for each party, groundwater sustainability, potential impacts on basin storage, water quality, and the known PFAS plume, so that a well-informed decision can be made on whether to proceed with planning, design, and construction to install additional water supply wells in the Bernal Subbasin; and

WHEREAS, Zone 7 and the City of Pleasanton entered into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I" on August 8, 2024, and

WHEREAS, up to three test wells will be constructed and tested by a drilling contractor retained by Zone 7 through a public bid process; and

WHEREAS, in accordance with the Agency Purchasing Policy, a Request for Bid (Project No. 308-24) was advertised on July 30, 2024, to solicit bids for up to three test well constructions. Of the five bids received, the bid from Nor-Cal Pump & Well Drilling, Inc. was deemed the lowest, responsive, responsible, and qualified bid.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate, execute, and amend the Agreement between Zone 7 Water Agency and Nor-Cal Pump & Well Drilling, Inc. with a combined not-to-exceed contract amount of \$1,541,000.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

By: _____
President, Board of Directors

ZONE 7

ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO.

INTRODUCED BY

SECONDED BY

Award of Contract to Luhdorf & Scalmanini Consulting Engineers, Inc. for Regional Groundwater Facilities Project-Phase I Consulting Services (Project No. 2025-12)

WHEREAS, in support of Zone 7 Water Agency's (Zone 7's) mission to deliver safe, reliable, efficient, and sustainable Water, Zone 7 is partnering with the City of Pleasanton (City) on a Joint Regional Groundwater Facilities Project, which supports Strategic Goal A – Reliable Water Supply and Infrastructure and is to implement Strategic Plan Initiative #2 – Evaluate and develop appropriate new water supply and reliability opportunities; and

WHEREAS, a feasibility study (Project Phase I) is necessary to evaluate feasibility of the project including costs for each party, groundwater sustainability, potential impacts on basin storage, water quality, and the known PFAS plume, so that a well-informed decision can be made on whether to proceed with planning, design, and construction to install additional water supply wells in the Bernal Subbasin; and

WHEREAS, Zone 7 and the City of Pleasanton entered into the "Agreement between Zone 7 Water Agency and the City of Pleasanton for the Regional Groundwater Facilities Project – Phase I" on August 8, 2024, and

WHEREAS, consulting services are necessary to oversee the test well drilling, evaluate the feasibility of a Joint Regional Groundwater Facilities Project and prepare a basis of design report; and

WHEREAS, in accordance with Zone 7's Purchasing Policy, a competitive process was completed to select consulting firms to provide consulting services for the Regional Groundwater Facilities Project-Phase I. A Request for Proposals was issued on August 14, 2024, and five qualified proposals were received by the deadline, and

WHEREAS, upon review of the proposal, the selection committee determined that the Luhdorff & Scalmanini Consulting Engineers, Inc is the best qualified firm to provide the requested services based on the evaluation criteria.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District hereby authorizes the General Manager to negotiate and execute a professional services contract with Luhdorff & Scalmanini Consulting Engineers, Inc. to complete the Regional Groundwater Facilities Project-Phase I in an amount not-to-exceed \$1,192,220 including 10% contingency.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Directors of Zone 7 of the Alameda County Flood Control and Water Conservation District on October 16, 2024.

By: _____
President, Board of Directors

November 19, 2024
Public Works - Engineering Division

TITLE: APPROVE A PURCHASE ORDER WITH SHAPE INCORPORATED IN THE AMOUNT OF \$1,170,000 AND AUTHORIZE A \$117,000 CONTINGENCY FOR THE PURCHASE OF A PRE-PACKAGED BOOSTER STATION FOR TURNOUT NO. 4 PRE-PACKAGED BOOSTER STATION PROCUREMENT, CIP NO. 24181

SUMMARY

As part of the Near-Term Water Improvements project, a permanent booster station is required at Turnout No. 4 to help pull water from the Zone 7 supply lines and ensure an adequate water supply for current and future demands. The pre-packaged booster station procurement was solicited through the City's design consultant services as permitted under the Uniform Public Construction Cost Accounting Act 22002.5, with three final proposals received. Staff recommends awarding a purchase order in the amount of \$1,170,000 to Shape Incorporated of Pleasanton, California, with the lowest responsible proposal for the Turnout No. 4 Pre-Packaged Booster Station Procurement, CIP No. 24181. In addition, staff recommends approving a 10 percent contingency of \$117,000 for additional changes and modifications during the shop drawing process.

RECOMMENDATION

1. Approve a purchase order for \$1,170,000 with Shape Incorporated of Pleasanton, California, for the Turnout No. 4 Pre-Packaged Booster Station Procurement, CIP No. 24181.
2. Authorize the City Manager or their delegate(s) to enter into the purchase order.
3. Authorize the Director of Public Works, or designee, to approve and execute contract change order(s) for a contingency amount not to exceed \$117,000 (approximately 10 percent of the purchase order).

BACKGROUND

Turnout No. 4 is located at the southwest corner of the intersection of Stoneridge Drive and Hopyard Road and connects to Zone 7's 20-inch supply line in Hopyard Road. It was built in 1980 with a capacity of 4,500 gpm (gallons per minute). The control and metering equipment are housed below grade in a concrete vault with a small building to house the fluoride chemicals and control systems. The site is shared with a "Welcome to Pleasanton" sign, electrical cabinet, and traffic signal equipment.

The turnout operates with higher pressure from Zone 7, pushing water into the City's distribution system. As the Tri-Valley area grew, the available pressure from Zone 7's system decreased when other agencies filled their systems, thus reducing the turnout's capacity to below 1,000 gpm during peak demand. A water booster station is required to ensure the demand can be met regardless of other agencies' activity. The booster station will use electric

pumps to pull water from Zone 7's system and increase the pressure to the City's system-desired water-pressure setting. It will also be designed to meet the future peak demand of 5,200 gpm.

As the existing site has minimal space, staff and the City's design consultant, Woodard & Curran, Inc., developed plans and a request for proposals to solicit bids for purchasing a prefabricated (built off-site) booster station. The existing turnout, fluoride system, and traffic signal controller will remain in operation during construction.

DISCUSSION

The procurement of the pre-packaged booster station was done in conformance with the Uniform Public Construction Cost Accounting Act 22002.5, which allows flexibility from the conventional design, bid, and build process for public works projects necessary to maintain publicly owned water, power, or waste disposal systems.

The consultant solicited proposals from several qualified pre-packaged booster stations through a Request for Proposal process outlining the station's requirements. Proposals were received in February 2024, ranging from \$1.7 million - \$1.8 million, exceeding the Engineer's estimate of \$850,000. After a detailed review, the project was value-engineered, which reduced the building size, modified the style of pumps, and clarified electrical equipment needs. A value-engineered proposal was developed, and three new proposals were received in August 2024, ranging from \$1.17 million - \$1.23 million.

The City's design consultants reviewed and approved the proposals, and confirmed the system would meet the City's needs and that the design and pricing were valid. The designer reviewed their original engineer's estimate and updated it to \$1.2 million, with the earlier estimates not reflecting the market costs for the electrical and control equipment and the building structure. After the purchase order, City staff and the manufacturer will work through the specifics of the equipment and finishes.

The City Engineer reviewed and confirmed that the solicitation and selection process conducted by the design consultant is in alignment with the City's purchasing requirements and recommends awarding a purchase order in the amount of \$1.17 million to Shape Incorporated of Pleasanton, California, for the Turnout No. 4 Pre-Packaged Booster Station Procurement, CIP No. 24181. In addition, staff recommends approving a 10 percent contingency (not to exceed \$117,000) to cover potential City-requested changes and modifications during the shop drawing process.

Engineer's Estimate	Shape	Flow-Line	Romtec
\$1,200,000	\$1,170,000	\$1,221,960	\$1,228,875

The pre-packaged system will be housed in a 14-foot by 18-foot by 10-foot-tall fiberglass building (similar to the recycled water booster station in Ken Mercer Sports Park) mounted to a metal skid that allows for the building and equipment to be set in one piece. It will house three 50-horsepower pumps and motors that will deliver a firm capacity of 5,600 gpm and peak capacity of 7,000 gpm, meeting the City's current and future demands. All electrical equipment, including PG&E metering, generator connections, and controls, are included. The installation of the pre-packaged booster station was included in the construction contract with JMB

Construction under the Near-Term Water Improvements, CIP No. 24171, contract.

Schedule

Due to the extended time for the PG&E meter equipment, the estimated time for fabrication is 44 to 54 weeks from when the purchase order is issued, putting the system installation in fall 2025. JMB Construction will remobilize the installation of the pre-packaged booster station as part of their contract agreement. The long lead time on the booster station work will not impact the City's ability to meet the peak water demands in 2025 and 2026.

EQUITY AND SUSTAINABILITY

Staff followed the City Procurement Policy for purchasing procedures as these types of projects are routine matters of City business.

OUTREACH

Construction notices have been sent to adjacent residences and businesses prior to the start of construction and posted on the City's website.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic plan goal of *Investing in Our Environment*, Strategy 1 – Implement the Four Year Capital Improvement Program (CIP) to complete the design and construction of budgeted capital projects, and Strategy 3 – Identifying funding and implement the recommendations from the Water Supply Alternative Study to resolve PFAS water quality issues.

FISCAL IMPACT

A total of \$1.3 million is currently budgeted from the 2024 Water Bonds for the Turnout No. 4 Pre-Packaged Booster Station Procurement, CIP No. 24181, which is sufficient for an estimated \$1.3 million in anticipated expenditures, inclusive of the \$1,170,000 purchase and a \$117,000 contingency (approximately 10 percent).

Prepared by:



Adam Nelkie, Assistant Dir.
of Public Works -
Engineering

Submitted by:



Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Shape Incorporated Proposal



SANITATION • HYDRAULIC • AND PROCESSING EQUIPMENT

PLEASANTON

3825 Hopyard Road #195
Pleasanton, CA 94588
Phone (925) 485-9720

SACRAMENTO

2356 Gold Meadow Way #270
Gold River, CA 95670
Phone (916) 309-4132

STOCKTON

119 Val Dervin Parkway #2
Stockton, CA 95206
Phone (209) 234-5909

TO: City of Pleasanton

DATE: 27-Aug-24

QUOTE #: 115057

JOB: Pleasanton Turnout T-4 Booster Pump Station

LOCATION: Pleasanton, CA

ATTN: Bill Carlson/Joe Sinacori

PHONE:

Fax:

**WE ARE PLEASED TO QUOTE ON THE FOLLOWING EQUIPMENT
SUBJECT TO CONDITIONS PRINTED ON THE BACK HEREOF,
THESE CONDITIONS MAY BE CHANGED ONLY BY A WRITTEN
STATEMENT SIGNED BY AN OFFICER OF SHAPE, INCORPORATED.**

- ☐ F.O.B. FACTORY
☒ F.F.A. TO FIRST DESTINATION

QTY	ITEM	PRICE
	T-4 Turnout Packaged Booster Pump Station VSS, inc/ MCI-Flowtronex Packaged Booster Pump Assembly See Below for Scope Overview – Each individual section provides complete scope package	
1	Seismic Calculations and Engineering	
1	PLC programming	
1	Lot: Factory Performance Test	
1	Field Performance Testing and Start Up	
1	Lot: Assembly Assistance & Training As Specified	
1	Lot: Documents, O&Ms, & Freight	
	<u>Total For Above Equipment:</u>	<u>\$1,170,000</u>
	<u>NOTES:</u> 1. Price includes freight: F.F.A. 2. Price does not include any applicable taxes 3. Price does not include: installation, equipment unloading, anchor bolts, foundation	

SHAPE INC.

Page 1 of 2

Travis Headen

QUOTATION DOES NOT INCLUDE ANY SALES OR USE TAX PAYABLE UNDER ANY STATE OR FEDERAL STATUTE. THIS QUOTATION PRICE IS FOR MATERIAL LISTED ABOVE. ANY ADDITIONS OR MODIFICATIONS THAT BECOME NECESSARY FOR APPROVED SUBMITTALS, UPON AWARDING OF THIS CONTRACT, MAY RESULT IN NECESSARY PRICE CHANGES.

NOTE: ITEMS NOT SPECIFIED ON THIS QUOTATION ARE NOT INCLUDED IN OUR PRICE AND ARE TO BE SUPPLIED BY OTHERS. PRICES ARE FOR IMMEDIATE ACCEPTANCE AND SUBJECT TO CHANGE WITHOUT NOTICE. SALE SUBJECT TO MANUFACTURERS STANDARD TERMS AND CONDITIONS. 30% Re-stocking fee.

Rev. 11/22

SANITATION • HYDRAULIC • AND PROCESSING EQUIPMENT

	design or any items not listed. 4. Total Estimated Lead Time – 44 to 54 Weeks includes submittals and procurement 5. <u>ESTIMATED</u> delivery of Documentation A) Station Design submittals 6-8 weeks B) Tesco Design submittals 12-16 weeks C) Tesco Package supply 24 to 32 weeks D) Station 32 to 36 Weeks + additional 4 weeks after tesco panels arrive 6. All Drawings and Schematics provided are conceptual only. Full design documents to be provided at later date 7. Warranties 25 year on structure, 2 year on pumps, 1year on Tesco for workmanship	
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SHAPE INC.

Page 2 of 2

Travis Headen

QUOTATION DOES NOT INCLUDE ANY SALES OR USE TAX PAYABLE UNDER ANY STATE OR FEDERAL STATUTE. THIS QUOTATION PRICE IS FOR MATERIAL LISTED ABOVE. ANY ADDITIONS OR MODIFICATIONS THAT BECOME NECESSARY FOR APPROVED SUBMITTALS, UPON AWARDING OF THIS CONTRACT, MAY RESULT IN NECESSARY PRICE CHANGES.

NOTE: ITEMS NOT SPECIFIED ON THIS QUOTATION ARE NOT INCLUDED IN OUR PRICE AND ARE TO BE SUPPLIED BY OTHERS. PRICES ARE FOR IMMEDIATE ACCEPTANCE AND SUBJECT TO CHANGE WITHOUT NOTICE. SALE SUBJECT TO MANUFACTURERS STANDARD TERMS AND CONDITIONS. 30% Re-stocking fee.

Rev. 11/22

4. Bid Form

The Bid Form is modified to add the “Investigation of Existing SCADA System” line item. See below for the updated Bid Form:

Item	Price
Engineering & Submittals	\$ 40,000
Pumps & Mechanical	\$ 250,000
Enclosure	\$ 240,000
Electrical	\$ 125,000
Instrumentation & Controls	\$ 300,000
RTU and Integration ¹	\$ 145,000.00 Using Tesco
Investigation of Existing SCADA System ^{2,3}	\$ 60,000 (Allowance)
Delivery & Startup	\$ 70,000
Contingency	\$ 0
Total Price	\$ 1,170,000 Tesco has scada configuration included
Alternative #1 TESCO RTU and Integration	\$ Tesco RTU and Integration included

- 1) Items excluded in Section 3 above shall be included in the RTU and Integration Bid Item.
- 2) Scope of Allowance item for investigation is described in Section 3 above.
- 3) Compensation under the Allowance shall only be made based on written authorization from the City.

Overview

Booster Skid Package. Shape is designated the single supplier of the unit and accepts unit responsibility for coordination of all equipment Supplier including but not limited to pumps, piping, valves, controls, electrical distribution, drives, instrumentation, and building enclosure.

Additional information provided in the detailed scope section.

Site Ready Station Shelter

Heavy-Duty, Fiberglass Station Shelter 14FT Wide x 28FT Long x 10FT

UV Stable Exterior for Added Protection Against Corrosion and Solar Bleaching of Shelter Color

Color: Custom per Customer Specification (Confirm at Time of Order)

Fully Gasketed, Leak Proof Roofing and Siding Panels w/ Noise reducing insulation

HVAC Climate Control 480/3/65 5ton/9Kw Bard HVAC

Gabled Roof w/ Pump Access for Easy Crane Removal and Servicing

Electrical

Meter Socket Panel w/ pull box

Square D Service entrance w/ MTS – 3R Rated, Safety Switch, double throw non fusible

Temp Generator receptacle

QTY (1) 400A 600V Rated Manual Transfer Switch for Total System Overcurrent Protection and Single Point Power Connection

QTY (5) Interior, Energy Efficient, Long Lasting, Instant-On LED lights with a Set of Three-Way Light Switches

QTY (6) Exterior, Energy Efficient, Long Lasting, Instant-On LED lights with a Set of Three-Way Light Switches

QTY (4) Customer Use 15AMP GFCI Receptacle for Convenient, Readily Available Power

QTY (1) Dedicated 120/240VAC 10KVA Power Zone for All Shelter Low Voltage Power Requirements Including Extra Breakers for Customer Use

VFD Main Panel (MCC)

UL 508a Listed Control Panel Custom Engineered & Manufactured in Same Facility as Pump Station

Watertight UL Type 3R Enclosure

72INx72INx18IN (HxWxD),,Final Panel Size Confirmed in Approval Drawings

12 ga. Mild Steel Construction with Self-Healing Zinc Primer and Superior Outdoor Rated Powder Coated Textured Finish

400-Amp Main Fused Disconnect to Protect Valuable and Critical Components from Overloads and Abnormal Supply Power Conditions

ABB ACQ 580 Drives

Industry Leading Short Circuit Current Rating (SCCR) of 100,000 Amps to Impede Catastrophic Failure

Type 1 Surge Protection w/Status Indicators for Safeguarding of Electrical System Against Destructive Transient Power Surges

Active Incoming Line Phase Monitor W/Primary Fusing for Detection of Voltage Imbalance, Phase Sequence, and Loss of Phase

RTU Panel – Tesco Controls Provided

Nema 4 Galvanized Wall Mount Enclosure, 120V, 1-Phase Panel Disconnect Breaker, Surge Arrestor, EMI/RFI Line Filter UPS & Convenience Receptacles, Uninterruptable Power Supply, 24V Power Supply

DC Power Supply, 5-Slot Chassis, CPU Card with Ethernet & Serial Ports, HDIO Cards, Terminal Boards, & Cables as required, Compact Operator Interface with Keypad & LED Display

12" Touchscreen HMI

MDS SD9 900MHz Radio

Tesco Control L3000 PLC inc PLC/OIT Programming,

SCADA/HMI Programming integration into the City's existing AVEVA (formally known as Wonderware) SCADA application

Skid

Reinforced, Custom, Carbon Steel Pump Skid

Fabricated Using Heavy Duty, High Strength Structural Channel, Tubing, and Plate

Fully Seal Welded Pump Skid Deck Plate

Integral High Thrust Structural Pipe Supports

Self-healing, Corrosion Reducing, Zinc Powder Coat Primer

Wet Painted Skid

Corrosion and Wear Resistant 316SS Hardware

Seismic Anchoring Calculations

1500lb Davit Crane w/ electric hoist- mounted to skid

Pump Assemblies • QTY (3) 50 HP Split Coupled End Suction Pump, (88% Efficiency), Each Rated for 2334 GPM @ 68 FT TDH Including Station Losses. To Include:

Precision Engineered, Hydraulic Load Balancing, Cast Iron Double Volute with Suction Splitter Providing Increased Efficiency and Lifespan

Noise and Vibration Reducing Dynamically Balanced and Corrosion Resistant 304SS Impellers with Enlarged Impeller Eye

High Strength Steel Shafting

Wear Resistant Mechanical Seal for Drip Proof Sealing

50 HP, 460/3/60, Premium Efficient, Baldor TEFC Motors Wired for Motor Space Heaters, Motor Shaft Grounding Rings, and Motor High Temperature Thermostats

Station Piping

Carbon Steel Station Piping

Custom Formulated, Electrostatically Adhering, Thermally Cross-Linking, Fusion Bonded Epoxy Coating

NSF 61 Certified, Drinking Water Safe, Fusion Bonded Epoxy Coating

All Piping Above 2IN Shall Be Both Internally and Externally Coated

Corrosion and Wear Resistant 316SS Hardware

VALVES:

10IN Suction Isolation Butterfly Valve w/Gear Operator, Corrosion-Inhibiting 316SS Disc and EPDM Elastomers, Abrasion Resistant Fusion Bonded Body, and 250PSI Bubble Tight Shutoff Capacity

10IN Discharge Isolation Butterfly Valve w/Gear Operator, Corrosion-Inhibiting 316SS Disc and EPDM Elastomers, Abrasion Resistant Fusion Bonded Body, and 250PSI Bubble Tight Shutoff Capacity

10IN Pump Silent Wafer Check Valves with Corrosion and Abrasion Resistant Fusion Bonded Epoxy, SS Disc, and Heavy-Duty Spring to Reduce Hydraulic Shock

Station Pressure Relief and Surge Anticipating Valve

Fusion Bonded Epoxy Cla-Val 50-01 Station Pressure Relief Valve with Corrosion Mitigating 316SS Internals, Bronze Piloting, Piped to Inlet Manifold with Isolation Butterfly Valve w/Lever Operator, SS Disc, EPDM Elastomers, and Bonnet Quick Air Purge Ball Valve

Pipe Supports – 120 degree pipe saddles, coated hardened steel. Lay out to be determined in detailed design documents. Photo attached for sample



PLEASANTON

5976 W. Las Positas Blvd. #226
Pleasanton CA 94588
Phone (925) 485-9720

SACRAMENTO

2200 Sunrise Blvd #240
Gold River, CA 95670
Phone (916) 309-4132

STOCKTON

119 Val Dervin Parkway # 2
Stockton, CA 95206
Phone (209) 234-5909

Submittal Table of Contents

1. Cover Page / Quote
2. Station Layout
3. Skid Scope of Supply
4. Pump Performance
5. Tesco Scope of Supply
6. ABB VFD Scope of Supply
7. Project Team
8. Sample Photos

Station Layout

28' x 14'W x 10' Tall

23	1	VFD PANEL	72X72X18
22	1	16" VALVE-LUG ISO	
21	1	8" I-BEAM SKID	
20	1	16" DISCHARGE, FLANGE, 150LB	
19	1	16" SPOOL, DISCHARGE	
18	1	16" BYPASS SPOOL	
17	A/R	SUPPORT-8"CHANNEL	
16	1	16" HEADER	DISCHARGE
15	1	16" BLIND FLANGE	DISCHARGE HEADER
14	1	400A DISCONNECT, SERVICE ENTRANCE	
13	1	18"X16" REDUCER, CONCENTRIC	BYPASS
12	1	18" HEADER	SUCTION
11	1	15 KVA POWER SUPPLY, BUILDING	
10	1	16" VALVE, 16", GLOBE, CHECK	
9	2	16" VALVE, LUG, ISO, W/GEAR	
8	1	STON HVAC, BARD, STON/9KW, 460/3/60	
7	3	10" VALVE, CHECK, WATER	
6	3	10"X8" REDUCER, CONCENTRIC	
5	6	10" VALVE, LUG, ISO W/GEAR	
4	1	BUILDING-SHELTERWORKS	
3	3	10" COUPLING, FLEX, PROCO	
2	3	10x8 PUMP, GRUNDFOS, NBS	
1	3	50HP MOTOR-1200 RPM	
ITEM	QTY	SIZE	PART NO./NOTE
STATION STYLE: WVE-7000-3SL-30			
TO PRODUCE: 7000 GPM @ 30 PSI			
MAIN DISCONNECT: 400 AMPS			
POWER REQUIREMENTS: 460/3/60			

- 1

THIS AREA TO REMAIN CLEAR OF ALL OBSTRUCTIONS, CONDUIT ETC... REQUIRED BY NATIONAL ELECTRIC CODE
- 2

SUCTION AND DISCHARGE PIPING CONNECTIONS MUST BE RESTRAINED AGAINST THRUST BY OTHERS.
- 3

ALL DIMENSIONS ARE IN INCHES UNLESS OTHERWISE SPECIFIED
- 4

ALL SADDLES TO BE DETACHABLE.
- 5

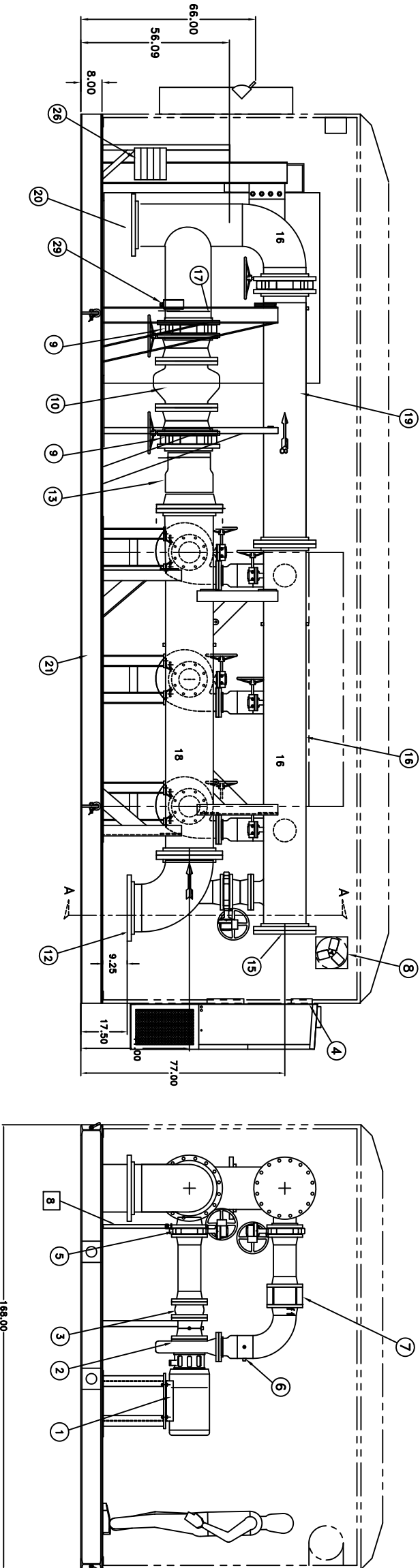
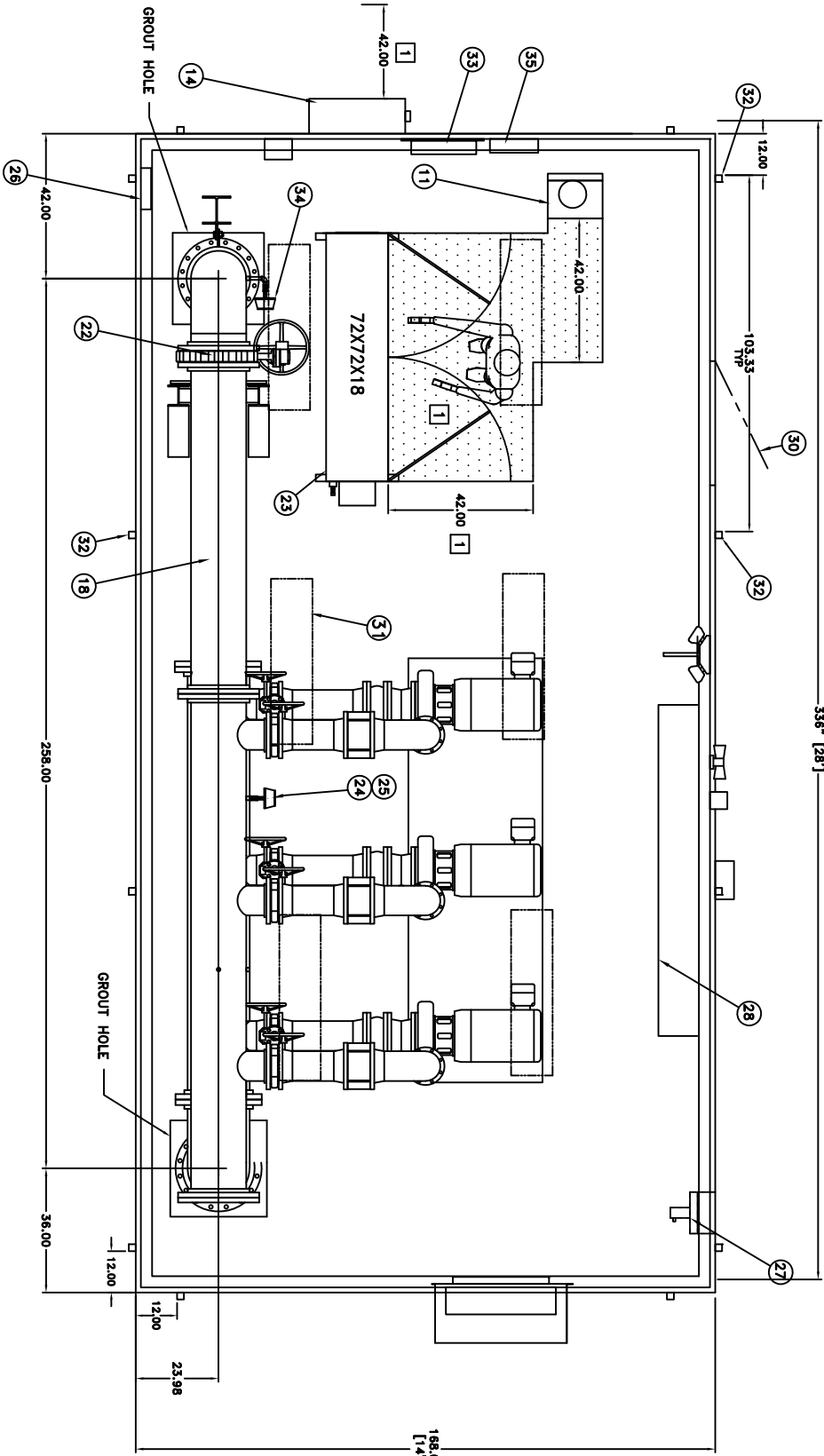
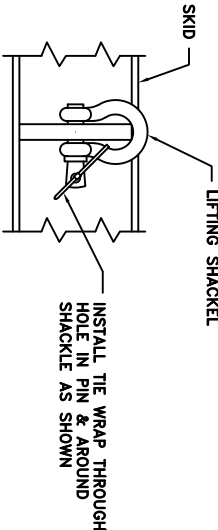
PIPING TO BE COPED ONTO HEADERS WITH NO INTRUSION
- 6

PIPE TO COPE ONTO HEADERS WITH NO INTRUSION
- 7

ALL FLANGES TO BE TWO HOLED
- 8

REQUIRED ON CENTER PUMP ONLY

ALL LIFTING SHACKLES MUST BE INSTALLED ON SKID WITH PIN LOCKED IN PLACE WITH TIE WRAP AS SHOWN BEFORE SHIPMENT.



Flowtronex

10661 NEWKIRK STREET, DALLAS, TEXAS 75220, USA 1-800-766-7460

#	REVISION	DATE	BY	JOB NUMBER:	16648089879
1	SAMPLE LAYOUT	07/19/2024	SML		
2	...CHANGE TO 14FT	...	...		
3	...	...	...		
4	...	...	...		
5	...	...	...		
6	...	...	...		
7	...	...	...		
8	...	...	...		
9	...	...	...		

JOB NAME:

PLEASANTON SAMPLE DESIGN PARTS AND OUTLINE DRAWING

PROPOSAL NUMBER:

16648089879

DRAWN BY:

SML

REV

RO

SIZE

B

DATE DRAWN:

8/27/24

SHEET #:

1 OF 1

Skid Detailed Scope of Supply



16182 Gothard Street, Unit I
Huntington Beach, CA 92647
Tel: 714-847-5957 / Fax: 714-847-5958

VALUE ENGINEERED PROPOSAL

Date: August 27, 2024
ATTN: Shape Industries

Quotation Number VSS-16648089879r4

Quoted by Mark LaVarnway

Project Name: Pleasanton BPS

PROJECT SITE PARAMETERS

Inlet Condition: 60/75 PSI PRESSURIZED

Supply Power: 480Y/277 3PH 60HZ

Existing Station FTX#: NA

Pump Station Requirements: 7000 GPM AT 90 PSI At Station Discharge (max with all 3 pumps operating at matched speeds to maintain 90 psi)

SCOPE OF SUPPLY

Built Under ISO9001:2015 Certification

Main Control Panel

MCI to provide a VFD panel ONLY. VFDs, PLC, and programming to be provided by other.

MCI to be provided with full I/O list, electrical schematics, electrical BOM, and VFD parameters.

VFD Custom Enclosure

- UL 508a Listed Control Panel Custom Engineered & Manufactured in Same Facility as Pump Station
- Watertight UL Type 3R Enclosure
- 72INx72INx18IN (HxWxD), Final Panel Size Confirmed in Approval Drawings
- 12 ga. Mild Steel Construction with Self-Healing Zinc Primer and Superior Outdoor Rated Powder Coated Textured Finish
- Heavy Duty Concealed Hinge / 3- Point Latch with Handle (Pad Lock Capable), Easily Removeable Doors and Center Post for Servicing
- Rigid Steel Backplate with Pure White Powder Coat
- Stainless Steel Doorstop(s), (Standard on All Doors)
- 12IN Data Pocket Containing All Pertinent Panel Documentation and As Built Drawings for Easy in Field Reference
- Manufactured in the USA

Cooling/Heating

- QTY (1) UL Listed Low Profile Forced Air Cooling for Quick, Quiet, Efficient Heat Rejection for Increased Electrical Component Longevity (Panel to utilize cooling from building HVAC to provide cooling to VFDs with the panels forced air cooling fan system)

16182 Gothard #I Huntington Beach Ca. 92647 / Office 714-847-5957, Fax 714-847-5958
Pumping Station Specialists
CA Lic# 665995

INT. _____

VFD Panel Main Power

- 400-Amp Main Fused Disconnect to Protect Valuable and Critical Components from Overloads and Abnormal Supply Power Conditions
- Industry Leading Short Circuit Current Rating (SCCR) of 100,000 Amps to Impede Catastrophic Failure
- Type 1 Surge Protection w/Status Indicators for Safeguarding of Electrical System Against Destructive Transient Power Surges
- Active Incoming Line Phase Monitor W/Primary Fusing for Detection of Voltage Imbalance, Phase Sequence, and Loss of Phase
- Regulated & Adjustable DC Power Supply for Safe User Operation and Stable Clean Power to Control Processing Components
- GFCI Outlet for Convenient Laptop Power
- Robust Industrial Control Power Transformer w/Primary Fusing

System Instrumentation

- Inlet Pressure Transducer
 - IFM 316SS Multi-output Programmable Pressure Transducer, with Local Display, Protective Display Cap, and Cord Set
- Discharge Pressure Transducer
 - IFM 316SS Multi-output Programmable Pressure Transducer, with Local Display, Protective Display Cap, and Cord Set

Pump Assemblies

- **QTY (3) 50 HP Split Coupled End Suction Main Pump, (88% Efficiency),** Each Rated for 2334 GPM @ 68 FT TDH. To Include:
 - **PUMP**
 - Precision Engineered, Hydraulic Load Balancing, Cast Iron Double Volute with Suction Splitter Providing Increased Efficiency and Lifespan
 - Noise and Vibration Reducing Dynamically Balanced and Corrosion Resistant 304SS Impellers with Enlarged Impeller Eye
 - High Strength Steel Shafting
 - Wear Resistant Mechanical Seal for Drip Proof Sealing
 - All Pumps Shall Receive a Non-Witnessed Flow Test by Pump Manufacturer
 - SPARE PARTS PER PUMP
 - 98434909 seal kit per pump
 - 97757675 Casing O Ring per pump
 - 97757693 Seal cover O Ring per pump
 - **MOTOR**
 - 50 HP, 1200rpm, 460/3/60, Premium Efficient, ODP Motors Wired for Motor Space Heaters, Includes Motor Shaft Grounding Rings, and Motor High Temperature Thermostats. (Tstats to be wired to TESCOs PLC for monitoring)
 - **VALVES**
 - 10IN Suction Isolation Butterfly Valve w/Gear Operator, Corrosion-Inhibiting 316SS Disc and EPDM Elastomers, Abrasion Resistant Fusion Bonded Body, and 250PSI Bubble Tight Shutoff Capacity
 - 10IN Discharge Isolation Butterfly Valve w/Gear Operator, Corrosion-Inhibiting 316SS Disc and EPDM Elastomers, Abrasion Resistant Fusion Bonded Body, and 250PSI Bubble Tight Shutoff Capacity

- QTY (1) Dedicated 120/240VAC 10KVA Power Zone for All Shelter Low Voltage Power Requirements Including Extra Breakers for Customer Use

Station Piping

- Carbon Steel Station Piping
 - Custom Formulated, Electrostatically Adhering, Thermally Cross-Linking, Fusion Bonded Epoxy Coating
 - NSF 61 Certified, Drinking Water Safe, Fusion Bonded Epoxy Coating
 - Extreme Resistance to Corrosive Water and Harsh Chemicals
 - All Piping Above 2IN Shall Be Both Internally and Externally Coated
- Piping Below 2IN shall be 304SS
- Hose Bibb Connection for Handy, Pressurized Water Access
- Corrosion and Wear Resistant Zinc Hardware
- 16IN System Bypass Including Globe Style Check Valve

Transition Pipe

- QTY (1) 18IN Flanged X 18IN Flanged Inlet Transition Pipe with 90-Degree Elbows
 - Piping to Stop Above Skid to Terminate with Customer Piping Extending Through the Floor
- QTY (1) 16IN Flanged X 18IN Flanged Discharge Transition Pipe with 90-Degree Elbows
 - Piping to Stop Above Skid to Terminate with Customer Piping Extending Through the Floor

Testing

- Pump Station Shall be Hydrostatically Tested to the Design Pressure Prior to Shipment
- A Flow Test can be Performed Onsite at MCI's Facility but Only Up to a Max of 2000GPM as Limited by the Size of MCI's Testing Equipment
- MCI to Test One Pump at a Time.
- For Any Flow Testing Done on Site at MCI a TESCO Representative with the Ability to Operate the Control Panel Must be Present to Help with Testing
- MCI shall provide Power Connections to Provide Enough Power to Operate the PLC Platform and One Pump for Testing of the System
- TESCO will provide pump station control via PLC and HMI in a panel to be wall mounted.

ADDER

FOB: Dallas, Texas

Lead Time:

Submittals: 6-8 weeks following order acceptance at MCI, Dallas, TX

Shipment: 32-36 weeks following approved drawings subject to adjustment.

Liquidated damages of any kind will NOT be accepted or implied by any other contract or by reference.

Additional Warranty items

- Warranty Excludes crane if needed
- 1-year warranty on Station (excluding PLC/HMI controls)
- 25 year warranty on equipment building by building manufacturer subject to building manufacturers warranty statement.

Clarifications and Exceptions

- Exception is taken to the Seismic and Building Codes of the pump station shelter. The shelter is only meant to offer equipment protection. Seismic calculations will only be provided for the anchoring of the system to the slab.
- Exception is taken to the piping and skid materials of construction. The system shall be built using carbon steel for both.
- Exception is taken to the pump vibration isolators. Due to the pump now being used vibration isolators can no longer be offered.

TERMS AND CONDITIONS OF SALE

All sales by and purchases from Variable Speed Solutions Inc., (Seller) are governed by the following terms and conditions:

1. All purchases and credits occurring after the closing date of a month will appear on the periodic statement for the next month. Payment shall be made to the Seller in U.S. currency at its offices in Huntington Beach, Orange County, California.
2. Orders regularly entered, whether verbal or written, can only be cancelled in writing by the Buyer upon terms that will compensate the Seller against loss for actual costs incurred to date. Any additional

paperwork furnished at the Buyer's request, such as sketches, drawings and specification sheets will be charged at the Seller's cost.

3. Any claim for defects, damages or shortages of an order delivered must be made by the Buyer in writing and delivered to the Seller within a period of ten (10) days after delivery. Failure to make such a claim within the specified time constitutes an acceptance and admission that the order fully complies with the terms, conditions and specifications required. The Seller's liability shall be limited to the stated selling price of any defective goods and shall in no event include special or consequential damages, including profits (or profits lost).
4. The Buyer bears the risk of loss of or damage to or destruction of the goods from the time of delivery. The Seller retains title to the goods until the Buyer pays the entire purchase price as specified plus any interest thereon. If requested by Seller, Buyer shall execute a security agreement and financing statement evidencing Seller's security interest in the goods delivered to Buyer
5. If the credit of Buyer in the judgment of the Seller becomes impaired at any time, the Seller has the right to require payment in advance before making further shipments, and to demand immediate performance of the Buyer of all obligations imposed upon him by this agreement.
6. If there is any breach of or default under this agreement and if the same is placed in the hands of an attorney for collection, or if collected by lawsuit or through the probate or bankruptcy court, or if any action of foreclosure be had hereunder, Buyer shall be liable for reasonable attorney's fees incurred by the Seller. In the event of default by Buyer, Seller may immediately proceed to enforce payment of Buyer's obligation and exercise all the rights and remedies provided by the Business and Commerce Code of the State of California, or the Uniform Commercial Code, as well as any other rights and remedies afforded to Seller by law. Should Buyer be in default, Seller may require Buyer to return all goods previously delivered to Buyer by Seller, and any subsequent expenses for retaking, holding, preparing for sale, and reselling of such goods shall be at Buyer's expense. Funds realized from such resale shall be credited to the Buyer's unpaid account.
7. The Seller, or any credit bureau or investigating agency employed by the Seller, is hereby authorized to investigate the references herein listed or statements or other data obtained from the Buyer or from any other persons pertaining to the Buyer's credit or financial responsibility. The Buyer has read and understands the foregoing terms and conditions of this application for credit and has signed the same as an indication of intent to enter into an agreement with Seller for the future purchase of goods and services from time to time. The Buyer also understands that upon acceptance of this application by the Seller, this document constitutes an agreement between the Buyer and the Seller for payment of debts owed to the Seller in return for the delivery of goods ordered or performance of services requested by Buyer.
8. The terms herein contained shall be governed by the statutes of the State of California and specifically the Business and Commerce Code of the State of California and the Uniform Commercial Code. In the event that any account owing by Buyer to Seller becomes delinquent, and legal proceedings are instituted for collection of said account or indebtedness, such legal proceedings may be instituted and prosecuted against Buyer and its guarantors, if any, in any Court in Orange County, California, and the undersigned expressly agrees that venue for such proceeding shall be in Orange County, CA, even if the principal offices of the Buyer are located in another county within this state or outside of this state.

9. SELLER DISCLAIMS ANY WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE MERCHANTABILITY OF THE GOODS DELIVERED TO THE BUYER NOR THE FITNESS OF SUCH GOODS FOR A PARTICULAR USE UNLESS A WRITTEN WARRANTY IS GIVEN TO THE BUYER BY SELLER AT TIME OF DELIVERY.
10. The terms contained herein may be modified only by written agreement signed by Buyer and an officer of Seller, VARIABLE SPEED SOLUTIONS INC
11. The seller warrants that the water pumping system or components will be free of defects in Materials and workmanship for 2 years from date of authorized start-up but not later than 27 months from date of invoice.

Provided that all installation and operation responsibilities have been properly performed and documented. The seller will provide a replacement part or component during the warranty life. Repairs done at Seller expense must be pre-authorized. Upon request, Seller will provide advice for troubleshooting the system.

This proposal contains equipment that may require costly means to remove or replace based on site conditions. The seller will not accept liability for costs associated with the removal or replacement of equipment in difficult to access locations. This includes but is not limited to the use of diving services, barges, helicopters, or other unusual requirements.

Default of any agreement with Seller or.

- a. The misuse, abuse of the pumping package outside its intended use.
- b. Failure to perform required maintenance service.
- c. Pumping water not suitable for irrigation.
- d. Exposure to electrolysis erosion.
- e. Water salinity in excess of 2000 parts per million.
- f. Water from a reverse osmosis plant without countermeasures in place.
- g. Water with a Langelier Index less than -0.5 and greater than +1.5
- h. Presence of destructive gaseous or chemical solutions in or around the packaged system.

PAYMENT TERMS: All Purchase Orders are subject to acceptance at the factory in Dallas, Texas. Receipt of production deposit, verification of acceptable credit, and confirmation of order are required before production. 50% production deposit required upon order, 40 % to be invoiced prior to delivery and remaining 10% to be billed upon satisfactory completion of startup net 30 NOT TO EXCEED 120 DAYS FROM DATE OF DELIVERY NO RETENTION SHALL BE HELD ON ANY PORTION OF EQUIPMENT PURCHASES.

Sincerely,

Brian Pavloff

Brian Pavloff
President

Accepted:

Signature

Date



16182 Gothard Street, Unit I
Huntington Beach, CA 92647
Tel: 714-847-5957 / Fax: 714-847-5958

Pump Scope

3 ea Grundfos NBS80 135-6 – Split Coupled End Suction Pumps,
50HP Baldor Premium Efficiency Motor, 1180 RPM

Split-Coupled End-Suction Pump

GRUNDFOS NBS

The N-series offers three different end-suction models: the frame-mounted NK, close-coupled NB and split-coupled NBS.

The N-series delivers industry leading efficiencies that future-proof them against government efficiency regulations. The NBS is designed to bring faster installation, greater efficiency and reliability, along with easier serviceability throughout the pump's life. With up to a 35% smaller footprint, Lifetime Alignment Guarantee, back-pull out design and a new and revolutionary hard-faced seal designed to improve reliability and reduce service costs, the NBS delivers on our promise that HVAC from Grundfos — it's everyone's comfort zone.



KEY FEATURES AND BENEFITS

Installation

- No baseplate or grouting required reducing installation costs
- No alignment required between the pump and motor with our Lifetime Alignment Guarantee — eliminating laser alignment costs and reducing installation time
- Optimized, space-saving design has up to a 35% smaller footprint compared to traditional frame-mounted design pumps
- Top centerline discharge design allows for self-venting and more compact piping designs

Efficiency and Reliability

- Industry leading efficiencies you can count on, because of advanced Computational Fluid Dynamics (CFD)
- New Silicon Carbide (SiC) / Silicon Carbide (SiC) hard faced seal's robust design offers increased temperature range, better abrasives handling and longer life versus standard designs (standard on all N-Series pumps)
- Backed by our Lifetime Alignment Guarantee so you never have to worry about undue wear and tear on mechanical seals, bearings and energy losses due to misalignment
- Optimized, stainless-steel impeller design increases efficiency and reduces NPSH required
- Balanced impellers reduce noise and vibration for quiet operation and prolong seal and bearing life

- 4" and above models have an internal dual-volute design for increased efficiency, lower life-cycle costs and prolonged seal and bearing life
- Integrally cast diffuser vane reduces turbulence

Serviceability

- Foot-mounted volute for increased pump stability
- Spacer-coupling design allows for back pull-out and easy access to mechanical seal without removing the motor or disturbing piping

APPLICATIONS

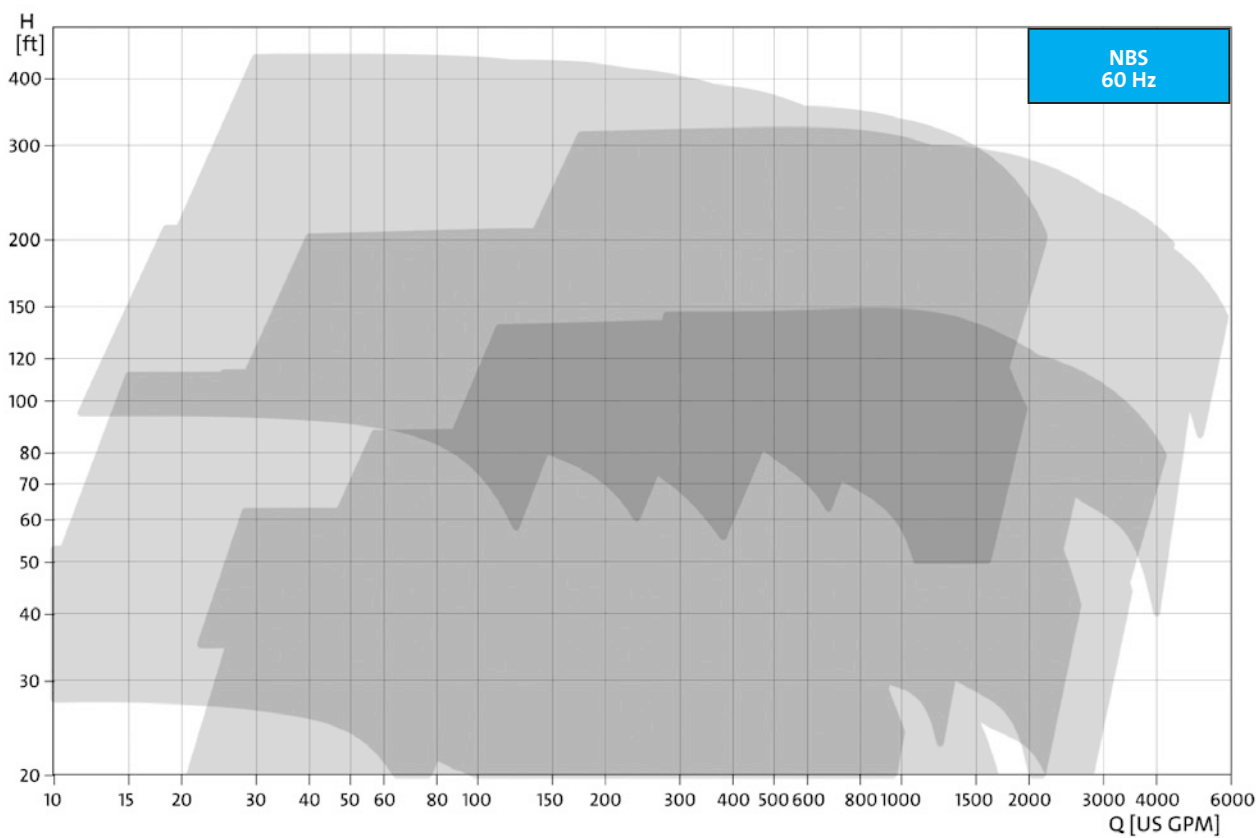
- HVAC (Cooling/Heating)
- District Energy
- Industrial
- Water Utility

TECHNICAL DATA

NBS	
FLOW, Q:	max. 5,800 gpm
HEAD, H:	max. 450 ft
LIQUID TEMPERATURE:	-13°F to 248°F (Optional: 284°F)
WORKING PRESSURE:	max. 232 psi (Optional: 362 psi)
HP RANGE	max. 250 hp
SPEED	3600, 1800, and 1200 RPM
DISCHARGE SIZES:	1.25 to 10 in. • Centerline: 1.25–6 in • Tangential: 8–10 in



PERFORMANCE DATA



Visit grundfos.us/pei to learn more about Department of Energy (DOE) pump energy index (PEI) requirements and PEI ratings on specific Grundfos models.

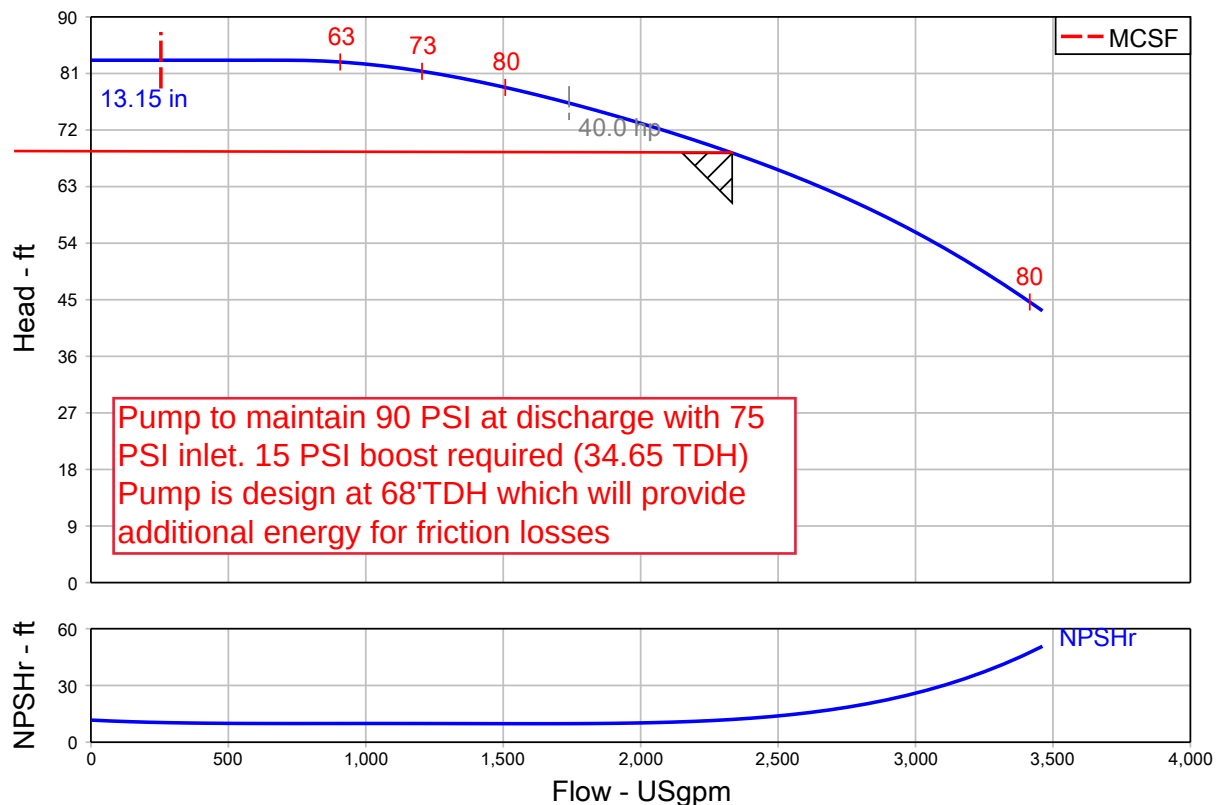
Pump Performance Datasheet

Customer	:		Project Number / ID	:	2316261
Customer ref. / PO	:		Model	:	NBS 080-135-6P
Tag Number	:	003	Stages	:	1
Service	:	1 pump 2333gpm	Based on curve number	:	080-135-6P-334_Std
Quantity	:	1	Basic model number	:	-
			Date last saved	:	08/16/2024 1:58 PM

Operating Conditions		Liquid	
Flow, rated	: 2,333.0 USgpm	Liquid type	: Cold Water
Differential head / pressure, rated (requested)	: 68.30 ft	Additional liquid description	:
Differential head / pressure, rated (actual)	: 68.36 ft	Solids diameter, max	: 0.00 in
Suction pressure, rated / max	: 75.00 / 75.00 psi.g	Solids concentration, by volume	: 0.00 %
NPSH available, rated	: Ample	Temperature, max	: 68.00 deg F
Site Supply Frequency	: 60 Hz	Fluid density, rated / max	: 1.000 / 1.000 SG
Synchronous speed flow	: 2,332.2 USgpm	Viscosity, rated	: 1.00 cP
Synchronous speed head	: 68.37 ft	Vapor pressure, rated	: 0.34 psi.a

Performance		Material	
Speed, rated	: 1185 rpm	Material selected	: Cast iron / 125 Class
Impeller diameter, rated	: 13.15 in	Pressure Data	
Impeller diameter, maximum	: 13.15 in	Maximum working pressure	: 111.0 psi.g
Impeller diameter, minimum	: 13.15 in	Maximum allowable working pressure	: 175.0 psi.g
Efficiency	: 88.78 %	Maximum allowable suction pressure	: 130.0 psi.g
NPSH required / margin required	: 12.02 / 0.00 ft	Hydrostatic test pressure	: 263.0 psi.g
Ns (imp. eye flow) / Nss (imp. eye flow)	: 2,616 / 8,024 US Units	Driver & Power Data (@Max density)	
MCSF	: 254.6 USgpm	Motor sizing specification	: Max power (non-overloading)
Head, maximum, rated diameter	: 83.11 ft	Margin over specification	: 0.00 %
Head rise to shutoff	: 21.58 %	Service factor	: 1.15 (used)
Flow, best eff. point	: 2,545.5 USgpm	Power, hydraulic	: 40.26 hp
Flow ratio, rated / BEP	: 91.65 %	Rated power (based on duty point)	: 45.35 hp
Diameter ratio (rated / max)	: 100.00 %	Max power (non-overloading)	: 48.61 hp
Head ratio (rated dia / max dia)	: 100.00 %	Synchronous speed rated power	: 45.34 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00	Nameplate motor rating	: 50.00 hp / 37.29 kW
Selection status	: Acceptable		

Energy Indexes	
PEI (CL)	: Out of scope
ER (CL)	: Out of scope



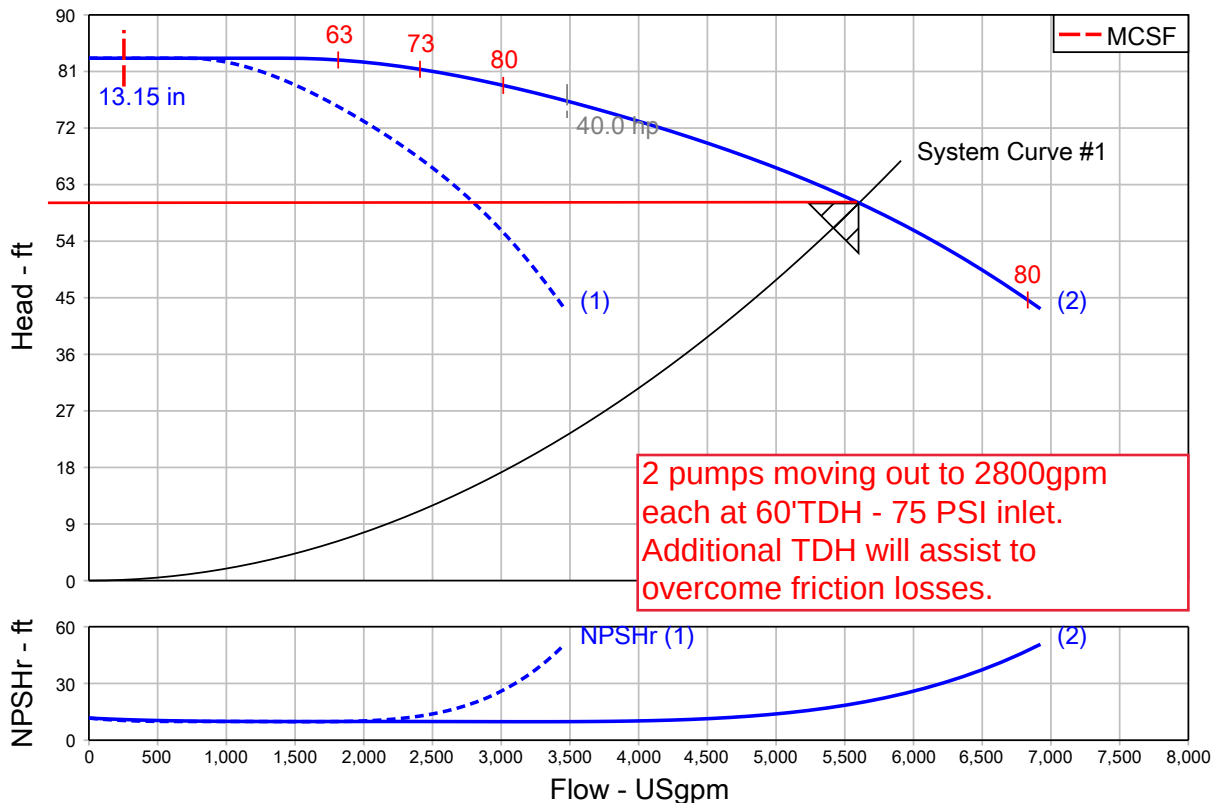
Pump Performance Datasheet

Customer	:		Project Number / ID	:	2316261
Customer ref. / PO	:		Model	:	NBS 080-135-6P
Tag Number	:	001	Stages	:	1
Service	:	2 pump 5600gpm	Based on curve number	:	080-135-6P-334_Std
Quantity	:	1	Basic model number	:	-
			Date last saved	:	08/27/2024 4:30 PM

Operating Conditions		Liquid	
Flow, rated	: 5,600.0 USgpm	Liquid type	: Cold Water
Differential head / pressure, rated (requested)	: 60.00 ft	Additional liquid description	:
Differential head / pressure, rated (actual)	: 60.12 ft	Solids diameter, max	: 0.00 in
Suction pressure, rated / max	: 75.00 / 75.00 psi.g	Solids concentration, by volume	: 0.00 %
NPSH available, rated	: Ample	Temperature, max	: 68.00 deg F
Site Supply Frequency	: 60 Hz	Fluid density, rated / max	: 1.000 / 1.000 SG
Synchronous speed flow	: 2,801.9 USgpm	Viscosity, rated	: 1.00 cP
Synchronous speed head	: 60.08 ft	Vapor pressure, rated	: 0.34 psi.a

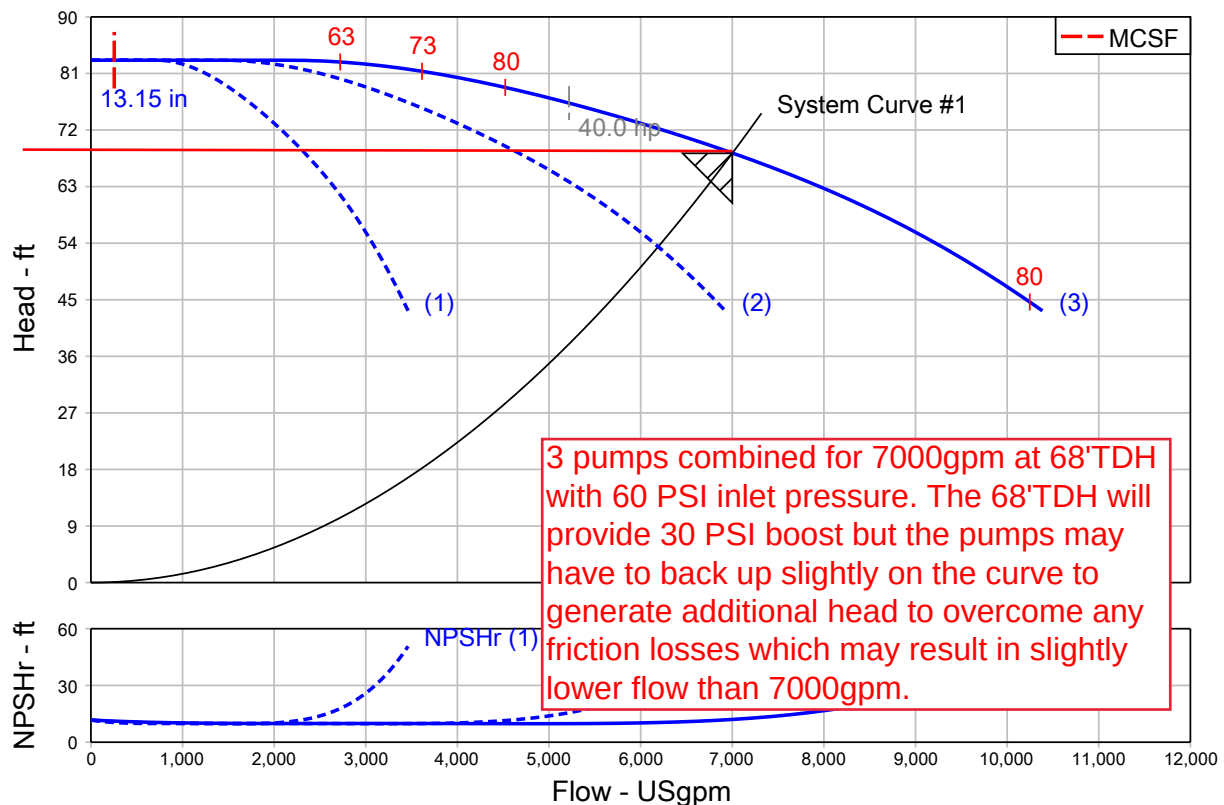
Performance		Material	
Speed, rated	: 1185 rpm	Material selected	: Cast iron / 125 Class
Impeller diameter, rated	: 13.15 in	Pressure Data	
Impeller diameter, maximum	: 13.15 in	Maximum working pressure	: 111.0 psi.g
Impeller diameter, minimum	: 13.15 in	Maximum allowable working pressure	: 175.0 psi.g
Efficiency	: 88.55 %	Maximum allowable suction pressure	: 130.0 psi.g
NPSH required / margin required	: 19.68 / 0.00 ft	Hydrostatic test pressure	: 263.0 psi.g
Ns (imp. eye flow) / Nss (imp. eye flow)	: 2,616 / 8,024 US Units	Driver & Power Data (@Max density) (Per Pump)	
MCSF	: 254.6 USgpm	Motor sizing specification	: Max power (non-overloading)
Head, maximum, rated diameter	: 83.11 ft	Margin over specification	: 0.00 %
Head rise to shutoff	: 38.24 %	Service factor	: 1.15 (used)
Flow, best eff. point	: 2,545.5 USgpm	Power, hydraulic	: 42.49 hp
Flow ratio, rated / BEP	: 110.00 %	Rated power (based on duty point)	: 47.99 hp
Diameter ratio (rated / max)	: 100.00 %	Max power (non-overloading)	: 48.61 hp
Head ratio (rated dia / max dia)	: 100.00 %	Synchronous speed rated power	: 48.00 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00	Nameplate motor rating	: 50.00 hp / 37.29 kW
Selection status	: Acceptable		

Energy Indexes	
PEI (CL)	: Out of scope
ER (CL)	: Out of scope



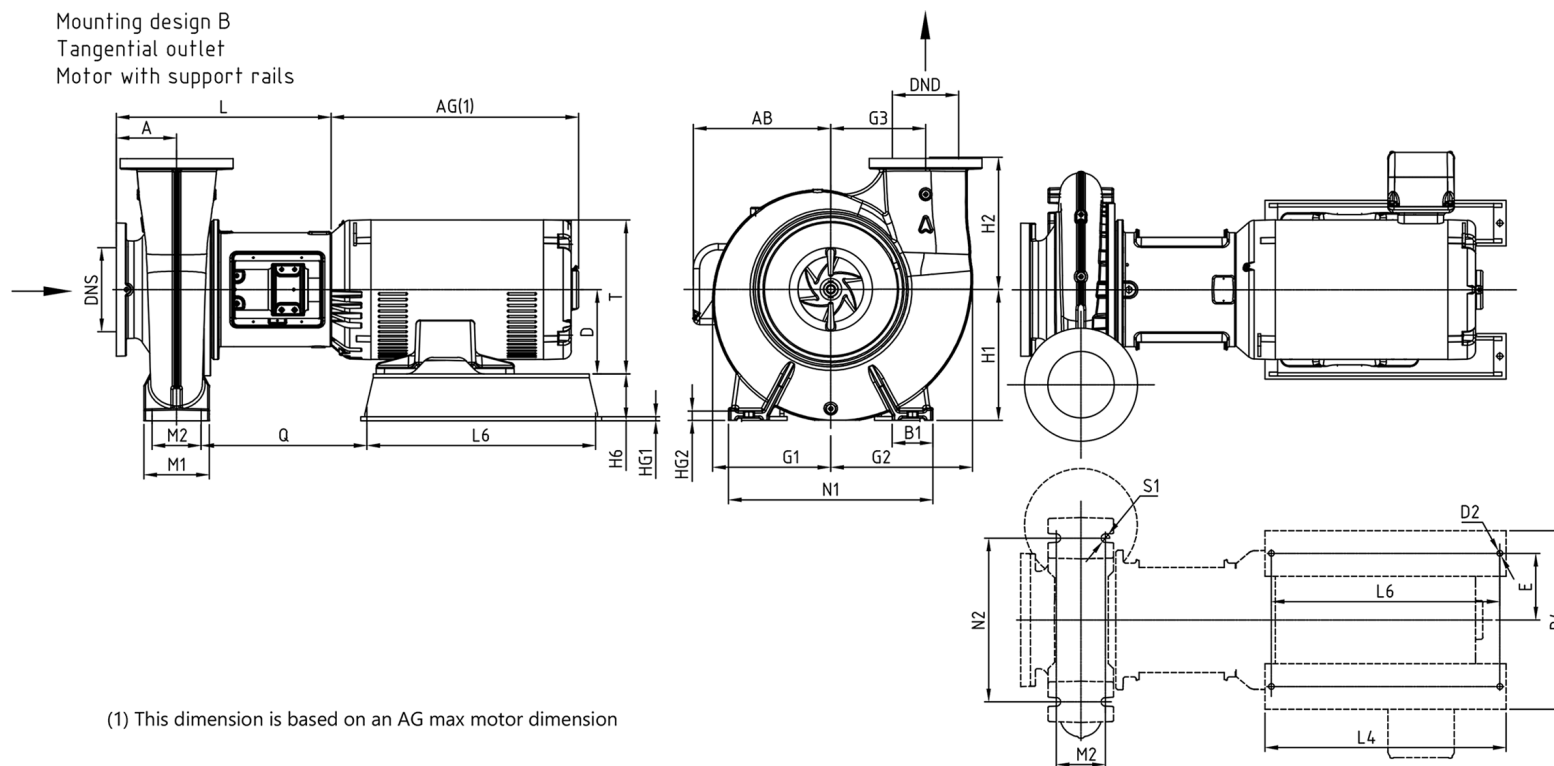
Pump Performance Datasheet

Customer	:		Project Number / ID	:	2316261
Customer ref. / PO	:		Model	:	NBS 080-135-6P
Tag Number	:	004	Stages	:	1
Service	:	3 pump 7000gpm	Based on curve number	:	080-135-6P-334_Std
Quantity	:	1	Basic model number	:	-
			Date last saved	:	08/16/2024 1:52 PM
Operating Conditions			Liquid		
Flow, rated	:	7,000.0 USgpm	Liquid type	:	Cold Water
Differential head / pressure, rated (requested)	:	68.30 ft	Additional liquid description	:	
Differential head / pressure, rated (actual)	:	68.35 ft	Solids diameter, max	:	0.00 in
Suction pressure, rated / max	:	60.00 / 60.00 psi.g	Solids concentration, by volume	:	0.00 %
NPSH available, rated	:	Ample	Temperature, max	:	68.00 deg F
Site Supply Frequency	:	60 Hz	Fluid density, rated / max	:	1.000 / 1.000 SG
Synchronous speed flow	:	2,334.0 USgpm	Viscosity, rated	:	1.00 cP
Synchronous speed head	:	68.34 ft	Vapor pressure, rated	:	0.34 psi.a
Performance			Material		
Speed, rated	:	1185 rpm	Material selected	:	Cast iron / 125 Class
Impeller diameter, rated	:	13.15 in	Pressure Data		
Impeller diameter, maximum	:	13.15 in	Maximum working pressure	:	95.97 psi.g
Impeller diameter, minimum	:	13.15 in	Maximum allowable working pressure	:	175.0 psi.g
Efficiency	:	88.78 %	Maximum allowable suction pressure	:	130.0 psi.g
NPSH required / margin required	:	12.02 / 0.00 ft	Hydrostatic test pressure	:	263.0 psi.g
Ns (imp. eye flow) / Nss (imp. eye flow)	:	2,616 / 8,024 US Units	Driver & Power Data (@Max density) (Per Pump)		
MCSF	:	254.6 USgpm	Motor sizing specification	:	Max power (non-overloading)
Head, maximum, rated diameter	:	83.11 ft	Margin over specification	:	0.00 %
Head rise to shutoff	:	21.59 %	Service factor	:	1.15 (used)
Flow, best eff. point	:	2,545.5 USgpm	Power, hydraulic	:	40.26 hp
Flow ratio, rated / BEP	:	91.67 %	Rated power (based on duty point)	:	45.35 hp
Diameter ratio (rated / max)	:	100.00 %	Max power (non-overloading)	:	48.61 hp
Head ratio (rated dia / max dia)	:	100.00 %	Synchronous speed rated power	:	45.35 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	:	1.00 / 1.00 / 1.00 / 1.00	Nameplate motor rating	:	50.00 hp / 37.29 kW
Selection status	:	Acceptable			
Energy Indexes					
PEI (CL)	:	Out of scope			
ER (CL)	:	Out of scope			



General Arrangement

Project name	: Default	Tag Number	: 001
Consulting engineer	:	Service	:
Customer	:	Model	: NBS 080-135-6P
Customer ref. / PO	:	Quantity of pumps	: 1
Quote Number / ID	: 2082243	Quoted By (Sales Office)	: Specifiers
Date last saved	: 01/25/2024 1:34 PM	Quoted By (Sales Engineer)	: Mark LaVarnway



NOT FOR CONSTRUCTION, UNLESS CERTIFIED AND REFERENCED ON ORDER

Units	Frame	DNS	DND	Class	A	AB	AG	B1	B4	D	D2	E	G1	G2	G3	H1	H2	H6	HG1	HG2	L	L4	L6	M1	M2	N1	N2	Q	S1	T	Weight
inches	365TC	10	8	125	6.25	18.06	27.88	4.92	18.17	9.00	0.69	7.00	12.37	17.22	10.43	13.75	14.00	4.75	0.31	1.10	22.27	24.50	23.00	7.87	5.91	24.61	19.69	17.12	1.02	18.50	1,745.0
Conditions of Service									Motor Data																						
Flow: 2,333.0 USgpm				Fluid: Cold Water				HP: 50					Encl: TEFC					Phase: 3					Efficiency: Premium								
TDH: 68.00 ft				Temp.: 68.00 deg F				RPM: 1185 rpm					Hz: 60					Voltage: 230/460					S.F.: 1.15								

Grundfos Series NBS - Split Coupled End Suction Pump

QUOTE NUMBER / ID 2082243	UNIT TAG 001	NBS 080-135-6P
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MATERIALS OF CONSTRUCTION			
PART	MATERIAL	PART	MATERIAL
Rotation Options	Clockwise	Impeller Washer	S.S., AISI-304
impeller Spring Washer	Steel, AISI - 316	Base/Stand Type	Steel support rail
Impeller Key	Steel, AISI - 316	Bushing	Vesconite
Coupling Options	Rigid Split Coupling	Wear Ring Material	None
Pump Coatings	Standard Paint	Seal Type	BQQE
Seal Material	SiC/SiC/EPDM	O-Rings	EPDM
Casing	Cast Iron, ASTM-A48, CL 35	Cover	Cast Iron, ASTM-A48, CL 35
Seal Flush Options	External Flush, plastic tubing	Motor Stool	Cast Iron, ASTM-A48, CL 30
Casing Bolts	Steel, Grade 8.8	Impeller	Stainless Steel, AISI-304
Impeller nut	Stainless Steel, AISI-304	Shaft	Stainless Steel, AISI-420

* All materials based on STANDARD configuration

Tesco Scope of Supply

To: Bidding Contractors
Attn: Estimators
Re: **City of Pleasanton**
Turnout T-4 Booster Pump Station (July 2024 Rebid)

Quote Date: 7/17/2024
Quote No.: 24G115Q02
Bid Date: 7/19/2024

Dear Bidder:

Thank you for your continued interest in TESCO products, services, and solutions. We are pleased to quote the following scope of work pertaining to the above-referenced project. Only the materials/services listed in the below scope are quoted in general conformance with the requirements of the applicable portions of specification sections: **13430, 13440, 13460, 13461, 13463, 13464, 17010, and 17500.**

Please Note: TESCO's scope as quoted herein is inclusive of the new RTU Control Panel and associated PLC/SCADA programming services only. All instrumentation (level, pressure, flow, analytical, etc.) and electrical power distribution equipment (Switchboard, Manual Transfer Switch, Motor Control Center, etc.) will be supplied by Others.

Scope of Work

Item	Qty	Description
TURNOUT T-4 BOOSTER PUMP STATION		
1	1	Pump Station RTU Panel to include: ▪ Wall-Mount NEMA 4 Galvanized Steel Enclosure ▪ 120V, 1-Phase Panel Disconnect Breaker ▪ Surge Arrestor ▪ EMI/RFI Line Filter ▪ UPS & Convenience Receptacles ▪ Uninterruptable Power Supply ▪ 24V Power Supply ▪ TESCO L3000 PLC ▫ DC Power Supply ▫ 5-Slot Chassis ▫ CPU Card with Ethernet & Serial Ports ▫ HDIO Cards, Terminal Boards, & Cables as required ▫ Compact Operator Interface with Keypad & LED Display ▪ Touchscreen OIT ▪ MDS SD9 900MHz Radio ▫ Yagi Directional Antenna & Lightning Arrestor ▫ Pole Mounting Kit, Weatherproofing, Cable Grounding, Coaxial Feedline, & Ethernet Patch Cable as required (Antenna Mast/Pole supplied & installed by Others) ▪ Managed Ethernet Switch with Fiber Ports ▪ Fiber Optic Patch Panel ▪ Panel Light ▪ Panel Ventilator ▪ DIN Rails, Terminal Blocks, Distribution Breakers, Fuses, Relays, Wires, Ground Bus Bar, & Nameplates/Labels as required
2	Lot	Control Panel & PLC Spare Parts (Specification Section 17010-1.09) to

Item	Qty	Description
		include: ▪ Surge Arrestor ▪ Fuses ▪ 24V Power Supply ▪ Radio ▪ PLC Power Supply ▪ PLC Processor ▪ I/O Module ▪ Communication Module ▪ Memory Module
3	Lot	Professional Services: ▪ Project Management ▪ Engineering ▫ engineered shop drawings, equipment schematics, engineered submittals, technical data, as-built documentation, and project records ▪ Manufacturing Services ▫ fabrication, manufacturing, assembly, equipment wiring, and factory testing ▪ PLC/OIT Programming ▫ Turnout T-4 L3000 PLC & local OIT program development ▪ SCADA/HMI Programming ▫ integration into the City's existing AVEVA (<i>formally known as Wonderware</i>) SCADA application ▪ Networking/Communications/Telemetry ▫ radio survey and communications link testing ▫ radio and managed switch configuration ▪ Product Startup Services ▫ product quality review, verification of product installation, product parameter adjustments, product programming, software upload/download as required, instrument/device signal spanning, product/equipment reconfiguration as required, product function checks, and product startup. ▪ Onsite Training ▪ O&M Manuals

Project Bid Clarifications

- Unless otherwise indicated by the Scope of Work above, this quote is to **furnish only** and does not include any trade labor, trade work, construction work, site improvement, contractor services, or any trade installation services. Any trade labor and/or related trade work shall be performed by others/contractor.
- Unless otherwise indicated by the Scope of Work above, the following is **not** included within this quotation:
 - Conduit, field wire, tubing, or basic trade installation materials (brackets, screws, bolts, j-box, stanchions, pull-box, etc.)
 - Instrumentation mounting components, brackets, stanchions, sunshields, etc.
 - Instrumentation, devices, components, or equipment not specifically identified in the above quotation.
 - Local control stations and/or field mounted disconnects.
 - Fiber optic patch panels, cable, splicing or terminations.
 - Networking infrastructure or architecture modifications to existing facilities.
 - **Any 3rd party testing, harmonic testing/analysis, protective device coordination study, short-circuit analysis, or Arc-Flash Risk Assessment (AFRA) services.**
 - Electrical interconnection diagrams for equipment not furnished by TESCO.
 - ISA process control loop diagrams.
 - Signal loop diagrams for equipment not furnished by TESCO.
 - **Seismic Anchorage Calculations or Testing.**
 - **Switchboard and Manual Transfer Switch (provided by Others).**
 - **Motor Control Center (provided by Others).**
 - **Instrumentation (provided by Others).**
 - **Portable Generator Connection Cabinet.**
 - **Intrinsic Safety Barriers.**
 - **Cellular Monitoring Equipment or VPN Router.**
 - **NETA Circuit Breaker Testing.**
 - **Sump Pump (P-005).**
 - **Flow Control Valves (FCV-001, FCV-002, & FCV-003).**
 - **Suction & Discharge Manifold Pressure Transducers (Factory Installed).**
 - **Fluoride Pumps.**

Terms & Conditions

- Submittals:
 - Product/Equipment Submittals: Initial equipment submittal(s) "**schedule**" to be provided approximately six **(6) weeks** after receipt of purchase order, written notice of intent, or notice to proceed. Lead-time for this "schedule" may be subject to delays imposed by 3rd party submittal providers. Submittal "schedule" will list all project submittals and will indicate lead-times for each product/equipment submittal. Generation of submittal(s) may be subject to availability of specified material components; supply-chain constraints may impact material item selections, therefore, may impact submittal lead-times.
 - Information Submittals: Information Submittals are dependent on the approval of Product/Equipment Submittals. An updated Submittal Schedule will be provided after receiving approval of corresponding Product/Equipment Submittal showing schedule and lead-times for Information Submittals.

- Submittals: Initial equipment submittal(s) to be provided approximately **10-12 weeks** after receipt of purchase order, written notice of intent, or notice to proceed; however, generation of submittal(s) will be contingent on supply-chain availability and variability for material components which may impact material item selections affecting submittal lead-times, therefore lead-times are subject to change without notice.
- Delivery: Initial shipment(s) anticipated to commence approximately **18-26 weeks** minimum after Product/Equipment Submittal approval; however, delivery schedule(s) will be contingent on supply-chain availability and variability for material component selections, therefore, lead-times are subject to change. Delivery schedules will be confirmed and provided after receiving Product/Equipment Submittals approval.

VFD Scope

3 ea ABB Variable Frequency Drives – Installed in Tesco Panel

ACQ580-

ACQ580 Water/Wastewater drive - supply voltage at 480 VAC Three Phase. 69.3 Rated Output Amps (50 HP), UL (NEMA) Type 1, Frame size - R6

Bill of Material

Item	Qty	Product Information
1	3	ACQ580- <i>ACQ580 Water/Wastewater drive - supply voltage at 480 VAC Three Phase. 69.3 Rated Output Amps (50 HP), UL (NEMA) Type 1, Frame size - R6</i>
2	3	DPMP-06-EXT-Q <i>WWW cabinet mounting panel kit (DPMP-06-EXT-Q)</i>
3	3	FENA-21-KIT <i>2-port Ethernet (EtherNet/IP, Modbus/TCP, PROFINET) (FENA-21-KIT)</i>

Submittal Schedule

This schedule includes the products supplied as part of this submittal.

Schedule			Motor Data ¹			Drive Data			
Item	Qty	Tag	HP	FLA	Volts	Product ID	HP	Amps	Volts
1	3		50		460 VAC	ACQ580-01-124A-4	50	69.3	480 VAC
Notes: 1. AC motor data is per National Electrical Code Table 430.250 for typical motors used in most applications. It is provided as typical data only. DC motor data is per typical industry standards. Actual motor data may vary									

Clarifications and Exceptions to Specification and Terms

The comments and clarifications that follow are offered in response to the specification items identified below. Please refer to the specification section and paragraph indicated. Any contract executed based on this proposal is done based acceptance of the exceptions noted herein.

Item ID	Title	Clarifications and Exceptions
1	50 Deg C max ambient rating	Proposed drive is 100HP with rated output amps derated 10% for 50°C ambient temperature.

Submittal Schedule Details for

Item	Tag / Equipment ID	Product ID
1		ACQ580-01-124A-4

Item Description

Input Voltage: 480 VAC Three Phase
Rated Output Current: 111.6A
Enclosure: UL (NEMA) Type 1
Nominal Horsepower: 75 HP
Frame Size: R6
Input Disconnecting Means:
Input Impedance: 5%
Short Circuit Current Rating: 100 kA with fuses
Communication Protocols: Modbus RTU
Other Options:

Drive Input Fuse Ratings

Fuse Class	Amps (600 V)
JJS-200	200

Wire Size Capacities of Power Terminals

Input Wiring	Output Wiring	Ground Wiring
4 AWG (25 mm ²) 22.1 lbf-ft (30 Nm)	4 AWG (25 mm ²) 22.1 ft-lb (30 N-m)	350 MCM (185 mm ²) 7.2 ft-lb (9.8 N-m)

Dimensions and Weights

Height <i>in</i> (mm)	Width <i>in</i> (mm)	Depth <i>in</i> (mm)	Weight <i>lbs</i> (kg)
28.6 (727)	9.9 (252)	14.5 (369)	93 (42.4)

Heat Dissipation & Airflow Requirements

Power Losses		Airflow	
BTU/Hr	Watts	CFM	CM/Hr
5,033	1476	256	435

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Engineering Data Summary

Replacement Fuses

Drive input fuses are recommended to disconnect the drive from power in the event that a component fails in the drive's power circuitry. Recommended drive input fuse specifications are listed in the *Submittal Schedule Details* and in the *Fuse Ratings* Table. Fuse rating information is provided for customer reference.

Item	Catalog Number	Drive Input Fuse Ratings	
		Amps (600V)	Bussmann Type
1	ACQ580-01-124A-4	200	JJS-200

Terminal Sizes / Cable Connection Requirements

Power and motor cable terminal sizes and connection requirements are shown in the *Submittal Schedule Details* and in the *Terminal Sizes / Cable Connection Requirements* Table. The information provided below is for connections to input power and motor cables. These connections may be made to an input circuit breaker or disconnect switch, a motor terminal block, overload relay, and/or directly to bus bars and ground lugs. The table also lists torque that should be applied when tightening terminals and spacing requirements where multiple mounting holes are provided in the bus bar.

Item	Catalog Number	Input Wiring	Output Wiring	Ground Wiring
1	ACQ580-01-124A-4	4 AWG (25 mm ²) 22.1 lbf-ft (30 Nm)	4 AWG (25 mm ²) 22.1 ft-lb (30 N-m)	350 MCM (185 mm ²) 7.2 ft-lb (9.8 N-m)

Heat Dissipation Requirements

The cooling air entering the drive must be clean and free from corrosive materials. The *Submittal Schedule Details* and the *Heat Dissipation Requirements* table below give the heat dissipated into the hot air exhausted from the drives. If the drives are installed in a confined space, the heat must be removed from the area by ventilation or air conditioning equipment.

Item	Catalog Number	Watts	BTU/Hr
1	ACQ580-01-124A-4	1476	5,033

Dimensions and Weights

Dimensions and weights of the drives provided are given in the *Submittal Schedule Details* and in the *Dimensions and Weights* Table. The table also lists the applicable dimension drawings that include additional detail. Dimension drawings may be provided in the back of this submittal.

Item	Catalog Number	Height mm (in)	Width mm (in)	Depth mm (in)	Weight kg (lbs)
1	ACQ580-01-124A-4	727 (28.63)	252 (9.93)	369 (14.53)	42.4 (94)

Free Space Requirements, Standalone

Free Space Requirements for standalone mounting.

Item	Catalog Number	Standalone, Above mm (in)	Standalone, Below mm (in)	Standalone, Sides mm (in)
1	ACQ580-01-124A-4	155 (6.11)	300 (11.82)	150 (5.91)

Free Space Requirements, Side by Side

Free Space Requirements for side by side mounting.

Item	Catalog Number	Side by Side, Above mm (in)	Side by Side, Below mm (in)	Side by Side, Sides mm (in)
1	ACQ580-01-124A-4	200 (7.88)	300 (11.82)	0 (0.01)

Product Short Circuit Current Rating

Short circuit ratings shown below are as show on the device rating label.

Item	Catalog Number	Short Circuit Current Rating
1	ACQ580-01-124A-4	100 kA with fuses

ACQ580 Product overview

The ACQ580 is the latest addition to the ABB drives portfolio. This robust, compact and energy efficient drive is designed for securing the flow of water and wastewater in your pumping system.

Connection to power and motors is simple. Embedded water and wastewater application features create an intuitive environment for users with dedicated pumping features that enhance the performance of the pumping system.

Secure the flow

The ACQ580 variable frequency drive (VFD) delivers innovative pumping features for the water and wastewater industry. Primary Setting menu and assistants simplify commissioning, setup, and daily control. Embedded water and wastewater application features create an intuitive environment for users and dedicated pumping features enhance the performance of the pumping system.

Speak the language

Leveraging clear water-industry terminology, the control panel enables operators to efficiently interface with the drives in terms they use every day. The optional Bluetooth control panel allows for wireless commissioning and monitoring.

Feel the Power

ACQ580 drives are designed for customers who value reliability, high quality, and robustness. The embedded pump functionality, the ACQ580 keeps the pump system operating optimally and efficiently. Product features, such as coated boards and optional compact UL Type 12 enclosures, make the ACQ580 suitable for harsh conditions.

All ACQ580 drives are current-rated devices. The HP ratings provided are for reference only and are based on typical 4-pole motors at nominal voltages (NEC Table 430.250). If full motor torque is required, ensure the drive has a continuous current rating equal to, or greater than the full load amp rating of the motor.

The ACQ580 is available in both normal and heavy-duty ratings. Normal duty ratings provide a 110% short term overload rating for one minute every ten minutes. Heavy duty ratings provide a 150% short term overload rating for one minute every ten minutes. All ACQ580 drives and their protective functions are thoroughly tested for optimal performance.



ACQ580 Software (Firmware) feature overview

Built in pump application control software

Intelligent multi-pump control
Pump cleaning
Level control
Sensorless flow calculations
Min/max flow and pressure protection
Dry pump protection
Quick ramps
Cavitation detection and control
Soft pipe filling
Motor disconnect detection
Communication fail functionality
Adaptive programming

Application features

Sleep boost
Auto change
Flow protection
Pressure protection
Inlet pressure protection
Maximum pressure protection
Minimum pressure protection
Pump priority
Two independent adjustable accel/decel ramp
Two or three wire start/stop control
Motor preheating
PID controllers for motor and process
Motor flying start Process PID control
Coast to stop Ramp to stop
Real-time clock (scheduling)
Run permissives
Start interlock delayed start
PID controller parameters
PID sleep / wake-up
Set point controllers (process and external)
Dry run protection

Startup assistants

Primary settings for ease of use
Sophisticated process control
Energy optimizer and calculator
Diagnostic assistant
Built-in and stand-alone process control
PID loop
Load profile

Motor control features

Scaler (V/Hz) and vector control Motor
ID run
U/F ratio

- Linear
- Squared

Energy optimization IR compensation
Slip compensation
Critical frequency lockout bands
Flux braking

Protective Functions

AI Supervision
Overvoltage
Undervoltage
Drive temperature
Earth (ground) fault detection
Emergency stop
Local control loss detection
Motor phase loss detection
Overcurrent protection
Overspeed protection
Safe Torque Off detection
Short circuit
Stall protection
Supply phase loss detection
Swapped supply and motor cabling
Motor overtemperature protection (UL508C)
Input and Output switch supervision
Underload supervision
Overload supervision
Loss of reference
Panel loss
External events
Current limit regulator
Transient/ surge protections (MOV and Choke)

Communication Protocols

Standard Modbus RTU (EIA-485)
Available optional protocols:

- Ethernet I/P
- DeviceNet
- Modbus TCP
- Profibus-DP
- PROFINET

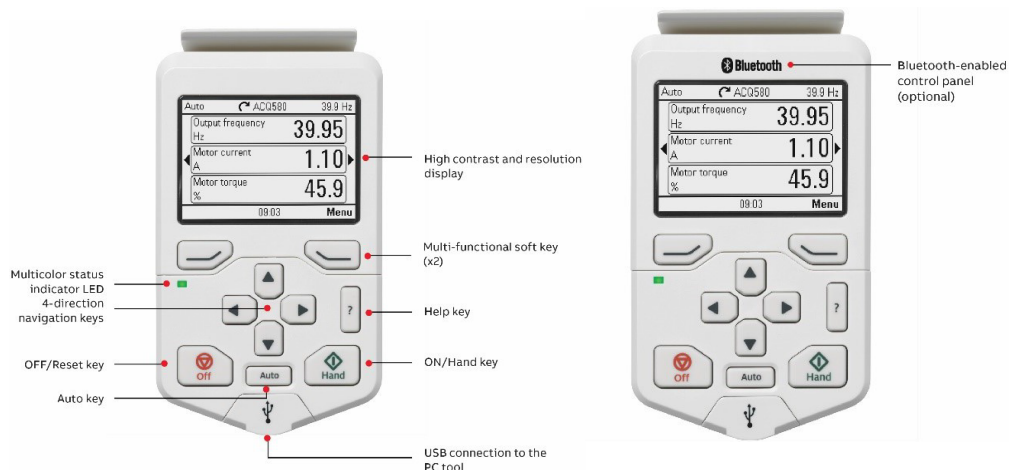
Control panel features

The ACQ580 Assistant Control Panel features:

- Intuitive to operate interface
- Hand-Off-Auto operation
- First start assistant
- Primary Settings menu to ease drive commissioning
- Real-time clock
- Diagnostic and Maintenance functions
- Full graphic display, including chart, graph, meter options
- 21 editable home views
- USB interface for PC and tool connection as standard
- Parameters are alpha-numeric
- Supports 14 languages as standard
- Dedicated help key
- Four user sets
- Parameters stored in control panel memory for later transfer to other drives or for backup of a particular system.
- Backup/restore (read/write) of parameters and motor data
- Automatic back-up 2 hours after parameter change
- Modified parameter display
- Creates unique short menu
- Shows parameters that differ from default

Operating data display:

- Output frequency (Hz)
- Speed (RPM)
- Motor current (A)
- Calculated % motor torque
- Calculated motor power (kW)
- DC bus voltage (V)
- Output voltage (V)
- Heatsink temperature
- Elapsed time meter (resettable)
- kWh (resettable)
- Input / Output terminal monitor
- PID actual value (feedback)
- Error fault text
- Warning text
- Three scalable process variable displays
- Real-time clock
- User-definable engineering units
- Modified parameter display
- Create unique short menu
- Show parameters that differ from default



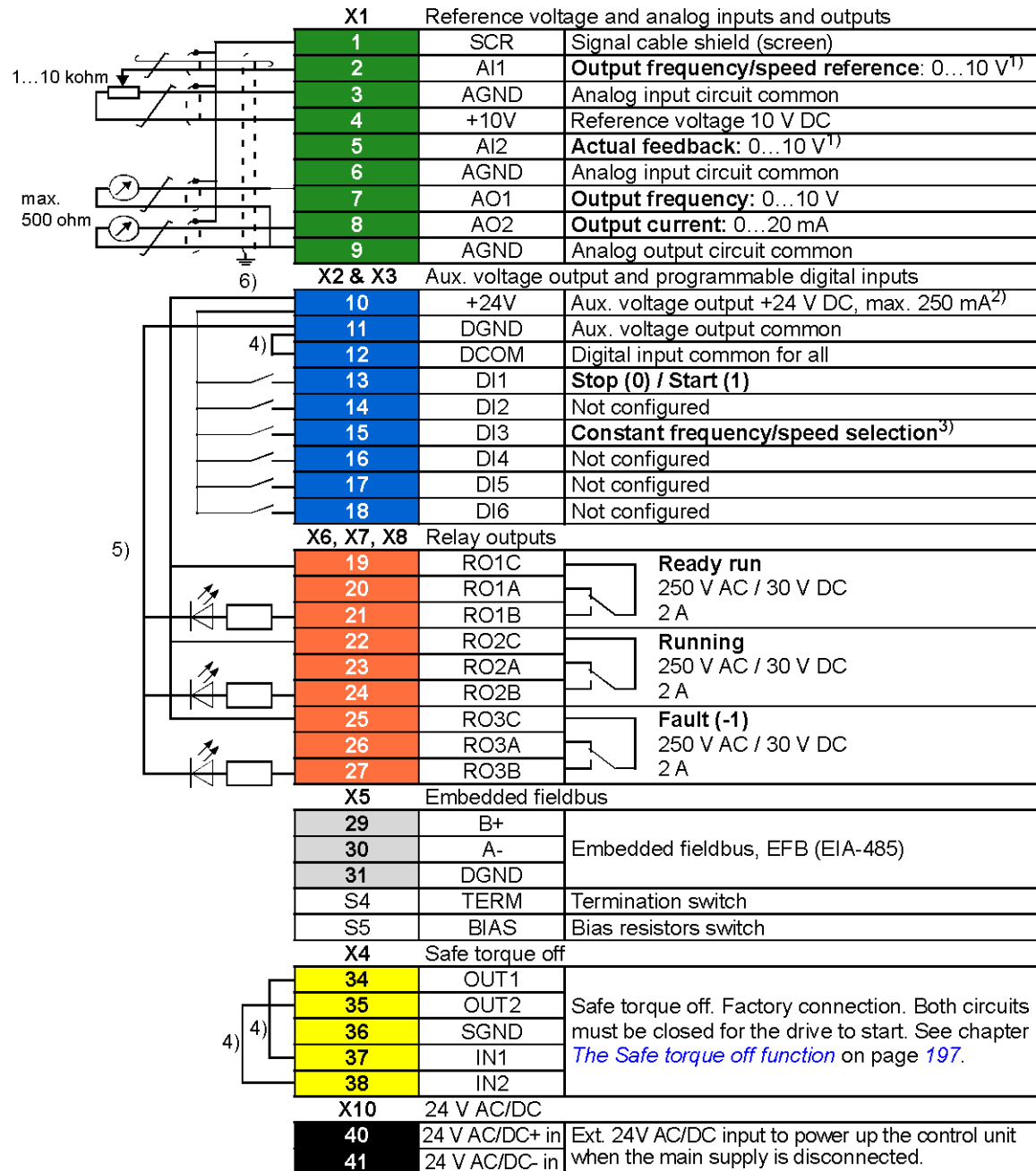
Standard Control Panel

Bluetooth Control Panel

Control terminals

Default I/O connections

This is the default configuration of control connections for water and wastewater applications.



Technical specifications

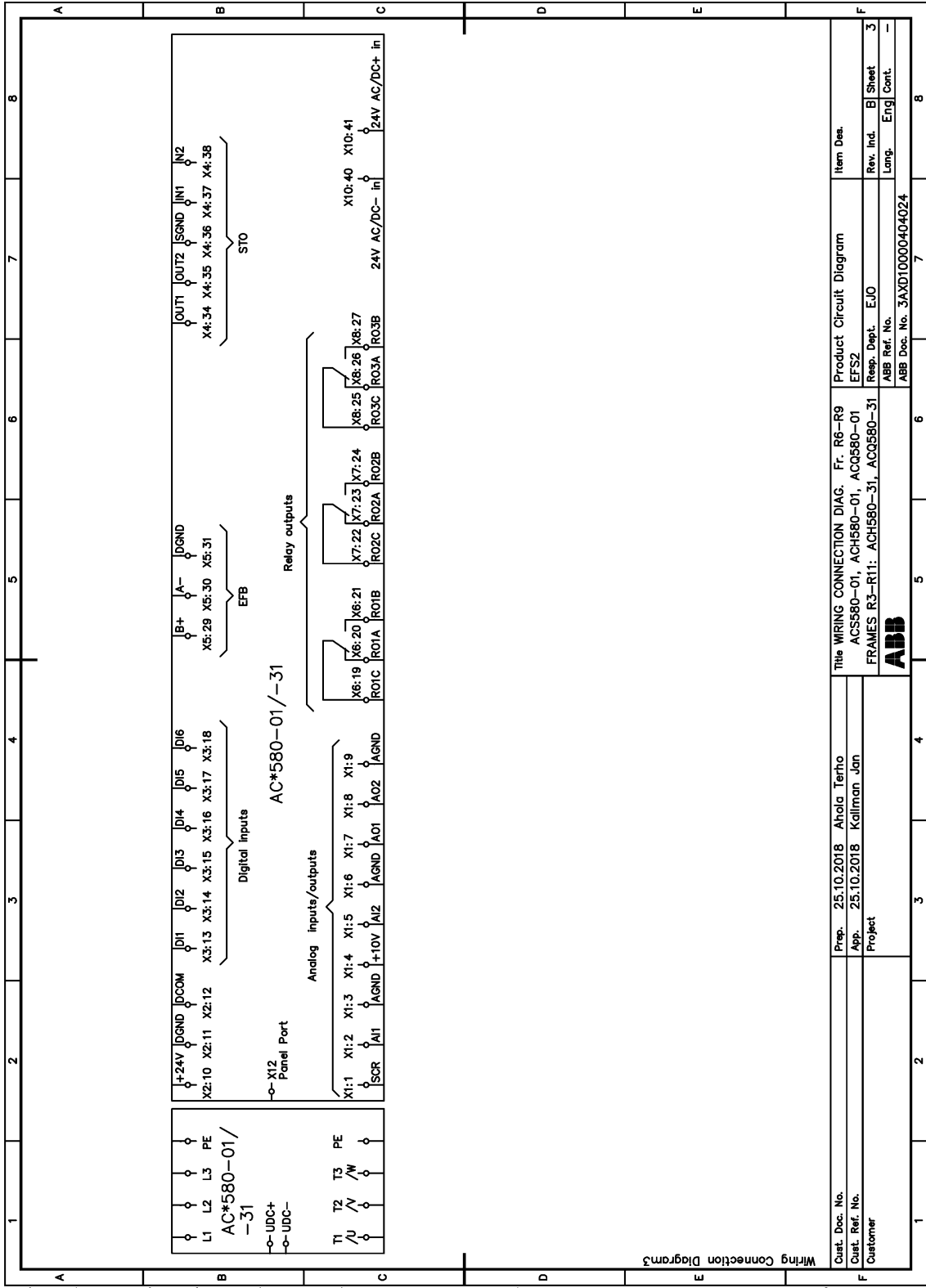
Supply connection	
Voltage and power range	
Input voltage (U _i)	
ACQ580-01-xxxA-2	208-240 V
ACQ580-01-xxxA-4	440-480 V
ACQ580-01-xxxA-6	525-600 V
ACQ580-04-xxxA-4	440-480 V
Input voltage tolerance	10% / -15%
Line Limitations	Max ±3% of nominal phase to phase input voltage
Power Factor (cos Φ) at nominal load	
ACQ580-01/04	0.98
Efficiency at rated power	
ACQ580-01/04	98%
Power Loss	Approximately 2-3% of rated power
Motor connection	
Supported motor control	Scalar and vector
Supported motor types	Asynchronous motor, permanent magnet motor (vector), SynRM (vector)
Voltage	3-phase, from 0 to supply voltage
Frequency	0 to 500 Hz
Short Term Overload Capacity	110% for 1 min/10min
Variable Torque	
Peak Overload Capacity	1.35 for 2 second
Variable Torque	(2 sec / 1 minute)
Switching Frequency	2, 4, 8 or 12 kHz (Up to 150 Hp); 1 or 4 kHz (Over 150 Hp), Automatic fold back in case of overload
Acceleration/Deceleration Time	0 to 1800 s
Short Circuit Current Rating (-01/04)	100 kA (UL) with fusing
External power supply	
ACQ580-01, R6-R9: Standard	1.50 A at 24 V AC/DC ±10% / 36W
ACQ580-01, R1-R5: Optional card	1.04 A at 24 V AC/DC ±10% / 25W
Safety	
Safe Torque Off (STO)	
STO Standard Input	17...30 VDC, 55mA
Degree of Protection	
Degree of protection (IEC/EN 60529)	
ACQ580-01	IP21, IP55
ACQ580-04	IP00
Enclosure types (UL 508C/61800-5-1)	
ACQ580-01	UL (NEMA) Type 1 & 12
ACQ580-04	UL Type Open
Inputs and outputs	
2 analog inputs	Selection of Current/Voltage input mode is user programmable.
Voltage reference	0 (2) to 10 V, R _{in} > 200 kΩ
Current reference	0 (4) to 20 mA, R _{in} = 100 Ω
Potentiometer reference value	10 V ±1% max. 20 mA
2 analog outputs	AO1 is user programmable, for current or voltage. AO2 current
Voltage reference	0 to 10 V, R _{load} : > 100 kΩ
Current reference	0 to 20 mA, R _{load} : < 500 Ω
Applicable potentiometer	1 kΩ to 10 kΩ
Internal auxiliary voltage	24 V DC ±10%, max. 250 mA
Accuracy	+/- 1% full scale range at 25°C (77°F)
Output updating time	2 ms
6 digital inputs	12 to 24 V DC, 10 to 24 V AC, Connectivity of PTC sensors supported by a single digital input. PNP or NPN connection (5 DIs with NPN connection). Programmable
Input Updating Time	2 ms
3 relay outputs	Maximum switching voltage 250 V AC/30 V DC. Maximum continuous current 2 A rms. Programmable, Form C
Contact material	Silver Tin Oxide (AgSnO ₂)
PTC, PT100 and PT1000	Any of the analog inputs, or digital input 6, are configurable for PTC with up to 6 sensors.
Adjustable filters on analog inputs and outputs	
All control inputs isolated from ground and power	
Operation	
Air Temperature	-15 to +40 °C (5 to 104 °F) 50°C (122°F) available with derate 0 to -15 °C (32 to 5 °F) No Frost Allowed Output derated above +40°C (104°F)
Installation site Altitude	0 to 1000 m (3281 ft) above sea level Output derated above 1000m (3281 ft) up to 4000m (13123ft)
Relative Humidity	5 to 95% No condensation allowed Maximum relative humidity is 60% in the presence of corrosive gasses
Atmospheric pressure	70 to 106 kPa (10.2 to 15.4 PSI) 0.7 to 1.05 atmospheres
Vibration	Risk category IV Certified (IBC 2018)

Technical specifications

Environmental protections	
Chemical Gasses	Class 3C2 (UL Type 1 , IP21) Class 3C2 (UL Type 12 , IP55) Note: Conformal coated PCBs
Solid Particles	Class 3S2 No conductive dust allowed
Pollution degree (IEC/EN 61800-5-1)	Pollution degree 2
Product Compliance	
Standards and directives	
Low Voltage Directive 2006/95/EC	
EMC Directive 2004/108/EC	
60721-3-3: 2002	
60721-3-1:1997	
Quality assurance system ISO 9001 and	
Environmental system ISO 14001	
CE, UL, cUL, CSA and EAC approvals	
Galvanic isolation according to PELV	
RoHS2 (Restriction of Hazardous Substances)	
EN 61800-5-1: 2007; IEC/EN 61000-3-12;	
EN 61800-3: 2017 + A1: 2012 Category C2	
(1st environment restricted distribution);	
Safe torque off (EN 61800-5-2)	
Seismic (IBC, OSHPD)	
Ecodesign regulations EU 2019/1781	
EMC (according to EN61800-3)	Class C2 (1st environment, restricted distribution)
Available Options	
External 24V AC/DC and digital I/O extension (2xRO and 1xDO) (CMOD-01)	
Additional 115/230 V Digital input (6xDI and 2xRO) (CHDI-01)	
Fieldbus Adapter Modules	EtherNet/IP, Modbus TCP, PROFIBUS-DP, PROFINET, DeviceNet
Operation, Programming and Diagnostic Tool	Drive Composer Pro / Entry
Cold configuration tool (CCA-01)	
Keypad	
Standard	Hand/Off/Auto
Optional	Bluetooth

Storage (in Protective Shipping Package)	
Air Temperature	-40 to +70°C (-40 to +158°F)
Relative Humidity	Less than 95% No condensation allowed Maximum relative humidity is 60% in the presence of corrosive gasses
Chemical Gasses	Class 1C2
Solid Particles	Class 1S2 Contact ABB regarding Class 1S3
Atmospheric pressure	70 to 106 kPa 0.7 to 1.05 atmospheres
Vibration (ISTA)	
R1...R4	In accordance with ISTA 1A
R5...R9	In accordance with ISTA 3E
Transportation (in Protective Shipping Package)	
Air Temperature	-40 to 70 °C (-40 to 158 °F)
Relative Humidity	Less than 95% No condensation allowed Maximum relative humidity is 60% in the presence of corrosive gasses
Atmospheric Pressure	60 to 106 kPa (8.7 to 15.4 PSI) 0.6 to 1.05 atmospheres
Free Fall	R1: 76 cm (30 in) R2: 61 cm (24 in) R3: 46 cm (18 in) R4: 31 cm (12 in) R5: 25 cm (10 in)
Chemical Gasses	Class 2C2
Solid Particles	Class 2S2
Shock/ Drop (ISTA)	
R1....R4	In accordance with ISTA 1A
R5....R9	In accordance with ISTA 3E
Vibration (ISTA)	
R1....R4	In accordance with ISTA 1A
R5....R9	In accordance with ISTA 3E

Item 1	Part Number ACQ580-01-124A-4	Customer Designation
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Installation guide

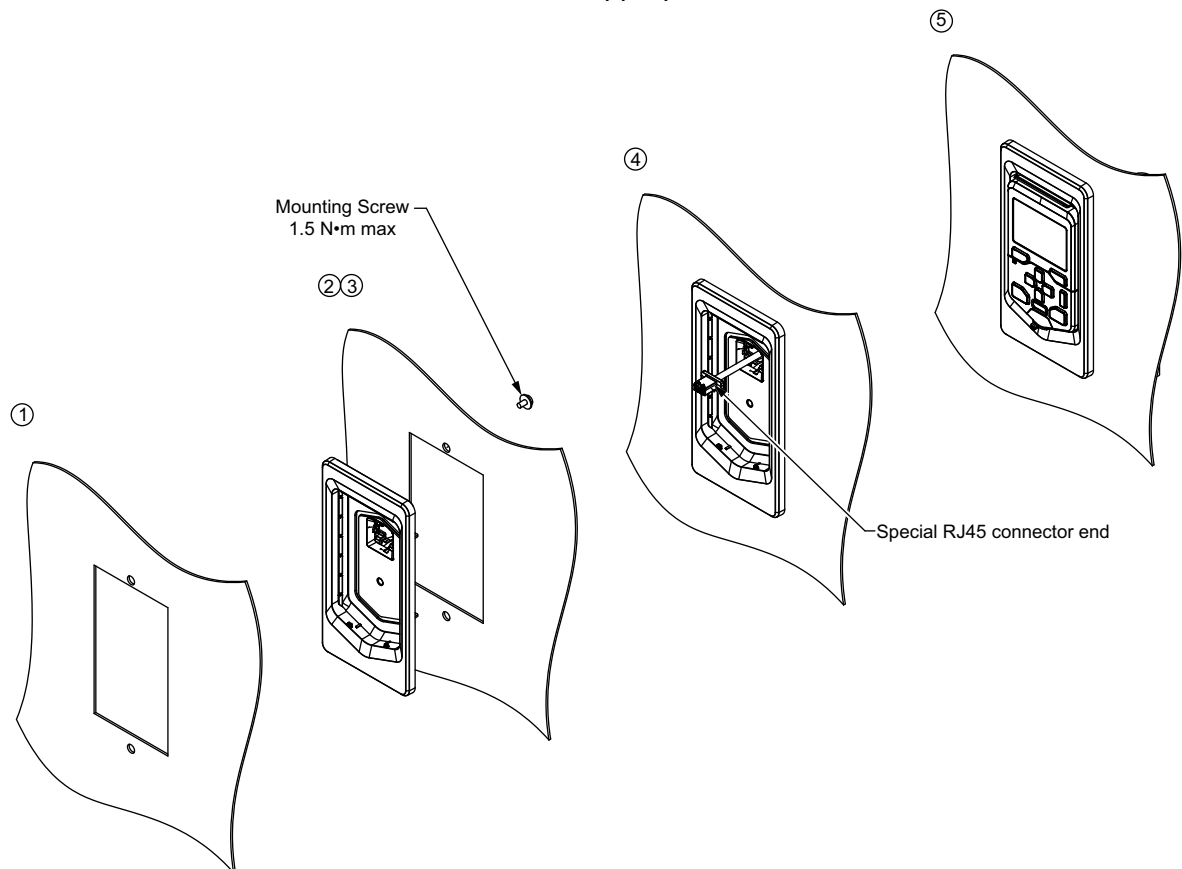
DPMP-06/07 mounting platform for control panels

Compatibility and delivery check

Contents of the package: panel holder, control cable, mounting screws (QTY 2). Check that all items are present and there are no signs of damage. Compatible control panels are: ACH-AP-H, ACH-AP-W, ACS-AP-S, ACS-AP-I, ACS-BP-S, and ACS-AP-W.

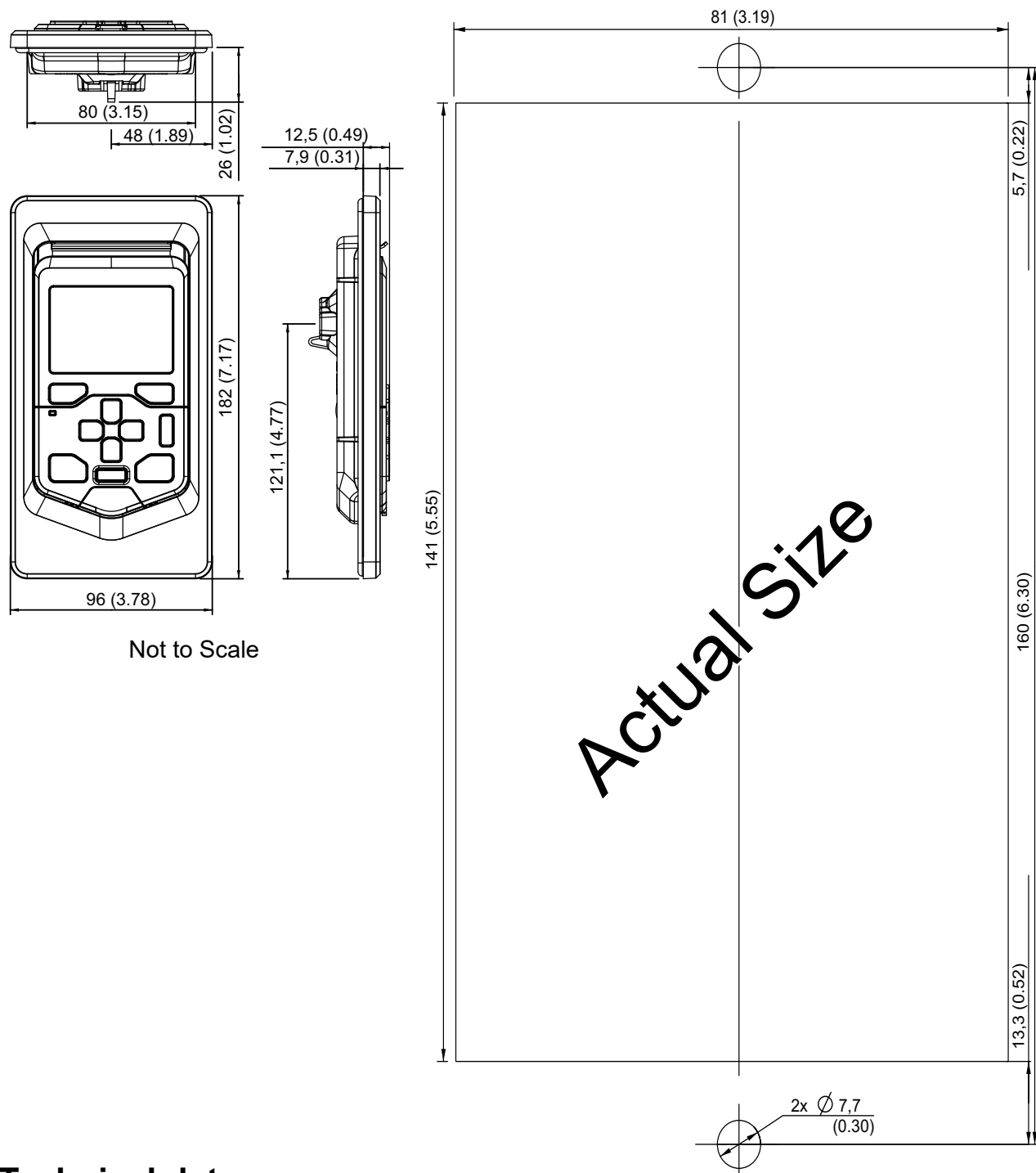
Installation instructions

1. Cut a hole in the cabinet door using the template on the next page as a guide.
2. Insert panel holder into the cutout.
3. Secure panel holder to door using supplied hardware. Torque to 1,5 N•m (13.3 in-lbs).
4. Install control cable into the panel holder. The control cable has a standard and special RJ45 connector. Feed the standard RJ45 connector through the panel holder and snap the special RJ45 connector into the panel holder.
5. Attach the control panel.
6. Secure the control cable in a manner to eliminate mechanical stress to the panel holder and control cable.
7. Connect the standard RJ45 end of the cable to the appropriate connector. See the drive hardware manual.



Dimension drawings

Cabinet door thickness: 1.5...3 mm (0.055...0.120 in)



3AXD50000289561 RevC EN 2018-12-17



3AXD50000289561C

Technical data

Degree of protection: UL Type 12 when panel is mounted. UL open when panel is not mounted.
Cable: 3m, Cat5e, UTP. Kit is listed under UL file #E101649 Vol. 1, Section 10.

Ethernet card, FENA-21

Designed to provide robust Ethernet connectivity the FENA 21 card installs easily and quickly into your drive. Supporting multiple Ethernet protocols, alongside the integrated switch, you have a solution that offers flexibility for your installations with less reliance on external network equipment.

The FENA-21 network adapter modules offer connectivity on EtherNet based networks using EtherNet/IP, ProfiNet or Modbus TCP protocols.

In EtherNet/IP mode the FENA-21 adapter module acts as a server on an EtherNet/IP network with support for the ODVA AC/DC drive, ABB Drives and Transparent profiles.

- Two simultaneous EtherNet/IP connections are supported so that two clients can be connected to the adapter module at a time.
- The two ports of FENA-21 give the possibility to use star topology, ring topology or just an integrated Ethernet switch. This interface module can be implemented on a Device Level Ring (DLR), without the requirement to use a DLR external switch.

In Modbus TCP mode the FENA-21 module acts as a Modbus/ TCP server with support for ABB drives and Transparent profiles. Common read/write single and multiple register function codes are supported.

In ProfiNet mode the FENA-21 module acts as a ProfiNet I/O device with support for PROFIdrive, ABB Drives, Transparent 16bit, Transparent 32-bit profiles, and PROFIdrive positioning mode for ACSM1 Drives.

Through the adapter module you can:

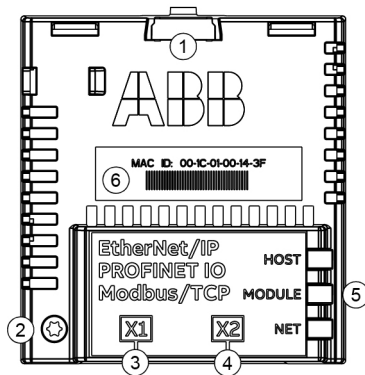
- give control commands to the drive (for example, Start, Stop, Run enable)
- feed a motor speed or torque reference to the drive
- give a process actual value or a process reference to the PID controller of the drive
- read status information and actual values from the drive
- reset a drive fault
- read/write parameters of the drive
- connect Drive composer pro tool
-

The FENA-21 module supports 10 Mbit/s and 100 Mbit/s data transfer rates and automatically detects the data transfer rate used in the network and uses Network services: HTTP, DHCP, ABB or Netconfig. The adapter module supports both explicit messaging where each attribute of a class is set individually and implicit messaging using input and output instances.

Drive Composer Pro software can be used with FENA-21 to perform a start-up or maintenance for ABB common architecture drives.



Layout and interface



1. Lock
2. Mounting screw (grounding screw)
3. RJ-45 connector [X1] to Ethernet
4. RJ-45 connector [X2] for chaining another module
5. Diagnostic LEDs
6. MAC address

Diagnostic LEDs

Name	Color	Function
HOST	Flashing green	Establishing communication to host
	Green	Connection to host OK
	Flashing red	Communication to host lost temporarily
	Flashing orange, alternating with the MODULE flashing orange	Internal file system error. The error may be cleared by cycling drive power. If the error persists, contact your local ABB representative.
MODULE	Off	There is no power applied to the device.
	Green	Device is operating in a normal condition.
	Flashing green	Device needs commissioning due to configuration missing, incomplete or incorrect. The device may be in the Standby state. This may be caused by the adapter waiting for a response from a DHCP server or Duplicate Address Detection to complete.
	Flashing red	Ethernet interface is disabled. Duplicate Address Detection may have detected a duplicate address. Check the IP configuration and either initiate a Fieldbus Adapter parameter refresh or cycle power to the drive.
	Flashing red-green	Device is in Self Test.
	Flashing orange, alternating with the HOST flashing orange	Internal file system error. The error may be cleared by cycling drive power. If the error persists, contact your local ABB representative.
NETWORK / NET	Off	"Device is not on-line. • The device has not completed the Duplicate Address Detection yet. • The device may not be powered; look at the MODULE status LED."
	Flashing green	"Device is on-line but has no connections in the established state. • The device has passed Duplicate Address Detection, is on-line, but has no established connections to other nodes."
	Green	Device is on-line and has connections in the established state.
	Flashing red	One or more I/O connections are in the Timed-out state.
	Red	Failed communication device. The device has detected an error that has rendered it incapable of communicating on the network (Duplicate MAC ID or IP address detected).

Project Team

Shape Inc – Packager and Supplier 40 years experience

Tesco Controls – Instrumentation, Controls, Programmer

VSS Inc/MCI-Flowtronex – Skid Manufacturer 40years experience

November 19, 2024
Finance

TITLE: ADOPT A RESOLUTION TO ACCEPT THE FY 2023/24 YEAR-END OPERATING BUDGET REPORT, APPROVE BUDGET AMENDMENTS IN MULTIPLE FUNDS, AND DESIGNATE THE GENERAL FUND BALANCE

SUMMARY

This report presents the results of City operations for the FY 2023/24 Operating Budget (Budget) and recommends adjustments and designations of the General Fund reserves. This information is unaudited. The audited information will be included in the City's Annual Comprehensive Financial Report (ACFR) and will be presented to the City Council once the City's independent auditor has issued its opinion on the ACFR, and it has been reviewed by the Audit Committee; this is expected to occur in December 2024 or January 2025. If there are any differences in the financial information presented in this report and the ACFR as a result of the audit, those changes will be highlighted at the time the ACFR is presented to the City Council for acceptance.

The FY 2023/24 total actual General Fund revenue is \$151.8 million, which is 0.7 percent lower compared to the FY 2022/23 actual revenue of \$152.7 million, mostly due to one-time, federal stimulus funding from the American Rescue Plan Act of 2021 no longer being available. For recurring revenues, the City's largest revenue source - property tax - increased by 4.8 percent, while the second largest revenue source - sales tax - decreased by 8.5 percent.

On the expenditure side, the FY 2023/24 actual total is \$142.5 million, which is 6.7 percent higher compared to the FY 2022/23 actual expenditure of \$133.5 million. This increase was mostly due to higher personnel, contract service, utility, and insurance costs. However, it must be noted that the overall actual expenditure total was \$5.5 million below the FY 2023/24 expenditure budget of \$148.0 million due to staff implementing various cost-saving measures, including freezing of select vacant positions, controlling contract service costs whenever feasible, not starting any new services and programs funded by the General Fund, delaying purchases of non-critical vehicles and equipment, and reducing staff travel and training expenses. For full details on these cost-saving measures, please refer to the [City Budget Update](#) agenda report presented to the City Council at its September 17, 2024 meeting.

As discussed at the September 17 meeting, the City faces significant fiscal challenges in both the operating and capital budgets as highlighted below. Limited available resources from FY 2023/24 will not be able to address these funding gaps. These fiscal challenges must be continuously addressed going forward, starting with the FY 2025/26 - FY 2026/27 biennial budget development process.

- Forecasted General Fund structural deficit:
 - Insufficient revenues to cover all funding needs
 - Insufficient funding for many program areas

- Approximately \$13 million in projected average annual deficit
- Approximately \$22 million in projected average annual deficit (recession scenario)
- Significant infrastructure funding gap
 - Approximately \$900 million for both General Fund and Enterprise Funds over 10 years
- Unfunded retiree medical and pension liabilities
 - Over \$200 million.

RECOMMENDATION

Adopt a resolution to accept the FY 2023/24 Year-End Operating Budget report, approve budget amendments in multiple funds, and designate the June 30, 2024 General Fund balance.

BACKGROUND

Annually, staff presents the year-end financial report (Report) to the City Council for approval. The Report summarizes the actual results of the financial activities for the fiscal year and details changes in reserves and recommended budget amendments or adjustments. Development of the City's ACFR is still in progress; therefore, the financial information included in this Report is based on unaudited figures. The audited information will be presented to the City Council in the ACFR once the City's independent auditor has issued its opinion and the ACFR has been reviewed by the Audit Committee. This is expected to occur in December 2024 or January 2025. Any changes to the information presented in this Report as a result of the audit will be brought to the City Council's attention at that time.

DISCUSSION

The following discussion addresses the General Fund, Enterprise Funds, and Internal Services Funds, examining the amended budget versus actuals for FY 2023/24. The amended budget is the original budget plus all budget amendments approved by the City Council through June 30, 2024.

General Fund

Table 1 below summarizes the FY 2023/24 General Fund revenues, net transfers, expenditures, and year-end budget adjustments. Actual revenues were greater than the amended budget by \$5.3 million or 3.6 percent. This excludes a net unrealized investment adjustment of approximately \$3.0 million in FY 2023/24. Transfers in and out (net transfers) were \$0.1 million less than the amended budget. Actual expenditures were \$5.5 million or 3.7 percent less than the amended budget. A detailed explanation of the amended budget versus actuals is included in Tables 2, 3, 4, and 5 in this Report.

It should be noted that any investment gain or loss is not realized as the City intends to hold its securities until maturity. However, the Governmental Accounting Standards Board (GASB) requires reporting of unrealized investment or fair market value adjustment in the ACFR. Additionally, based on new GASB implementations related to leases and subscription-based information technology arrangements (SBITAs), required adjustments resulted in actual revenue and expenditure numbers both increasing by approximately \$1.5 million and \$2.1

million, respectively.

It should also be noted the City fully spent \$8.6 million of funding through the American Rescue Plan Act of 2021 on various General Fund operations, including public safety, community services, operations services, and economic development in FY 2021/22 and FY 2022/23. With this one-time federal stimulus funding no longer available in FY 2023/24, the City's overall revenue numbers were impacted. A one-time \$2.0 million transfer from the Rainy Day Fund, as well as \$0.9 million in program reserves for Crisis Response, COVID Response, and Strategic Plan Implementation were used to fund services and programs to balance the General Fund budget.

The City budgets revenues and expenditures conservatively to ensure resources are available to cover expenditures, as a significant portion of the City's General Fund revenue is not received until the third and fourth quarters of the fiscal year, such as business license tax, property tax, and sales tax. Notably, the City's fiscal policies and practices impact borrowing costs for debt financing. In addition to financial results, rating agencies favorably view proactive long-term financial planning and conservative budgeting practices.

While a balanced budget is required to be achieved every year, many critical funding needs are omitted from the budget due to limited resources. As such, when one-time resources become available, some of the funding gaps are reduced/filled to reduce future financial burden. For FY 2023/24, staff recommends allocating available one-time resources toward multiple funds that either have negative or inadequate fund balances.

Table 1. General Fund Amended Budget to Actuals and Budget Amendments

General Fund	FY 2022/23	FY 2023/24			
	Actual	Amended Budget	Actual	Budget Adjustment	Adjusted Actual
Revenues*	\$152,744,716	\$146,441,627	151,750,238		\$151,750,238
Net Transfers	(8,975,623)	381,525	291,559	(7,900,000)	(7,608,441)
Use of Program Reserves		1,180,572	900,572		900,572
Expenditures	(133,540,446)	(147,996,014)	(142,496,475)		(142,496,475)
Transfer to					
Rainy Day Fund			(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
General Liability Fund			(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
Facility Renovation Fund			(\$1,400,000)	(\$1,400,000)	(\$1,400,000)
IT Replacement Fund			(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Storm Drain Fund			(\$800,000)	(\$800,000)	(\$800,000)
Worker's Compensation Fund			(\$500,000)	(\$500,000)	(\$500,000)
Park Median Replacement Fund			(\$500,000)	(\$500,000)	(\$500,000)
Traffic Signal Replacement Fund			(\$200,000)	(\$200,000)	(\$200,000)
Net Total**	\$10,228,647	\$7,710	\$2,545,893	(\$7,900,000)	\$2,545,893

*FY 2022/23 and FY 2023/24 actual revenue totals exclude unrealized investment gain/(loss) adjustments.

** For FY 2022/23, a contribution to the unrestricted reserve was necessary to satisfy the City's Reserve Policy.

As mentioned above, the City has several ongoing funding needs that, in most years, either do not get funded or are only partially funded due to financial constraints; FY 2023/24 was no exception. Staff recommends a series of one-time adjustments, including transfers totaling \$7.9 million to various funds to address a negative fund balance issue and rebuild the Rainy Day Fund reserve for capital deferred maintenance needs, as well as restoring reserves in multiple Repair & Replacement funds and Insurance funds that are either already negative or

projected to run out of funds in the near future without supplemental contributions. See Table 2 below. These funds may also help address anticipated funding needs for replacement and/or upgrades of various aging equipment, facilities, and information systems critical for City operations.

In particular, the City's Storm Drain service has a major funding issue with its operating deficit of greater than \$1.0 million annually. The General Fund has been providing the necessary subsidy to close this funding gap each year; staff will explore options to address this funding issue and present recommended actions at a later date.

In summary, these proposed allocations help to strengthen the General Fund reserve, advance the City Council's and the community's strategic goals, and address funding needs in the City's Storm Drain, Insurance, and Repair & Replacement Programs. Additionally, one-time resources in the Livermore-Pleasanton Fire Department (LPFD) budget based on FY 2023/24 actuals are recommended to be used to increase contributions to the LPFD's Workers' Compensation Fund and Equipment Reserve Funds to reduce future liabilities and to set aside additional funding needed for the new station alerting system and radio replacement costs.

Table 2. Proposed General Fund Budget Amendments

Transfers to	Amount	Rationale
RainyDay Fund	\$2,000,000	Set aside funds for capital and deferred maintenance projects
General LiabilityFund	\$1,500,000	Make one-time contribution to the general liability fund to replenish the fund balance which was depleted due to increasing insurance liabilityand claim-related costs
Facility Renovation Fund	\$1,400,000	Make one-time contribution to build up the reserve for city facility-related repairs and replacement projects
IT Repair & Replacement Fund	\$1,000,000	Provide one-time contribution to replenish and build the reserve for critical technology-related repairs and purchases
Storm Drain Fund	\$800,000	Provide one-time contribution to restore fund balance in the Storm Drain program while alternatives are being explored to resolve the ongoing operating deficit issue
Workers' Compensation Fund	\$500,000	Provide one-time contribution to address the negative fund balance issue
Park Median Replacement Fund	\$500,000	Make one-time contribution to build the reserve for parks related repair and replacement projects
Traffic Signal Repair & Replacement Fund	\$200,000	Make one-time contribution to offset reduced annual contribution in the FY 2023/24 Adopted Budget

General Fund Revenues. Actual General Fund revenues received were greater than the amended budget by approximately \$5.3 million or 3.6 percent greater than the amended budget. As mentioned previously, FY 2023/24 total revenue was 0.7 percent less than the FY 2022/23 total. Table 3 below presents the major revenue categories with a comparison of the amended budget versus actual revenues, as well as the variance to the amended budget.

Table 3. General Fund Revenues – Amended Budget vs. Actual

Revenues	FY 2022/23	FY 2023/24		
	Actual	Amended	Actual	Variance
Property Taxes	\$86,075,776	\$90,116,000	\$90,241,390	(\$125,390)
Sales & Use Taxes	26,183,661	24,532,400	23,963,541	568,859
Other Taxes	15,498,864	14,222,000	16,053,575	(1,831,575)
Development Services Fees	6,391,087	4,549,500	5,014,024	(464,524)
Recreation Fees	4,197,090	4,607,457	4,663,652	(56,195)
Other Revenues	14,398,239	8,414,270	11,814,055	(3,399,785)
Total	\$152,744,716	\$146,441,627	\$151,750,238	(\$5,308,611)

Property Tax revenue is the largest revenue source for the General Fund, accounting for 59.5 percent of total revenues. In FY 2023/24 actual property tax collections, including all categories of property related taxes, were approximately \$90.2 million compared to an estimate of \$90.1 million in the amended budget, which was \$0.1 million or 0.1 percent higher than the amended budget. Secured property tax, which is the largest component of the overall Property Tax revenue, and delinquent tax were lower than budget by about \$1.3 million and \$0.1 million, respectively. In comparison, unsecured property tax and supplemental assessment tax were higher than budget by \$0.7 million and \$0.8 million, respectively. Compared to FY 2022/23, \$90.2 million collected in FY 2023/24 represents an increase of 4.8 percent.

Sales Tax revenue is the second largest revenue source for the General Fund, accounting for 15.8 percent of the total revenues. FY 2023/24 actual sales tax collections were approximately \$24.0 million compared to an estimate of \$24.5 million in the amended budget. This \$0.5 million or 2.3 percent decrease reflects that several sales tax categories, including autos and transportation and general consumer goods, did not perform as expected. Compared to FY 2022/23, \$24.0 million collected in FY 2023/24 represents a decrease of 8.5 percent.

Business License Tax revenue was budgeted at \$5.3 million, and actual collections were \$5.8 million or \$0.5 million higher than the amended budget as a result of new licenses and greater gross receipts than expected. Some Business License Taxes collected in FY 2023/24 were related to various one-time construction contracts and other professional services. As such, a more modest level of growth is expected in future years. Compared to FY 2022/23, \$5.8 million collected in FY 2023/24 represents a decrease of 0.9 percent.

Actual Transient Occupancy Tax (TOT) collected was approximately \$0.7 million higher compared to a budgeted estimate of \$4.5 million in the amended budget as a result of increased business travel activities in the Tri-Valley region. While TOT revenues continue to increase from the COVID-19 low of \$2.0 million in FY 2020/21, \$5.3 million collected in FY 2023/24 is still significantly lower than the high of \$6.5 million achieved in FY 2018/19.

Development Services Fee revenues were approximately \$0.5 million higher compared to an estimate of \$4.5 million in the amended budget mainly due to actual plan check fees collected coming in about \$0.4 million higher than budget. Compared to FY 2022/23, \$5.0 million collected in FY 2023/24 represents a sizable decrease of 21.5 percent.

Actual Recreation Fee revenues were approximately \$0.1 million higher than the estimated \$4.6 million in the amended budget, as the demand for recreation programs continues to

increase every year after the COVID-19 low. Compared to FY 2022/23, \$4.7 million collected in FY 2023/24 represents an increase of 11.1 percent.

It should be noted that Other Revenues excludes an unrealized investment gain of \$3.0 million. However, it includes approximately \$1.5 million in GASB adjustments related to the City's leases and SBITAs, approximately \$0.5 million higher than budget in interfund reimbursement revenues, and almost \$0.4 million in federal grant revenue administered through the California Office of Emergency Services for COVID reimbursement. Year-over-year revenue decreased by 17.9 percent, mainly due to the phase-out of federal stimulus funds.

General Fund Expenditures. Actual General Fund expenditures incurred were less than the amended budget by \$5.5 million or 3.7 percent. Table 4 below shows the major expenditure categories, comparing the amended budget against actual expenditures.

Table 4. General Fund Expenditures – Amended Budget vs. Actual

Expenditure Categories	FY 2022/23	FY 2023/24		
	Actual	Amended	Actual	Variance
Personnel	\$94,110,681	\$105,511,427	\$101,910,933	\$3,600,494
Transportation & Training	1,750,740	1,865,165	1,965,649	(100,484)
Repairs & Maintenance	8,167,740	6,856,688	6,617,385	239,303
Materials & Supplies	27,199,195	33,095,261	29,461,194	3,634,067
Other Expenditures	2,312,091	667,473	2,541,315	(1,873,842)
Total Expenditures	\$133,540,446	\$147,996,014	\$142,496,475	\$5,499,539

The \$3.6 million savings in Personnel costs is primarily due to greater than anticipated levels of vacancies in several departments, including Police, Fire, Public Works, Finance, and Library & Recreation. Given the City's current fiscal landscape, staff also utilized cost-saving measures to keep some positions vacant as appropriate.

Actual expenditures in the Transportation and Training category exceeded its amended budget slightly mainly due to higher fuel costs, as well as higher vehicle repair and maintenance costs, totaling approximately \$0.3 million in additional costs. These increases were offset by staff utilizing cost-saving measures to reduce travel and training expenditures whenever possible, resulting in \$0.2 million in savings.

The \$0.2 million savings in the Repairs and Maintenance category is mostly due to reduced repair contract expenditures.

The \$3.6 million savings in the Materials, Supplies and Services category is the result of the following over and under expenditures: approximately \$2.0 million in savings from various contractual services, and approximately \$2.2 million in savings from various supplies and materials accounts. These are offset by overspending in other areas, including approximately \$0.4 million in phone, computer equipment and software costs, \$0.2 million for interfund expenses related to the Storm Drain operation, and \$0.2 million for temporary personnel and recruitment service expenses.

The \$1.9 million in overspending in Other Expenditures is mostly due to the aforementioned

GASB-related adjustments associated with the City's leases and SBITAs.

Transfer of Funds. As shown in Table 5 below, actual net General Fund transfers were less than the amended budget by \$0.1 million, mostly due to greater than anticipated subsidy to the Water and Sewer Funds for their senior and low-income household discounts and greater subsidy to the Transit Fund for its operation.

Table 5. Transfers In and Transfers Out - Amended Budget vs. Actual

Transfers	FY 2022/23	FY 2023/24		
	Actual	Amended	Actual	Variance
TRANSFERS IN - From:				
Urban Forestry Fund (1/2 of Landscape Arch Assist)	\$25,000	\$25,000	\$25,000	-
Retiree Medical Fund (Implied Subsidy)	769,000	837,000	845,000	(8,000)
Golf Loan Repayment	531,780	531,780	531,780	-
Happy Valley Infrastructure Loan Repayment	31,503	-	-	-
Business Loan Repayment	-	350,000	350,000	-
Rainy Day Fund	3,512,760	2,000,000	2,000,000	-
Miscellaneous Grant Fund (Grant Expenditure Adjustment)	13,411	-	63	(63)
TRANSFERS OUT - To:				
Miscellaneous CIP Fund	(5,964,516)	(2,000,000)	(2,000,000)	-
Senior & Low Income Household Discounts				
Water Fund	(269,855)	(250,000)	(316,444)	66,444
Sewer Fund	(107,864)	(110,000)	(110,189)	189
Transit Fund (Subsidy)	-	(50,000)	(81,396)	31,396
Storm Drain Fund (Subsidy)	(1,625,000)	(625,000)	(625,000)	-
Cemetery Fund (Subsidy)	(50,000)	(50,000)	(50,000)	-
Repayment to Retiree Med Fund for Golf Debt	(900,000)	-	-	-
LED CEC Loan Repayment	(190,628)	(190,628)	(190,628)	-
Park CIP Fund	(250,000)	(3,100)	(3,100)	-
Storm CIP Fund	(1,500,000)	-	-	-
Streets CIP Fund	-	(83,527)	(83,527)	-
Workers' Compensation Fund	(500,000)	-	-	-
Fire Apparatus Replacement Fund	(250,000)	-	-	-
Facilities Renovation Fund	(250,000)	-	-	-
Information Technology Replacement Fund	(1,000,000)	-	-	-
Traffic Signal Replacement Fund	(200,000)	-	-	-
Self-Insurance Retention Fund	(800,000)	-	-	-
Miscellaneous Grant Fund (Non-Grant Expenditure Adjustment)	(1,213)	-	-	-
NET TRANSFERS	(\$8,975,623)	\$381,525	\$291,559	\$89,966
Recommended Budget Amendments*		(\$7,900,000)	(\$7,900,000)	\$0
REVISED NET TRANSFERS	(\$8,975,623)	(\$7,518,475)	(\$7,608,441)	\$89,966

*Refer to Table 2 for more information on these transfers.

General Fund Reserves. Table 6 below provides the breakdown of all the different reserves in the General Fund and recommended adjustments. As detailed in Table 2, transfers totaling \$7.9 million to various funds are recommended. The remaining funds are recommended to be kept in the General Fund to increase its Unrestricted General Fund Reserve to \$32.4 million, which is equivalent to 21.1 percent of the FY 2024/25 Mid-Term General Fund expenditure budget; 20.0 percent is the recommended target level per the City's Reserve Policy, adopted by Council on June 6, 2023. Overall, the total General Fund reserves, including program and restricted reserves, will be approximately \$53.9 million.

Table 6. General Fund – Fund Balance

General Fund Fund Balance	Ending Fund Balances at 6/30/2024	Recommended Budget Adjustments	Ending Fund Balance
Unrestricted General Fund Reserve	40,337,357	(7,900,000)	\$32,437,357
COVID Response & Recovery Reserve	319,150	-	319,150
Mobile Outreach Vehicle Reserve	280,000	-	280,000
Strategic Plan Implementation Reserve	379,428	-	379,428
Emergency Reserve	500,000	-	500,000
Restricted General Fund Reserve*	19,989,289	-	19,989,289
Total General Fund Reserves	\$61,805,224	(\$7,900,000)	\$53,905,224

*Restricted Reserve includes the General Fund's share of PARS Section 115 Trust (\$19,474,282) and non-spendable balances (\$515,007), which represent advances to other funds and notes receivable.

Enterprise Funds

The City currently has six Enterprise Funds:

- Water/Recycled Water O&M Fund
- Sewer O&M Fund
- Callippe Preserve Golf Course Fund
- Storm Drain O&M Fund
- Paratransit Fund
- Cemetery Fund

The Operating Budget only includes the Operations & Maintenance (O&M) and debt service expenses of these enterprises. Capital improvements and replacements for the Water, Sewer and Storm Drain funds are accounted for in the Capital Improvement Program (CIP). The financial results of the CIP are presented to the City Council in a separate report.

Each Enterprise Fund should generate adequate revenues to fully cover both operating and supplemental costs to maintain and update its facilities and infrastructure. However, both Storm Drain and Cemetery operations currently do not generate adequate revenues and receive subsidies from the General Fund as a result. Staff is exploring options to address this funding issue and will present recommendations to the City Council at a later date.

Water and Sewer Operating Funds

Water/Recycled Water Operations and Maintenance (O&M) Fund. As shown in Table 7

below, the Water Operating Fund ended FY 2023/24 with an operating fund balance of \$7.5 million, which equals 20.9 percent of the Water and Recycled Water O&M Fund's FY 2024/25 expenditure budget. The operating reserve policy adopted by the City Council on June 6, 2023, requires reserves equal to between 30.0 - 40.0 percent of operating expenses with a target of 35.0 percent, so the current 20.9 percent reserve level is significantly below the recommended target.

On November 7, 2023, the City Council approved a rate increase for the following two years. The first increase was effective in January 2024, and the next increase will be effective January 2025. This increase will enable the City to continue maintaining and providing high quality Water/Recycled Water services and help replenish the reserve over time. The City will need to explore various debt financing options in the near future to address capital projects associated with potential new wells to mitigate PFAS impacts and to advance projects identified as necessary in the Water System Management Plan. Working toward a more financially sound position with adequate reserves will ensure the City can qualify for the most favorable financing options with the lowest borrowing rates.

While new water source options are being explored, the City has been proactively working to address the near-term water capacity issues and identified necessary infrastructure improvement projects. To fund these improvements, the City Council approved the execution of a \$19.0 million water revenue bond issuance at its May 7, 2024 meeting, and the sale was finalized in June 2024. While the Water & Recycled Water Operating Fund's reserve level was not ideal, the Council-approved rate increases, as well as commitment from the City to continue to proactively address the water program, allowed the City to receive a favorable 'AA' bond rating.

Water revenues were approximately \$0.3 million or 0.9 percent less than the estimate included in the amended budget. While water revenues were higher by \$0.4 million, recycled water revenues were lower by \$0.7 million compared to the budget. On the expenditure side, water purchase costs from Zone 7 were approximately \$0.1 million more than budgeted in FY 2023/24. Other operating expenses were also higher by about \$0.4 million than budget, largely due to higher supplies and equipment costs.

It should be noted the positive net income of approximately \$0.1 million was only possible due to one-time transfers from both Water Capital and Recycled Water Capital Funds totaling \$2.7 million. Without these non-traditional transfers, the Water & Recycled Water Operating Funds would be looking at a significant deficit of approximately \$2.6 million for FY 2023/24. Additionally, each operating fund would normally contribute to its corresponding capital fund for various critical infrastructure repair and improvement projects, so the \$2.6 million deficit would be much higher.

Table 7. Water/Recycled Water O&M Funds – Amended Budget vs. Actual

Water + Recycled Water (O&M)	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Balance, July 1	\$7,372,000	\$7,372,000	\$0	0.0%
Revenues	34,501,564	34,188,450	(313,114)	-0.9%
Net Transfers	1,023,168	1,023,557	389	0.0%
Expenses				
Zone 7 Purchased Water	(23,291,833)	(23,436,500)	(144,667)	0.6%
All other expenses	(11,259,752)	(11,637,793)	(378,041)	3.4%
Total Expenses	(34,551,585)	(35,074,292)	(522,707)	1.5%
Net Income	\$973,147	\$137,715	(\$835,432)	-85.8%
Ending Balance, June 30	\$8,345,147	\$7,509,715	(\$835,432)	-10.0%

Sewer Operations and Maintenance (O & M) Funds. As shown in Table 8 below, the Sewer Operating Fund ended FY 2023/24 with an operating fund balance of approximately \$8.7 million, which equals 48.2 percent of the Sewer O&M Fund's FY 2024/25 expenditure budget. The operating reserve policy adopted by the City Council on June 6, 2023, requires reserves equal to between 30.0 - 40.0 percent of operating expenses with a target of 35.0 percent. While operating reserves exceed the maximum required reserve level, a series of adjustments were made in developing the FY 2023/24 and FY 2024/25 Operating Budget that involved making one-time contribution of \$1.0 million from the Sewer Capital Fund to cover operating costs in order to reduce the projected deficit. During the fiscal year, staff also worked to contain costs in anticipation of the budget challenges that resulted in \$1.1 million positive net income or \$0.1 million without the \$1.0 million one-time contribution from the Sewer Capital Fund.

Sewer revenues were approximately \$0.5 million or 2.9 percent higher than an estimate included in the amended budget due to higher than anticipated utilization of the sewer services for the year. On the expenditure side, actuals were approximately \$1.1 million less than the amended budget, mostly due to about \$2.1 million less in expenditures for Repair and Replacement activities. These savings were offset with higher sewer treatment fees paid to Dublin San Ramon Service District (DSRSD) by approximately \$0.4 million due to higher than estimated utilization of sewer treatment services and increased costs related to various repair and maintenance contracts to keep the services running.

Table 8. Sewer O&M Funds – Amended Budget vs. Actual

Sewer (O&M)	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Balance, July 1	7,605,048	\$7,605,048	\$0	0.0%
Revenues	16,529,500	17,016,113	486,613	2.9%
Net Transfers	1,134,000	1,130,189	(3,811)	-0.3%
Expenses				
DSRSD	(11,330,000)	(11,712,963)	(382,963)	3.4%
All other expenses	(6,741,417)	(5,305,396)	1,436,021	-21.3%
Total Expenses	(18,071,417)	(17,018,359)	1,053,058	-5.8%
Net Income	(\$407,917)	\$1,127,943	\$1,535,860	-376.5%
Ending Balance, June 30	\$7,197,131	\$8,732,990	\$1,535,860	21.3%

Storm Drain Operating Fund

As shown in Table 9 below, the Storm Drain Operating Fund ended the year with a fund balance of approximately \$0.6 million. While this program ended FY 2023/24 with a net income of approximately \$0.3 million, this was possible with the General Fund subsidy and one-time transfer from the Storm Drain Capital Fund totaling almost \$1.0 million.

The Storm Drain Fund has been operating at a major funding deficit in recent years due to revenues generated from Urban Runoff Fees hovering around \$0.5 million annually, while operating costs have been going up each year. An annual subsidy from the General Fund has been used to cover some of the operating costs. However, with the deficit growing each year, the level of subsidy has also been growing. This approach is not sustainable. As described earlier in this report, staff recommends an additional, one-time transfer of \$0.8 million from the General Fund to address the ongoing operating deficit to prevent the fund balance from becoming negative again. Staff will explore options to solve the funding issue and present recommendations to the City Council at a later date.

Table 9. Storm Drain Operating Fund – Amended Budget vs. Actual

Storm Drain Operations	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Balance, July 1	326,499	\$326,499	\$0	0.0%
Revenues	730,000	942,827	212,827	29.2%
Expenses	(1,804,428)	(1,629,922)	174,506	-9.7%
Net	(1,074,428)	(687,095)	387,333	-36.1%
Transfer In - GF Subsidy & from Capital Fund	925,000	951,288	26,288	2.8%
Net Income	(\$149,428)	\$264,193	\$413,621	-276.8%
Ending Balance, June 30	\$177,071	\$590,692	\$413,621	233.6%

Cemetery Fund

As shown in Table 10 below, the Cemetery Fund ended the year with a fund balance of less than \$0.1 million. A one-time adjustment related to burial plot deposits from prior fiscal years and properly categorizing them as future revenues resulted in the overall revenue number being in negative. On the expenditure side, while the overall expenses came in slightly less than budget, the cost of cemetery maintenance based on the current contract continues to go up each year.

The Cemetery Fund is another Enterprise Fund that is currently operating at a major deficit largely due to the cost of cemetery maintenance contract increasing each year while revenues generated from sales of burial plots have remained stagnant in recent years. With burial plot sales and corresponding expenditures related to burials, both of which are challenging to predict from year to year, the ongoing operating deficit is expected to continue, and the fund balance will run out as early as FY 2024/25. The General Fund budget includes a transfer of \$50,000 to the Cemetery Fund, and this subsidy will likely need to be increased in future years. Staff is exploring opportunities to increase revenue streams and will present recommendations to the City Council at a future date.

Table 10. Cemetery Fund– Amended Budget vs. Actual

Cemetery Operations	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Balance, July 1	\$460,909	\$460,909	\$0	0.0%
Revenues*	213,000	(67,902)	(280,902)	-131.9%
Expenses	(374,416)	(354,497)	19,919	-5.3%
Net	(161,416)	(422,399)	(260,983)	161.7%
Transfer In - General Fund subsidy	50,000	50,000	0	0.0%
Net Income	(\$111,416)	(\$372,399)	(\$260,983)	234.2%
Ending Balance, June 30	\$349,493	\$88,511	(\$260,983)	-74.7%

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by a department to other departments on a cost-reimbursement basis. Three examples of this are the Retirees Medical Reserve Fund, the Repair and Replacement Funds, and the Self Insurance Fund. These funds not only account for current-year expenditures but also long-term liabilities of the City. These liabilities may not result in actual expenditures in the short term but will result in future expenditures for the replacement of equipment or the payment in the future for retiree employee medical benefits. In accordance with the City's adopted financial policies, the City recognizes costs as they accrue, and sets money aside to fund these future expenditures, rather than allowing these costs to accumulate and become a future financial burden.

Retirees Medical Reserve Fund. The FY 2023/24 actual revenues and expenditures reflect the 2023 OPEB actuarial study recommendations and actual retiree medical payments.

As shown in Table 11 below, actual revenues were less than \$0.1 million of the amended budget due to reduced actual expenses. Actual expenses, including transfers, were approximately \$0.7 million less than budgeted, which is related to unused retiree medical benefits that occur when eligible retirees have their medical benefits provided through another means such as a spouse or another job. The Retirees Medical Reserve Fund does not require a fund balance. Staff will monitor the level of activities in FY 2023/24 and propose to make necessary adjustments to utilize the fund balance of \$1.3 million.

Table 11. Retirees Medical Reserve Funds - Amended Budget vs. Actual

Retirees Medical Reserve Fund	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Fund Balance	\$551,041	\$551,041	\$0	0.0%
Revenues	5,102,000	5,058,870	(43,130)	-0.8%
Net Transfers	(905,000)	(905,000)	0	0.0%
Expenditures	(4,144,000)	(3,423,012)	720,988	-17.4%
Ending Fund Balance	\$604,041	\$1,281,899	\$677,858	112.2%
Change in Fund Balance	\$53,000	\$730,858	\$677,858	1279.0%

Repair and Replacement Funds. In accordance with the City's financial policies, the City maintains various Repair and Replacement Funds. The purpose of these funds is to provide ongoing replacement of City equipment, vehicles, traffic signals, streetlights, and to make major repairs/renovations to City facilities, parks, and medians to extend their useful lives.

As described in Table 12 below, collectively, expenditures from the Repair and Replacement funds were \$6.0 million less than budgeted in FY 2023/24. Any unspent funds remain in the Repair and Replacement funds to be expended on projects and equipment or vehicle replacements in the future. Actual net transfers ended up with a slight difference due to an interest payment from the Recycled Water Operating Fund to the Equipment Replacement Fund based on the interfund loan to pay off the outstanding balance of the 2017 water revenue bond. As approved by the City Council at its April 16, 2024 meeting, the Recycled Water Operating Fund will pay back the loan amount of \$965,160 plus applicable interest rates, based on the investment return generated by the City's investment pool.

It is worth noting that many of the City's Repair and Replacement funds do not have an adequate fund balance to cover necessary project costs and/or replace aging equipment or vehicles in a timely manner. For example, the Information Technology Repair and Replacement Fund, which funds replacement costs for the City's technology equipment, such as computers, monitors, servers, network equipment, has an estimated ending fund balance of just over \$1.1 million. The Facilities Repair and Renovation Fund, which is used as a primary funding source for non-major facility repairs and modifications, as well as unanticipated repairs at any of the City's more than 100 facilities and structures, has just a \$2.4 million fund balance.

As part of the FY 2023-FY25 biennial budget development process, staff performed a preliminary analysis to estimate the level of contributions needed from the General Fund to the Repair and Replacement Funds and determined that the current annual contribution levels are not sufficient. A more comprehensive analysis is planned as part of the preparation of the Asset Management Plan that is now underway to better estimate an appropriate level of funding needed to support each Repair and Replacement Fund.

Table 12. Repair & Replacement Funds - Amended Budget vs. Actual

Repair & Replacement Funds	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Fund Balance	\$21,733,706	\$21,733,706	\$0	0.0%
Revenues	4,296,500	4,273,663	(22,837)	-0.5%
Net Transfers	(898,132)	(882,110)	16,022	-1.8%
Expenditures	(9,638,314)	(3,651,901)	5,986,413	-62.1%
Ending Fund Balance	\$15,493,760	\$21,473,358	\$5,979,597	38.6%
Change in Fund Balance	(\$6,239,946)	(\$260,348)	\$5,979,597	-95.8%

Workers' Compensation Funds. There are two Workers' Compensation funds: one for the City of Pleasanton workers' compensation expenses and liabilities and the other for Livermore-Pleasanton Fire Department's (LPFD) workers' compensation expenses and liabilities. While there is, and has been, sufficient cash in both funds to cover actual workers' compensation expenses, the incurred but not expensed claims and future liability cause both funds to have negative fund balances. That said, as described in Tables 13 and 14 below, the City's claims paid is approximately \$0.1 million lower, and future liability is higher than expected by \$0.1 million. For LPFD, claims paid and future liability are higher by approximately \$0.1 million and \$1.2 million, respectively. The City's Workers' Compensation Fund had a negative fund balance of \$3.7 million, and LPFD had a negative fund balance of \$2.4 million, with \$1.2 million (50 percent) belonging to Pleasanton.

The City periodically allocates available funds to the Workers' Compensation Fund to ensure there is available funding to cover claims in the event the City settles more claims than anticipated in the annual budget, as well as to lower future liability. As mentioned earlier, \$0.5 million in one-time contribution to the Workers' Compensation Fund is recommended.

Table 13. City of Pleasanton Workers Compensation Fund – Amended Budget vs. Actual

Workers' Compensation Fund	FY 2023/24			
	Amended	Actual	Variance	Variance %
Beginning Fund Balance	(\$3,876,264)	(\$3,876,264)	\$0	0.0%
Revenues	2,601,000	2,619,841	18,841	0.7%
Expenses				
Claims Paid	(1,494,000)	(1,427,163)	66,837	-4.5%
Future Liability	(406,000)	(511,000)	(105,000)	25.9%
All other expenses	(391,430)	(528,319)	(136,889)	35.0%
Total Expenses	(2,291,430)	(2,466,482)	(175,052)	7.6%
Ending Fund Balance	(\$3,566,694)	(\$3,722,906)	(\$156,212)	4.4%

Table 14. LPFD Workers Compensation Fund – FY 2022/23 Actual vs. FY 2023/24 Actual

LPFD Workers' Compensation Fund	FY 2022/23 Actual	FY 2023/24 Actual		
			Variance	Variance %
Beginning Fund Balance	(\$2,529,864)	(\$2,774,992)	(\$245,128)	9.7%
Revenues	1,555,440	3,473,310	1,917,870	123.3%
Expenses				
Claims Paid	(1,428,625)	(1,546,722)	(118,097)	8.3%
Future Liability	70,000	(1,141,000)	(1,211,000)	-1730.0%
All other expenses	(441,943)	(465,773)	(23,830)	5.4%
Total Expenses	(1,800,568)	(3,153,495)	(1,352,927)	75.1%
Ending Fund Balance	(\$2,774,992)	(\$2,455,177)	\$319,815	-11.5%

All Other Operating Funds

For the most part, budget variances are small for the other Operating Funds as shown in Exhibit A of the resolution. As a result, staff is not recommending any budget changes.

Staff recommends the City Council adopt a resolution (Attachment 1) to accept the FY 2024/24 Year-End Operating Budget report, approve budget amendments as identified, and designate the June 30, 2024 General Fund balance.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is an administrative matter of City business.

OUTREACH

No outreach was conducted, as this item is an administrative matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic goal of *Funding Our Future*,

which is focused on fiscal sustainability. Examining and reviewing actual revenues and expenditures from FY 2023/24 provides staff and the City Council with additional information to adjust the current fiscal year's budget, as needed, as well as refine the long-term financial forecast for more informed fiscal planning.

FISCAL IMPACT

The recommendation ratifies the City Council's actions since the last approved budget adjustment in FY 2023/24; transfers \$7.9 million from the General Fund to various Funds as detailed in Table 2; and designates the June 30, 2024, General Fund Balances as outlined in this report. The proposed unrestricted General Fund reserves will be \$32.4 million, which is 21.1 percent of the budgeted FY 2024/25 General Fund operating expenditures, meeting the target reserve level stated in the City's Reserve Policy. When combined with restricted and other committed General Fund reserves, the total General Fund reserves will be \$53.9 million.

Prepared by:



Chris Yi, Financial Services Manager

Submitted by:



Susan Hsieh, Director of Finance

Approved by:



Gerry Beaudin, City Manager

Attachments:

1. Resolution - FY 2024 Year-End Operating Report
2. Exhibit A - FY 2024 Estimated Changes in Fund Balance
3. FY24 Year-End Operating Report Presentation

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON
ACCEPTING THE FY 2023/24 YEAR-END OPERATING BUDGET, APPROVING
BUDGET AMENDMENTS IN MULTIPLE FUNDS, AND DESIGNATING GENERAL
FUND RESERVES**

WHEREAS, each year a report of financial condition of the Operating Budget is presented to the City Council, and

WHEREAS, staff presented to the City Council such a report for the fiscal year ending June 30, 2024

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES RESOLVE, DECLARE, DETERMINE AND ORDER THE FOLLOWING:

Section 1: It accepts the June 30, 2024 Fund Balances as shown in Exhibit A.

Section 2: It designates General Fund Reserves for existing and future unknown obligations as shown in the Exhibit for all funds and as follows for the General Fund.

Section 3: It allocates transfers from the General Fund to multiple funds as follows: \$2,000,000 to the Rainy Day Fund; \$1,500,000 to the General Liability Fund; \$1,400,000 to the Facility Renovation Fund; \$1,000,000 to the Information Technology Replacement & Replacement Fund; \$800,000 to the Storm Drain Fund; \$500,000 to the Workers' Compensation Fund; \$500,000 to the Park Median Replacement Fund; \$250,000 to the Traffic Signal Repair & Replacement Fund. Additionally, it also adjusts contributions to the two Livermore-Pleasanton Fire Department (LPFD) Funds: \$939,266 to the LPFD Workers' Compensation Fund and \$150,000 to the LPFD Equipment Reserve Fund.

Section 4: The City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on the 19th day of November 2024.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on November 19, 2024, by the following vote:

Ayes:
Noes:
Absent:
Abstain:

Jocelyn Kwong, City Clerk

APPROVED AS TO FORM:

Daniel G. Sodergren, City Attorney

FY 2023/24 OPERATING BUDGET YEAR-END REVIEW CHANGES IN FUND BALANCES

	Actual June 30, 2023 Balance	Actual FY 2023/24 Revenue	Actual FY 2023/24 Net Transfers	Actual FY 2023/24 Expenditures	Recommended Budget Amendments	Actual FY 2023/24 Net Income w/ Budget Amendments	Actual June 30, 2024 Balance w/ Budget Amendments	Major Long Term Commitments & Liabilities June 30, 2024	YR END June 30, 2024 Balance Less Commitments & Liabilities
GENERAL FUND	\$ 52,259,903	\$ 151,750,238	\$ 291,559	\$ (142,496,475)	\$ (7,900,000)	\$ 1,645,321	\$ 53,905,224	\$ 1,478,578	\$ 52,426,646
RAINY DAY FUND	6,620,550	-	(2,000,000)	-	2,000,000	-	6,620,550	-	6,620,550
ENTERPRISE FUNDS									
Transit	\$ 663,128	\$ 624,589	81,396	\$ (759,561)	-	\$ (53,576)	\$ 609,552	-	\$ 609,552
Cemetery	460,909	(67,902)	50,000	(354,497)	-	(372,399)	88,511	500,000	(411,489)
Golf	1,680,033	6,320,595	(751,780)	(4,787,331)	-	781,484	2,461,517	-	2,461,517
Storm Drain	326,499	942,827	951,288	(1,629,922)	800,000	1,064,193	1,390,692	-	1,390,692
Water	10,196,703	31,659,230	1,555,324	(32,752,590)	-	461,964	10,658,667	-	10,658,667
Recycled Water	(2,824,703)	2,529,220	(531,767)	(2,321,702)	-	(324,249)	(3,148,952)	-	(3,148,952)
Sewer	7,605,048	17,016,113	1,130,189	(17,018,359)	-	1,127,943	8,732,990	-	8,732,990
Enterprise Funds	\$ 18,107,617	\$ 59,024,672	\$ 2,484,650	\$ (59,623,961)	\$ 800,000	\$ 2,685,360	\$ 20,792,976	\$ 500,000	\$ 20,292,976
INTERNAL SERVICE FUNDS									
Employee Benefits	\$ 60,324	\$ 241,947	-	\$ (244,345)	-	\$ (2,398)	\$ 57,926	\$ (4,988,806)	\$ 5,046,732
Workers' Compensation	(3,876,264)	2,619,841	-	(2,466,482)	500,000	653,358	(3,222,906)	(9,676,000)	6,453,094
Public Art Acquisition	306,564	109,131	-	(16,693)	-	92,437	399,001	-	399,001
Vehicle Replacement	4,028,010	626,685	-	(269,964)	-	356,721	4,384,731	-	4,384,731
Police Vehicle Replacement	1,722,994	399,704	-	(41,916)	-	357,789	2,080,783	-	2,080,783
Fire Apparatus Replacement	2,954,526	466,959	-	(120,946)	-	346,013	3,300,539	-	3,300,539
Equipment Replacement	3,121,166	606,655	(949,138)	(339,097)	-	(681,581)	2,439,585	-	2,439,585
Facilities Renovation	2,587,724	554,529	(152,972)	(603,098)	1,400,000	1,198,459	3,786,183	-	3,786,183
Information Technology Replacement	1,094,614	381,174	-	(331,786)	1,000,000	1,049,388	2,144,002	-	2,144,002
Golf Replacement	999,677	18,877	220,000	(530,100)	-	(291,223)	708,454	-	708,454
Park & Median Renovation	503,159	1,045,563	-	(1,058,736)	500,000	486,827	989,986	-	989,986
Street Light Replacement	2,368,754	35,863	-	(38,716)	-	(2,853)	2,365,900	-	2,365,900
Traffic Signal Replacement	1,508,883	20,401	-	(300,848)	200,000	(80,447)	1,428,437	-	1,428,437
PARS Section 115 Trust	31,588,706	-	-	-	-	-	31,588,706	-	31,588,706
Pleasanton Retirees' Medical Reserve	551,041	5,058,870	(905,000)	(3,423,012)	-	730,858	1,281,899	-	1,281,899
Self-Insurance Retention	1,616,345	3,647,916	-	(4,820,701)	1,500,000	327,215	1,943,561	(824,103)	2,767,664
City Enhancement	537,635	8,122	-	-	-	8,122	545,757	-	545,757
Internal Service Funds	\$ 51,673,858	\$ 15,842,236	\$ (1,787,110)	\$ (14,606,441)	5,100,000	\$ 4,548,685	\$ 56,222,543	\$ (15,488,909)	\$ 71,711,452

FY 2023/24 OPERATING BUDGET YEAR-END REVIEW CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

	Actual June 30, 2023 Balance	Actual FY 2023/24 Revenue	Actual FY 2023/24 Net Transfers	Actual FY 2023/24 Expenditures	Recommended Budget Amendments	Actual FY 2023/24 Net Income w/ Budget Amendments	Actual June 30, 2024 Balance w/ Budget Amendments	Major Long Term Commitments & Liabilities June 30, 2024	YR END June 30, 2024 Balance Less Commitments & Liabilities
D.A.R.E.	\$ 18,112	\$ 267	-	(861)	-	\$ (594)	\$ 17,518	-	\$ 17,518
Asset Forfeiture	18,683	282	-	-	-	282	18,966	-	18,966
Asset Forfeiture - Federal	9,796	149	-	-	-	149	9,945	-	9,945
Downtown Parking In-Lieu	691,173	10,492	-	-	-	10,492	701,665	-	701,665
Recycling & Waste Management	399,384	227,647	-	(335,480)	-	(107,833)	291,551	-	291,551
Miscellaneous Donations	389,454	11,500	-	(19,519)	-	(8,019)	381,435	-	381,435
Bernal Donations	(4,674)	69,843	(18,714)	(44,246)	-	6,884	2,209	-	2,209
H.A.P.P.Y. Public Art Donations	94,431	23,899	-	-	-	23,899	118,330	-	118,330
CASB FEE	112,314	33,391	-	(10,907)	-	22,483	134,797	-	134,797
Recycling & Waste Management Import Mitigation	104,940	965	-	-	-	965	105,905	-	105,905
Operating Grants	155,010	948,367	-	(398,684)	-	549,683	704,693	-	704,693
Law Enforcement	1,084,233	18,637	-	-	-	18,637	1,102,870	-	1,102,870
Used Oil Grant	-	12,581	-	(12,581)	-	-	-	-	-
Community Access T V	1,798,114	244,609	-	(534,627)	-	(290,018)	1,508,096	-	1,508,096
Downtown Economic Development Loan	28,285	429	-	-	-	429	28,714	-	28,714
Lower Income Housing	13,381,702	1,408,060	(20,189)	(865,308)	-	522,562	13,904,265	-	13,904,265
Community Development Block Grant	-	747,832	-	(747,832)	-	-	-	-	-
H.O.M.E. Program	(123,118)	1,248,386	-	(372,373)	-	876,013	752,894	752,894	0
Abandoned Vehicle	113,784	28,767	-	(26,854)	-	1,913	115,697	-	115,697
H.B.P.O.A. Maintenance District	-	164,776	-	(164,776)	-	-	-	-	-
Urban Forestry	444,719	963,395	(25,000)	(292,181)	-	646,214	1,090,932	-	1,090,932
Lemoine Geologic Hazard Distrc	91,137	10,466	-	(6,543)	-	3,923	95,060	-	95,060
Laurel Creek Geologic Hazard District	998,513	66,605	-	(16,302)	-	50,303	1,048,816	-	1,048,816
Moller Geologic Hazard Dist	112,725	14,669	-	(11,900)	-	2,769	115,494	-	115,494
Oak Tree Farm Geologic Hazard Dist	108,660	15,779	-	(11,583)	-	4,196	112,856	-	112,856
Ponderosa Landscape District	86,501	16,694	-	(17,871)	-	(1,177)	85,324	-	85,324
Windsor Landscape District	(11,560)	23,926	-	(21,713)	-	2,213	(9,347)	-	(9,347)
Bonde Landscape District	22,780	26,647	-	(29,270)	-	(2,623)	20,157	-	20,157
Moller Ranch Landscape District	263,036	62,301	-	(55,784)	-	6,516	269,552	-	269,552
Oak Tree Farm Landscape Dist	64,770	20,139	-	(17,196)	-	2,943	67,713	-	67,713
North Pleasanton Improvements District	1,033,807	54,050	-	(8,304)	-	45,746	1,079,553	-	1,079,553
Business Support	1,656,556	1,141,556	(350,000)	(37,401)	-	754,155	2,410,711	633,598	1,777,113
Pleasanton Garbage Service Reserve	3,290,381	921,251	-	(139,847)	-	781,404	4,071,785	-	4,071,785
Opioid Distributors Settlement	76,600	34,380	-	(18,550)	-	15,830	92,430	-	92,430
Opioid Mallinckrodt Bankruptcy	6,108	88	-	-	-	88	6,196	-	6,196
National Opioid Abatement Trust	-	7,191	-	-	-	7,191	7,191	-	7,191
Opioid Wilmington Trust	-	18,494	-	-	-	18,494	18,494	-	18,494
Special Revenue Funds	\$ 26,516,353	\$ 8,598,510	\$ (413,903)	\$ (4,218,494)	-	\$ 3,966,112	\$ 30,482,466	\$ 1,386,492	\$ 29,095,974

FY 2023/24 OPERATING BUDGET YEAR-END REVIEW CHANGES IN FUND BALANCES

OTHER FUNDS

Pleasanton Township County Water District #3
Trust Fund

	Actual June 30, 2023 Balance	Actual FY 2023/24 Revenue	Actual FY 2023/24 Net Transfers	Actual FY 2023/24 Expenditures	Recommended Budget Amendments	Actual FY 2023/24 Net Income w/ Budget Amendments	Actual June 30, 2024 Balance w/ Budget Amendments	Major Long Term Commitments & Liabilities June 30, 2024	YR END June 30, 2024 Balance Less Commitments & Liabilities
	\$ 332,615	\$ 5,102	-	\$ (16,691)	-	\$ (11,589)	\$ 321,027	-	\$ 321,027
Other Funds	\$ 332,615	\$ 5,102	-	\$ (16,691)	-	\$ (11,589)	\$ 321,027	-	\$ 321,027
TOTAL - ALL FUNDS	\$ 155,510,896	\$ 235,220,758	\$ (1,424,805)	\$ (220,962,062)	\$ -	\$ 12,833,889	\$ 168,344,786	\$ (12,123,839)	\$ 180,468,625

FY 2023/24 Year-End Report Operating Budget

November 19, 2024 Council Meeting



Agenda



Overview



Financial Highlights



Next Steps

City Fiscal Policies and Practices

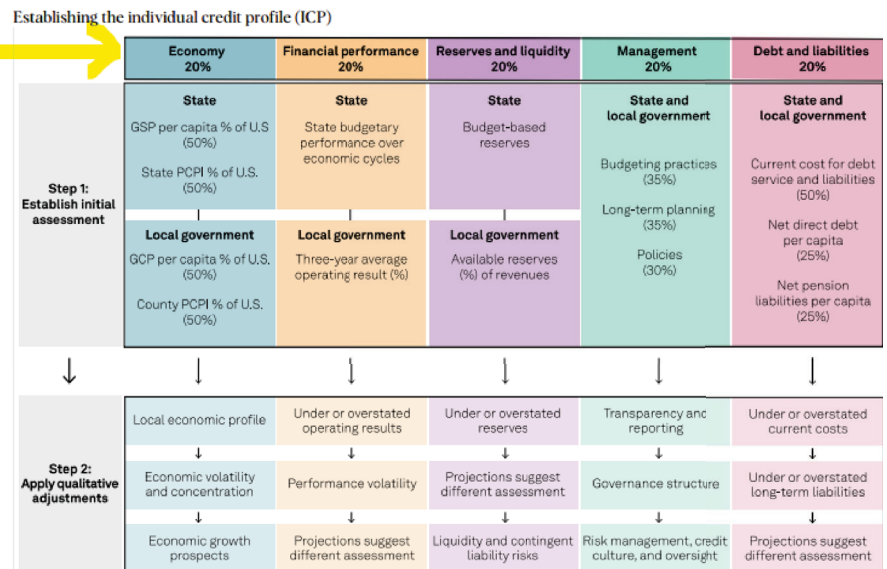
- Conservative budgeting
- Available resources are used to:
 - ✓ Strengthen reserves
 - ✓ Fund capital projects/repair and replacement projects
 - ✓ Pay down unfunded pension and retiree medical liabilities
 - ✓ Fund one-time projects to advance Council and community strategic goals
- Ensure long-term sustainability



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Financial Policies and Practices Impact Borrowing Costs

- Example of S&P Global rating criteria; specific rating criteria may be different for different types of debt financing



GSP--Gross state product, GCP--Gross county product, PCPI--Per capita personal income.
Source: S&P Global Ratings.
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Pleasanton's Key Financial Challenges

- The City faces significant fiscal challenges in both the operating and capital budgets
 - Forecasted General Fund structural deficit
 - Insufficient revenue to cover all the funding needs
 - Insufficient funding for many program areas
 - \$13M in projected average annual deficit
 - \$22M in projected average annual deficit (recession scenario)
 - Significant infrastructure funding gap
 - \$900M for both the General Fund and Enterprise Funds over 10 years
 - Unfunded retiree medical and pension liabilities
 - Over \$200M

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Overview of Fiscal Year 2024 Unaudited Financial Results

- General Fund
 - Actual revenue is lower than prior year's revenue due to the phase-out of federal stimulus funds
 - Actual expenditure is higher than prior year's expenditure due to increased personnel, contract service, utility, and insurance costs
 - Actual revenue is above budget due to higher-than-expected hotel and business license tax and the implementation of recent accounting standards
 - Actual expenditure is lower than budget due to vacant positions and savings measures implemented during fiscal year 2024
 - Actual results reflect the use of \$2M Rainy Day Reserve and \$0.9M Program Reserves
 - Overall, expenditure is growing at a much faster pace than revenue – 6.7% vs. 0.7%

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Overview of Fiscal Year 2024 Unaudited Financial Results (cont.)

- Significant funding gaps in the following program areas that need General Fund support:
 - Insurance
 - Storm Drain
 - Repair and Replacement
- Enterprise Funds
 - Water Fund net results were slightly positive even with rate increase and \$2.7M transfer from the capital funds
 - Sewer Fund net results were positive due to lower-than-expected operating expenditures and \$1.0M transfer from the capital fund
 - Storm Drain Fund and Cemetery Fund continue to operate at a deficit even with ongoing General Fund subsidy



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General Fund Revenues – Highlights

- Fiscal year 2024 total revenue is ~0.7% lower than prior year's actual due to unavailable stimulus funds
- Higher than budgeted revenue due to the increase in hotel and business license tax and implementation of accounting standards

Revenues	FY 2022/23	FY 2023/24		
	Actual	Amended	Actual	Variance
Property Taxes	\$86,075,776	\$90,116,000	\$90,241,390	(\$125,390)
Sales & Use Taxes	26,183,661	24,532,400	23,963,541	568,859
Other Taxes	15,498,864	14,222,000	16,053,575	(1,831,575)
Development Services Fees	6,391,087	4,549,500	5,014,024	(464,524)
Recreation Fees	4,197,090	4,607,457	4,663,652	(56,195)
Other Revenues	14,398,239	8,414,270	11,814,055	(3,399,785)
Total	\$152,744,716	\$146,441,627	\$151,750,238	(\$5,308,611)

- 4.8% increase from prior year
- Actual is in line with budget

- 8.5% decrease from prior year
- Actual is below budget

Phase-out of ARPA funds offset by revenues resulting from GASB implementation

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General Fund Expenditures – Highlights

- Fiscal year 2024 total expenditure is ~6.7% higher than prior year's actual due to increases in personnel and other operating costs
- Lower than budgeted expenditure due to vacant positions and cost reduction strategies implemented during the fiscal year

Expenditure Categories	FY 2022/23	FY 2023/24		
	Actual	Amended	Actual	Variance
Personnel	\$94,110,681	\$105,511,427	\$101,910,933	\$3,600,494
Transportation & Training	1,750,740	1,865,165	1,965,649	(100,484)
Repairs & Maintenance	8,167,740	6,856,688	6,617,385	239,303
Materials & Supplies	27,199,195	33,095,261	29,461,194	3,634,067
Other Expenditures	2,312,091	667,473	2,541,315	(1,873,842)
Total Expenditures	\$133,540,446	\$147,996,014	\$142,496,475	\$5,499,539

- Froze multiple positions
- 20+ vacant positions at year-end

- Implemented cost reduction strategies

- GASB implementation



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Underfunded Programs

- Insufficient funding for various programs/funds due to financial constraints, impacting the City's ability to fund future claims and repair and replacement projects
 - \$0.4M in fund balance in the Liability Insurance Fund
 - \$5.0M in negative fund balance in the Workers' Compensation Funds
 - \$0.6M in fund balance in the Storm Drain Operating Fund – ongoing General Fund subsidy
 - Repair and replacement programs (see examples below)
 - Only \$2.4M in fund balance for 100+ City facilities and structures
 - Only \$1.1M in fund balance for replacing IT equipment, systems, servers, etc.
 - Only \$0.5M in fund balance for park repair and replacements (46 city parks)
- The Asset Management Plan that is underway is expected to identify significant deferred maintenance funding gap



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Proposed Budget Amendments to Reduce Program Funding Gaps (cont.)

- Limited financial resources are only able to reduce insufficient funding in certain program areas

Transfers to	Amount	Rationale
Rainy Day Fund	\$2,000,000	Set aside funds for capital and deferred maintenance projects
General Liability Fund	\$1,500,000	Make one-time contribution to the general liability fund to replenish the fund balance which was depleted due to increasing insurance liability and claim-related costs
Facility Renovation Fund	\$1,400,000	Make one-time contribution to build up the reserve for city facility-related repairs and replacement projects
IT Repair & Replacement Fund	\$1,000,000	Provide one-time contribution to replenish and build the reserve for critical technology-related repairs and purchases
Storm Drain Fund	\$800,000	Provide one-time contribution to restore fund balance in the Storm Drain program while alternatives are being explored to resolve the ongoing operating deficit issue
Workers' Compensation Fund	\$500,000	Provide one-time contribution to address the negative fund balance issue
Park Median Replacement Fund	\$500,000	Make one-time contribution to build the reserve for parks related repair and replacement projects
Traffic Signal Repair & Replacement Fund	\$200,000	Make one-time contribution to offset reduced annual contribution in the FY 2023/24 Adopted Budget



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Review of General Fund Reserves

- Policy:
 - Reserve target: 20%
 - Reserve range: 16.7% to 25%

General Fund Fund Balance	Ending Fund Balances at 6/30/2024	Recommended Budget Adjustments	Ending Fund Balance
Unrestricted General Fund Reserve	40,337,357	(7,900,000)	\$32,437,357
COVID Response & Recovery Reserve	319,150	-	319,150
Mobile Outreach Vehicle Reserve	280,000	-	280,000
Strategic Plan Implementation Reserve	379,428	-	379,428
Emergency Reserve	500,000	-	500,000
Restricted General Fund Reserve*	19,989,289	-	19,989,289
Total General Fund Reserves	\$61,805,224	(\$7,900,000)	\$53,905,224

*Restricted Reserve includes the General Fund's share of PARS Section 115 Trust (\$19,474,282) and non-spendable balances (\$515,007), which represent advances to other funds and notes receivable.

21% of FY25 operating expenditures

\$19.5M in pension reserve



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Enterprise Funds

- **Water Operating Fund net results: \$138K**
 - Reserve: \$7.5M
 - Below 35% reserve target
 - Major operating deficit without rate increase and \$2.7M transfers from the capital funds
 - No excess funds for capital investments
- **Sewer Operating Fund net results: \$1.1M**
 - Reserve: \$8.7M
 - Above 35% reserve target
 - Operating deficit without rate increase and \$1.0M transfer from the capital fund
 - No excess funds for capital improvements

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Enterprise Funds (cont.)

- **Storm Drain Fund net results: \$0.3M**
 - Reserve: \$0.6M
 - Negative net results without \$1.0M transfers from the General Fund and the capital fund
 - Ongoing General Fund subsidy for operations and capital projects
- **Cemetery Fund net results: -\$0.4M**
 - Reserve: \$0.1M
 - \$0.3M one-time prior year revenue adjustment
 - Fund balance will run out as early as FY 2024/25
 - General Fund contribution will likely need to be increased in future years

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Next Steps



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Recommendation

- Staff recommends that the Council receive the year-end report and approve the proposed budget amendments

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Thank You!



November 19, 2024
Finance

TITLE: ADOPT A RESOLUTION TO ACCEPT THE FY 2023/24 YEAR-END FINANCIAL AND PROGRAM DELIVERY REPORT FOR THE CAPITAL IMPROVEMENT PROGRAM (CIP)

SUMMARY

This year-end report presents the unaudited results of the Fiscal Year 2023/24 Capital Improvement Program (CIP). The audited information will be reflected in the City's Annual Comprehensive Financial Report (ACFR) which will be presented to the City Council after the City's independent auditor has issued its opinion on the ACFR and the Audit Committee has reviewed it; this is expected to occur in December 2024 or January 2025. If there are any differences in the financial information presented in this report and the ACFR due to the audit, those changes will be highlighted at that time.

RECOMMENDATION

Adopt a resolution to accept the Fiscal Year 2023/24 year-end financial and program delivery report for the Capital Improvement Program (CIP) and approve the carryforwards as included in the report.

BACKGROUND

Annually, staff presents the year-end financial report for the Capital Improvement Program to the City Council for approval. This year, the report has been expanded to provide more information, specifically related to program delivery accomplishments.

The report summarizes the actual results of the financial activities and program delivery updates for the CIP Budget and recognizes budget carryforwards to the following year. The City's ACFR is still in progress; therefore, the financial information included in this report is unaudited. The audited information will be reflected in the ACFR and will be presented to the City Council once the City's independent auditor has issued its opinion on the ACFR and the Audit Committee has reviewed it; this is expected to occur in December 2024 or January 2025. If there are any differences in the financial information presented in this report and the ACFR as a result of the audit, those changes will be highlighted at that time.

DISCUSSION

This report presents the status of the CIP Budget as of June 30, 2024. It provides a summary of the actual expenditures, the amended budget which is the original budget plus any amendments approved by the City Council through June 30, 2024, and the recommended carryforwards from FY 2023/24 to FY 2024/25. Projects can have more than one funding source, and expenditures can be cyclical or multiyear in nature, which is reflected in the carryforwards.

It should be noted that during the development of the FY 2024/25 Capital Budget, staff

performed a more comprehensive analysis of each capital fund's condition, in terms of budgeted versus actual revenues collected, to reassess and recommend changes to the budget for projects, as needed, by adjusting carryforward amounts to ensure there is an adequate fund balance in each fund. For example, in the Facilities Impact Fee and Traffic Impact Fee Funds, actual fees collected in recent years were less than budgeted to a point where actual project expenditure budget had to be reduced or removed altogether. At the March 19, 2024, City Council meeting, staff presented a list of recommended adjustments to either reduce or cancel previously budgeted projects at the year-end to free up capacity to fund time-sensitive, critical projects to address safety issues resulting from storm damage; these adjustments are reflected in the FY 2024/25 carryforwards (as shown in Table 1 below, and in Tables 3-9 for each of the project categories).

Specifically, staff recommends a total of approximately \$23.4 million reduced carryforwards. These include approximately \$17.9 million in reductions proposed at the March 19, 2024, meeting, with the largest project reductions consisting of \$5.6 million for the skatepark project in the Parks category, \$4.0 million for the Century House Facility Assessment project, and \$0.8 million for the new Fire Station 3 project in the Facilities category, as well as \$2.4 million for the Westbound Bernal Avenue at First Street project in the Transportation and Streets category. Other reductions include \$4.1 million in projects funded with impact fees. Revenues from these impact fees have been significantly below estimates, which necessitated project budget reductions, with the largest project budget reductions consisting of \$2.2 million for the Police Department Training Facility project and \$0.4 million for the Design of Emergency Operations Center at the Fire Training Facility. Additionally, actual Gas Tax revenues came in slightly below estimates provided by the California Local Government Finance Almanac and necessitated a reduction of approximately \$0.5 million for the 2nd Bridge Bernal/Laguna project in the Transportation and Streets category.

Based on the FY 2023/24 actual expenditures for each project as well as estimated balances for each fund, this report includes the final carryforward recommendations for the City Council's approval. Table 1 summarizes the actual expenditures to the amended budget for the fiscal year and identifies the carryforward by CIP project category

Table 1 – Summary of CIP Carryforwards by Project Category

Category	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Facilities	\$ 14,707,873	\$ 1,167,852	\$ 4,271,044
Miscellaneous	7,097,312	1,026,286	5,721,026
Parks	18,432,488	1,714,840	7,583,847
Sewer	5,960,581	1,113,957	4,811,593
Storm	1,871,035	260,800	1,185,236
Transportation & Streets	63,110,608	8,215,432	51,742,075
Water	16,544,288	4,263,914	11,258,464
Total	\$ 127,724,185	\$ 17,763,080	\$ 86,573,284

There are two main funding types: **Restricted** and **Non-Restricted** Funds.

- **Restricted Funds:** Approximately \$69.9 million of the \$86.5 million recommended carryforwards to FY 2024/25 belong in this category. Their use is governed by federal and state laws, grants, and local measures. Common sources include Park Development Impact fees, Facility Development Impact fees, enterprise funds (e.g., water, sewer, and golf course), and transportation funds (e.g., Measure BB and Vehicle Registration Fee). Because these funds are often limited to specific purposes only, projects may receive only partial funding initially and may need to be supplemented with additional grants or even non-restricted funds. As such, most of these project budgets are carried forward until fully funded.
- **Non-Restricted Funds:** The remaining \$16.6 million carryforward funds belong in the non-restricted category. These funds are more flexible and general-purpose in nature, and, as a result, can be used to fund all types of capital projects although they are primarily used to support critical infrastructure and safety projects that cannot be funded with restricted funding sources. Primarily sourced from the General Fund, many streets, parks, and storm drain replacements are funded using this source. It should be noted that the Storm Drain Capital Fund, similar to its Operating Fund, is currently heavily subsidized by the General Fund. This approach is not sustainable. Staff is exploring options to address this issue and will present options to the City Council at a later date.

The City maintains several reserves within its CIP funds, which are specifically allocated for designated purposes. These reserves act as holding accounts for upcoming projects that need additional funding or serve as emergency funds. Details of these reserves at the project category level are summarized in Table 2 below. Of the \$86.5 million total recommended carryforwards, \$61.4 million supports active projects, \$19.7 million is reserved or on hold, and \$5.4 million is for projects that have a budget but have not yet started. There are many reasons for project delays, and these include lack of adequate funding, cost increases, project coordination with private developer projects, or priority shifts. Many reserves are earmarked for emergency needs, upcoming developments, and future projects, ensuring flexibility and long-term planning. Table 2 below summarizes the CIP Reserves/On-Hold by project category.

Table 2 – Summary of CIP Reserve/On-Hold by Project Category

Category	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Facilities	\$ 4,835,991	\$ 105,252	\$ 1,111,731
Miscellaneous	1,220,700	-	1,220,700
Parks	10,513,316	213,043	3,842,734
Sewer	750,000	-	750,000
Transportation & Streets	15,913,898	62,400	12,818,101
Total	\$ 33,233,905	\$ 380,694	\$ 19,743,266

FY 2023/24 Project Delivery Summary: Challenges and Adjustments

The project delivery team faced significant challenges in FY 2023/24 that impacted the schedule and capacity for additional projects:

1. Staffing Shortages

The project delivery team, composed of four engineers and four inspectors in Public Works, along with one staff member in Community Development, experienced a 25 percent vacancy

rate. Additional vacancies in the Land Development and Utility Divisions also strained resources, requiring temporary consultant support to fill gaps.

2. Resource Prioritization for Urgent Needs

During the first half of FY 2023/24, resources were reallocated to address critical storm damage repairs from FY 2022/23, which required working closely with FEMA for project reimbursement and collaborating with design consultants. Additionally, the City Council directed staff to stop using Wells 5, 6, and 8, and to prioritize the water supply alternatives study. The City issued a water revenue bond in June 2024 to fund water infrastructure upgrades and regional groundwater studies with Zone 7. These shifts in priorities impacted the original project delivery schedule.

3. Funding Limitations

There are approximately 100 projects in the FY 2023/24 CIP including existing and new projects. Of these, 56 percent were fully funded, and the remaining 44 percent were partially funded. Projects that are funded for design phase proceed only when resources are available in the following year for construction.

4. Complex, Multi-Year Projects

The project delivery team managed several complex projects, such as the Johnson Drive/Costco development, which included roadway and traffic improvements, and the West Las Positas Multimodal Reconstruction project. Due to budget and grant requirements, as well as the technical complexity and high level of coordination needed, the latter involved careful planning and value engineering, which demanded staff time to be prioritized for critical improvements.

5. Citywide Planning Efforts

The City undertook major planning efforts requiring extensive engineering resources, including:

- Water System Management Plan (WSMP) to guide future water rate and connection fees, set for City Council review by December 2024;
- Sanitary Sewer Management Plan (SSMP) to meet state requirements, with completion aimed by June 2025;
- Asset Management Plan, including data collection for all City assets; and
- Urban Forest Master Plan to align with goals identified in the City's Climate Action Plan.

FY 2023/24 Achievements and Next Step

Despite these challenges, the team completed design for 26 CIP projects and finished construction for 15 projects, ensuring continued progress toward critical infrastructure goals.

With the budget challenges, competing City priorities, and resource constraints, a proper tool is necessary to guide the City in the future capital programming effort. Staff incorporates best practices and lessons learned from other cities, including neighboring Tri-Valley cities. Staff is developing a comprehensive CIP strategy that will provide a better defined process and framework for the City to make informed decisions on project selection and prioritization, ensuring alignment with the ONE Pleasanton Strategic Plan to address the City's infrastructure needs. Staff aims to finalize the studies and present the recommendations to the City Council for feedback and approval by the end of 2024, and adoption of the strategy as part of the upcoming two-year budget and CIP development process.

CIP PROGRAM UPDATES

Sewer CIP Program

Table 3 summarizes the full list of Sewer CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 3 – Sewer CIP Projects

SEWER CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Completed			
East Amador Lift Station (EALS)	\$ 58,921	\$ 23,890	\$ -
Project Status - Construction			
2024 Annual Sewer Collection System Improvements	1,500,000	741,573	758,427
Project Status - Design			
Sewer Capacity Evaluation	551,337	299,131	252,206
Sewer Station S-14 Electrical Improvements	700,000	49,363	650,638
Sewer System Management Plan	507,823	-	507,823
West Las Positas Boulevard Multimodal Reconstruction	500,000	-	500,000
Project Status - Not Started			
2023 Annual Sewer Collection System Improvements	1,392,500	-	1,392,500
Project Status - Reserve/On-Hold			
Emergency Power Improvement Utility System	750,000	-	750,000
Total	\$ 5,960,581	\$ 1,113,957	\$ 4,811,593

In FY 2023/24, the City prioritized planning for its sanitary sewer system. Consultants conducted a detailed analysis, assessing current and projected sewer capacity needs based on projected growth and development. This sewer capacity evaluation forms the basis of the upcoming Sanitary Sewer Management Plan (SSMP), which outlines essential infrastructure upgrades, maintenance, and condition assessments to comply with the State's Sewer Systems General Order. The SSMP, expected to be completed by June 2025, will be the basis of the Sewer CIP to prioritize critical projects for the sanitary sewer program. The plan will also support a future sewer rate study in FY 2024/25, with a new rate structure to be implemented by January 2026.

Key sewer projects delivered in FY 2023/24 include:

1. Replacement and upgrade of sewer mains on Regency Drive, W. Angela Street, and Arendt Way
2. Reconstruction of manholes on California Avenue and Washington Street
3. Relocation of sewer lines at Bernal Bridge to address erosion risks
4. Flow adjustments and system upgrades at Rose Avenue to improve efficiency.

Design work is also underway for permanent repairs at the S-14 Pump Station and sewer replacements as part of the West Las Positas Multimodal Reconstruction project. These efforts strengthen the City's sewer infrastructure for future demands and resiliency.

Water CIP Program

Table 4 summarizes the full list of Water CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 4 – Water CIP Projects

WATER CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Cancelled			
Recycled Water Fill Station Project	\$ 160,500	\$ -	\$ -
Project Status - Completed			
PFAS Treatment & Wells Rehab Project	155,000	6,618	-
SCADA Update Water	88,324	5,613	-
Water Supply Alternatives	191,221	135,352	-
2024 Annual Water Distribution System*	60,939	200	60,739
Project Status - Construction			
2023 Annual Water Distribution System*	543,079	506,871	36,208
Near-Term Water Improvements (Sunol & Stoneridge)	10,641,025	1,498,794	9,142,231
Bernal Water Line Improvements	2,205,420	1,722,270	483,150
Project Status - Design			
City Ground Water Supply	500,000	2,700	497,300
Lemoine Bypass Pipeline	170,440	12,419	158,020
Water Capacity Evaluation	73,461	42,063	-
Water System Management Plan	661,831	331,014	330,816
West Las Positas Boulevard Multimodal Reconstruction	250,000	-	250,000
Project Status - Not Started			
Recycled Water System Management Plan	300,000	-	300,000
2023 Annual Recycled Water Repair & Replacement	493,049	-	-
2024 Annual Recycled Water Repair & Replacement	50,000	-	-
Total	\$ 16,544,288	\$ 4,263,914	\$ 11,258,464

* Funding for Temporary Pump Rental at Turnout #4

In FY 2023/24, the City initiated urgent near-term water system improvements to support City Council direction to shutdown its wells due to a detectable level of PFAS and to procure water directly from Zone 7. In June 2024, the City secured a \$19.0 million water revenue bond to fund three major water line projects on Bernal Avenue, Stoneridge Drive, and Sunol Boulevard. Remaining funding of \$9.1 million needs to be carried forward to continue these projects.

The Annual Water Distribution System Improvements project also completed critical updates, installing seismic piping at key culvert crossings within Hacienda business park and addressing a leak at the Kilcare Canyon bridge crossing. Temporary repairs were made to Turnout #1, and a rental booster pump was installed at Turnout #4 to maintain adequate water supply during summer months.

The Water System Management Plan (WSMP) is completed and will provide a comprehensive guide for water supply management, quality standards, distribution capacity, and infrastructure upgrades; the final plan is being presented for City Council acceptance in November 2024. Additionally, planned water system improvements will be incorporated into the West Las Positas Multimodal Reconstruction project which is currently in design.

Parks CIP Projects

Table 5 summarizes the full list of Parks CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 5 – Parks CIP Projects

PARKS CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Cancelled			
Meadowmark Mountain Bike Trail	\$ 65,500	\$ -	\$ -
New Community Park - Site Acquisition Reserve	207,447	-	-
Rotary Park - Phase II Land Acquisition	750,000	-	-
2023 Annual Median Landscape Renovations	300,000	-	-
2023 Annual Court Resurfacing	250,000	-	-
2024 Annual Playground Renovations	300,000	32,491	-
2024 Annual Park Trail & Pathway Resurfacing	350,000	-	-
Project Status - Completed			
Bocce Ball Courts	35,554	-	-
Mountain Bike Trail	14,292	14,292	-
Pleasanton Cricket Pitch & Field	454,927	454,927	-
2023 Annual Playground Renovations	299,581	299,581	-
Project Status - Construction			
Cemetery Storm Repairs & Renovation	133,950	32,295	101,655
City Street Median Island R&R	1,014,748	51,080	613,668
COP Urban Forest Master Plan	330,645	249,706	80,938
Landscape Median Const & Renovation	21,094	15,535	5,306
Lions Wayside Park Improvement	1,948,466	159,376	1,789,090
Motor Control Center Replacement and Temporary Power for Ken Mercer Sports Park	152,972	51,958	101,014
2024 Annual Irrigation Upgrades	150,000	140,557	9,443
Project Status - Design			
Callippe Preserve Trail Renovations	65,500	-	65,500
2024 Annual Court Resurfacing	200,000	-	100,000
Project Status - Not Started			
Pleasanton Tennis/Community Park LED Light	120,000	-	120,000
Tennis/Community Park Court Lighting	250,000	-	250,000
General Trail Improvement and Development	504,497	-	504,497
Project Status - Reserve/On-Hold			
Bernal Prop Trail Sys Reserve	150,703	-	-
Design Inclusionary/All Access Play	283,485	-	283,485
Design Phase 1 Of Bernal Comm Farm	307,772	-	57,772
New Community Park - Site Acquisition Reserve	3,501,477	-	3,501,477
Skatepark	6,269,879	213,043	-
Total	\$ 18,432,488	\$ 1,714,840	\$ 7,583,847

In FY 2023/24, key accomplishments in the Parks CIP Program include:

1. Completed construction of Ken Mercer Cricket Field. The cricket field construction was completed and accepted by the City Council on April 16, 2024, and a ribbon-cutting ceremony was held on March 7.

2. Completed construction of Augustin Bernal Mountain Bike Trail. This is a 0.7 mile downhill-only mountain bike trail from the upper portion of Augustin Bernal Community Park down to the staging area and parking lot.
3. Completed replacement of the southern play structures in Val Vista Community Park
4. Completed design of Lions Wayside and Delucchi Parks renovation
5. Completed design of Annual Court Resurfacing to repair courts at Fairlands Park and Pleasanton Tennis and Community Park
6. Completed design of Ken Mercer Skatepark. This project was deprioritized by the City Council after design was completed.
7. Completed 65 percent of the Urban Forest Master Plan design. The plan will capture the condition of the City's forest and develop strategies to preserve and enhance the urban forest to meet the City's Climate Action Plan goals. A final draft plan will be presented to the City Council in early 2025.

Miscellaneous CIP Program

Table 6 summarizes the full list of Miscellaneous CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended.

Table 6 – Miscellaneous CIP Projects

MISCELLANEOUS CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Completed			
2022 Fence Installation/Repair	\$ 194,954	\$ 94,954	\$ -
Val Vista Underdrain	863,801	863,800	-
Project Status - Construction			
Downtown Beautification	457,674	47,671	160,003
Project Status - Design			
2022 Soundwall Repair & Replacement	415,242	-	415,242
Asset Management Plan	750,000	12,089	737,911
Pioneer Cemetery Master Plan Implementation	668,684	1,480	667,203
Street Light LED Conversion	187,826	-	187,826
2023 Annual Soundwall Repair & Replacement	100,000	-	100,000
2024 Annual Soundwall Repair & Replacement	125,000	-	125,000
Valley Avenue Soundwall Replacement	993,431	6,291	987,140
Project Status - Not Started			
ADA Transition Plan	120,000	-	120,000
Climate Action Plan Implementation	1,000,000	-	1,000,000
Project Status - Reserve/On-Hold			
Capital Improvement Program Reserve	1,220,700	-	1,220,700
Total	\$ 7,097,312	\$ 1,026,286	\$ 5,721,026

In FY 2023/24, the City made substantial progress in infrastructure management and upgrades:

1. Asset Management Plan (AMP): Phases I and II began with comprehensive data collection and a condition assessment of City infrastructure. This effort will create a detailed inventory and clarify long-term maintenance and replacement costs. Future funding will support Phase III, focusing on financial analysis to develop a 10-year Capital Improvement Program (CIP).

- 2. Val Vista Underdrain Project: Construction was completed to meet Regional Water Quality Board requirements, redirecting recycled water drainage to sewers rather than storm drains.
- 3. Soundwall Replacement: Critical soundwalls were prioritized for replacement. Design began on the Valley Avenue soundwall, with construction planned for FY 2025/26. Carryforward funds will allow the entire project to be completed without phasing, reducing costs.
- 4. Climate Action Plan Implementation: Initially slated for defunding, this project received updated funding due to new air quality regulations requiring fleet electrification. Plans include designing and constructing two City fleet charging centers at the City's downtown campus and Public Works yard.
- 5. ADA Transition Plan: Set to begin in 2025, this plan will use AMP data to design a citywide ADA compliance plan for all public buildings, parking lots, sidewalks, and curb ramps.

Transportation & Streets CIP Program

Table 7 summarizes the full list of Transportation & Streets CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 7 – Transportation & Streets CIP Projects

TRANSPORTATION & STREETS CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Completed			
2022 Sidewalk Maintenance	\$ 74,818	\$ -	\$ -
2023 Street Preventative Maintenance	528,862	528,862	-
Bernal Bridge (East) Abutment	56	-	-
2023 Annual Curb & Gutter for Street Resurfacing	109,227	109,227	-
2023 Annual Neighborhood Traffic Calming Devices	4,830	-	-
2024 Annual Traffic Buttons & Line Marker Installation	50,000	50,000	-
Project Status - Construction			
2023 Annual Slurry Sealing Of Various Streets	535,517	507,042	28,475
Bi-Annual Traffic Signal Installations	1,342,316	84,546	1,257,770
Hopyard Road & Owens Drive Intersection Improvement	5,914,476	129,386	5,745,090
JDEDZ ROW and Miscellaneous	6,111	1,259	4,852
JDEDZ Transportation Fee Reserve	552,497	-	552,497
Stoneridge Drive & I-680 Onramp	11,307,977	4,574,367	6,733,610
2023 Annual Sidewalk & Intersection Ramp Installations	167,026	74,927	92,099
2023 Annual Traffic Buttons & Line Marker Installation	56,600	33,765	22,835
2023 Annual Sidewalk Maintenance	113,494	92,190	21,305
2023 Annual Intersection Improvements at various locations	119,814	-	119,814
2024 Annual Slurry Sealing Of Various Streets	547,989	19,668	528,321
2024 Annual Curb & Gutter for Street Resurfacing	908,369	886,957	21,412
2024 Annual Sidewalk Maintenance	91,631	-	91,631
2024 Annual Intersection Improvements at various locations	100,000	-	100,000
Project Status - Design			
I-580 Overcrossing Bicycle & Pedestrian Improvement	250,000	(23,211)	250,000
West Las Positas Boulevard Multimodal Reconstruction	10,854,857	273,517	10,581,339
2023 Annual Bicycle & Pedestrian Related Improvements at Various Locations	366,221	23,211	366,221
2024 Annual Street Resurfacing & Reconstruction	7,969,955	316,936	7,653,019
2024 Annual Bicycle & Pedestrian Related Improvements at Various Locations	593,513	79,677	513,836
Sunol Boulevard Interchange Improvements	4,515,553	390,706	4,124,847
Project Status - Not Started			
Bi-Annual Evaluation/Reclassification of Street Surfaces	15,000	-	15,000
2024 Annual Trail Resurfacing Project	100,000	-	100,000
Project Status - Reserve/On-Hold			
2nd Bridge Bernal/Laguna	2,157,143	-	1,707,143
Clara Lane Extension Reimbursement	663,041	-	663,041
Dublin Canyon Road Widening	2,332,705	-	2,332,705
Extension Of Livingston Way	25,479	-	25,479
Happy Valley Bypass Rd & Improvement	645,905	-	645,905
Nevada Street Improvements	162,621	-	-
Old Vineyard Ave Ped Trail-Ph 2 & 3	164,575	-	164,575
Tri Valley Transportation Fees Reserve	1,852,517	-	1,852,517
Vineyard Corridor Improvements	30,673	-	30,673
Westbound Bernal Avenue at First Street/Sunol Boulevard Intersection Improvements	5,670,776	62,400	3,187,600
Use Of Dublin Freeway Reimbursement	2,108,462	-	2,108,462
2024 Annual Expedited Speed Lump Program	50,000	-	50,000
2024 Annual Neighborhood Traffic Calming Devices	50,000	-	50,000
Total	\$ 63,110,608	\$ 8,215,432	\$ 51,742,075

In FY 2023/24, the City made substantial strides in infrastructure and transportation improvements:

1. Pavement Condition Index (PCI): The City's PCI score dropped from 78 to 77 due to pavement age, climate, traffic loads, and limited maintenance funding, aligning with an independent assessment by the Metropolitan Transportation Commission (MTC). Pleasanton's PCI score of 77 is considered "good" and comparable to other Tri-Valley cities.
2. Annual Resurfacing Project: The City installed 87 curb ramps, replaced 3,186 square feet of sidewalk, and slurry-sealed 1.3 million square feet of pavement. High asphalt costs delayed some resurfacing, which will now be combined with next year's project using Cold-In-Place Recycling to reduce costs and minimize traffic disruption.
3. ADA Compliance: New ADA ramp regulations require eight directional ramps per intersection, as seen on Hopyard Road, increasing future project requirements.
4. West Las Positas Corridor: Design work continued for the West Las Positas Multimodal Reconstruction project between Hopyard Road and Stoneridge Drive. Value engineering and prioritization efforts are underway due to a funding shortfall for this project.
5. Key Intersection Upgrades: Design of the First/Sunol/Bernal intersection upgrade was completed but will await water main work and school district project(s). Sunol Boulevard overlay from this intersection to Valley Avenue is also in the pipeline.
6. Traffic and Safety Enhancements: New traffic signals at Northway Road and Valley Avenue near Harvest Park Middle School began construction. The City also launched updates to the Bicycle and Pedestrian Master Plan to improve non-vehicular safety and access. At this time, the Annual Expedited Traffic Lumps and Traffic Calming programs are paused due to potential budget cuts.
7. Johnson Drive Economic Development Zone: In partnership with Costco, Johnson Drive and Stoneridge Drives are being widened, with further improvements to the I-680 northbound on-ramp. Carryforward funds and a Costco loan will fund these upgrades.
8. Reserve Projects: Developer-funded projects like the Dublin Canyon Road Widening, Clara Lane improvements, and the Old Vineyard Corridor are in reserve until further contributions or project milestones are met.
9. Annual Projects: These include regular maintenance and upgrades of roadways, sewer and water lines, curbs, gutters, sidewalks, and ADA ramps. The intersection at Hopyard Road and Owens Drive began construction after Caltrans approval, enhancing safety and traffic flow.

Storm CIP Projects

Table 8 summarizes the full list of Storm CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 8 – Storm CIP Projects

STORM CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Cancelled			
2024 Annual Installation of Trash Capture Devices	\$ 150,000	\$ -	\$ -
Project Status - Design			
Augustin Bernal Trail Creek Crossing Culverts & Retaining Wall	308,000	6,110	301,890
East Vineyard Detention Pond Outfall Repair	159,000	2,805	156,195
Oak Tree Farm Outfall and Channel Stabilization	168,000	1,508	166,492
Sassafras Court Storm Drain Interceptor	150,457	3,125	147,332
Sycamore Creek Storm Drain Improvements	200,000	21,061	178,939
2023 Annual Installation of Trash Capture Devices	300,000	-	25,000
2023 Annual Storm Repair/ Replacement (Puri Court)	310,578	157,614	152,965
2024 Annual Storm Repair/ Replacement (Puri Court)	125,000	68,576	56,424
Total	\$ 1,871,035	\$ 260,800	\$ 1,185,236

The 2023 winter storms inflicted significant damage across Pleasanton. Interim repairs and cleanup were completed. Efforts to recover costs for interim repairs and cleanup are ongoing. On March 19, 2024, the City Council reallocated discretionary funds from the CIP program to support permanent repairs, which will be partially reimbursed by FEMA. Following interim repairs, four permanent repair projects commenced, initiating a multi-year process of design and permitting with FEMA and state regulatory agencies. These projects include upsizing storm drain lines on Puri Court and Sycamore Creek Way, and installing debris capture systems at Sassafras Court to help reduce future cleanup and recovery costs.

Facilities CIP Projects

Table 9 summarizes the full list of Facilities CIP projects that had a budget in FY 2023/24, actual expenditures if any, and recommended carryforwards.

Table 9 – Facilities CIP Projects

FACILITIES CIP Projects	FY 2023/24 Budget	FY 2023/24 Actuals	Recommended Carryforward
Project Status - Cancelled			
Design Of Police Dept. Secured Police & Staff Parking	\$ 100,000	\$ -	\$ -
Remove City Hall Modular Buildings	179,177	-	-
Project Status - Completed			
Amador Theatre Facility Assessment	35,643	-	-
Library Roof Replacement	147,252	19,037	-
OSC Generator Replacement	547,205	313,511	-
St. Mary Street Lighting Improvements	27,080	27,080	-
Project Status - Construction			
Library Lighting	1,266,470	490,384	718,096
MCC Replacement (Ken Mercer Sports Park)	30,000	5,937	24,063
Project Status - Design			
Century House Facility Assessment	4,800,000	-	700,000
Design/Construct New Fire Station 3	981,799	16,551	150,000
Project Status - Not Started			
Alviso Adobe Strategic Plan Implementation	957,255	190,101	767,154
OSC Fire Alarm And Notification System	800,000	-	800,000
Project Status - Reserve/On-Hold			
City-Wide Access Control System	250,000	-	-
Design EOC At Fire Training Facility	400,000	-	-
Design Fire Station #2 Improvements	473,625	-	473,625
Design Of Aquatic Center 50 Meter Pool Deck	286,106	-	37,106
Design Of City Administration	300,000	-	51,000
Design Of Val Vista Park Restroom	12,750	-	-
Police Department Training Facility	2,863,510	105,252	550,000
Design Of The Civic Center Roofing & HVAC Replacement	250,000	-	-
Total	\$ 14,707,872	\$ 1,167,852	\$ 4,271,044

In FY 2023/24, several facility improvements progressed despite challenges:

1. Library Lighting Upgrades: Design and construction began to replace all library lighting with energy-efficient LED fixtures and a new control system.
2. Ken Mercer Sports Park Electrical: Replacement of failed electrical equipment is underway; however, manufacturing delays mean temporary power poles are still in use.
3. St Mary Street Parking Lot: Safety improvements, including new fencing and lighting, were completed.
4. Public Works Corporation Yard: A new emergency generator was installed, replacing the rental unit. The design phase for replacing the outdated fire alarm system is also being initiated.
5. Alviso Adobe Repairs: Funding for the bunkhouse and kitchen expansion was reallocated to rebuild the main building's south wall. Additional repairs are needed to address rodent damage. Historic preservation specialists will complete this work to maintain the building's registered status.
6. Police Department Training Facility: While design is nearly complete, funding shortfalls from development fees have postponed construction.
7. Century House Roof: The roof replacement was completed to prevent further building

damage.

Many facility projects have partial funding for design but lack construction funds. Without timely construction, building plans require redesigns to meet updated regulations. The upcoming CIP program will consolidate limited funds to prioritize projects for completion.

Revenue Carryforwards

Some project revenues, including grants, were not received in FY 2023/24 and need to be carried forward. The proceeds from the 2024 Water Revenue Bond were received in June, and the approximately \$13.0 million has been allocated initially to match the project expenditure budget. Table 10 summarizes the recommended revenue carryforwards.

Table 10 – Revenue Carryforwards

Fund Project		Recommended Revenue Carryforward
162	Miscellaneous CIP Grants	
	West Las Positas Boulevard Multimodal Reconstruction	\$ 2,167,000
	Stoneridge Drive & I-680 Onramp	625,633
	I-580 Overcrossing Bicycle & Pedestrian Imp	250,000
	I-680 Sunol Boulevard Improvement-Phase1	2,650,000
	Fund 162 Total	5,692,633
172	Transportation Development Grant	
	Annual Bicycle & Pedestrian Related Improvements	493,513
	Fund 172 Total	493,513
421	Water Replacement CIP	
	Zone 7 Reimbursement	100,000
	2024 Water Revenue Bond Proceeds	13,034,550
	Fund 203 Total	13,134,550
	TOTAL	\$ 19,320,696

The City Council's adoption of the proposed resolution, provided as Attachment 1, will accept the FY 2023/24 year-end financial and program delivery report for the Capital Improvement Program and amend the FY 2024/25 CIP Budget.

EQUITY AND SUSTAINABILITY

Not applicable, as this item is an administrative matter of City business.

OUTREACH

No outreach was conducted, as this item is an administrative matter of City business.

STRATEGIC PLAN ALIGNMENT

Approval of this action advances the ONE Pleasanton strategic plan goal of *Funding Our Future* to support the City's fiscal sustainability. Examining and reviewing actual revenues and expenditures from FY 2023/24 provides staff with additional information to adjust the current

fiscal year's budget, as needed, as well as fine-tune the long-term financial forecast for more informed fiscal planning.

FISCAL IMPACT

The recommendations outlined in this report present all financial activity and changes in the FY 2023/24 CIP Budget for the City Council's approval since the last approved budget adjustments. With City Council approval, staff will update the FY 2024/25 budget for projects and revenues in various capital funds to reflect carryforward amounts in this report.

Prepared by:



Chris Yi, Financial Services
Manager
Dawn DeMarcus, Senior
Budget and Finance Analyst

Submitted by:



Susan Hsieh, Director of Finance
Siew-Chin Yeong, Director of Public
Works

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Resolution Year End CIP FY 2023-24
2. CIP Estimated Changes in Fund Balance
3. FY24 Year-End CIP Report Presentation

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON
ACCEPTING THE FY 2023/24 YEAR-END FINANCIAL REPORT FOR THE CAPITAL
IMPROVEMENT PROGRAM (CIP) BUDGET AND AMEND THE FY 2024/25 CIP
BUDGET**

WHEREAS, each year a report of financial condition of the Capital Improvement Program is presented to the City Council which includes staff recommendations for budget amendments and carryovers; and

WHEREAS, staff presented to the City Council such a report for the fiscal year ending June 30, 2024.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES
RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

SECTION 1: City Council accepts the FY 2023/24 Capital Improvement Program Year-End Financial Report.

SECTION 2: City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Pleasanton at a regular meeting held on November 19, 2024.

I, Jocelyn Kwong, City Clerk of the City of Pleasanton, California, certify that the foregoing resolution was adopted by the City Council at a regular meeting held on November 19, 2024, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Jocelyn Kwong, City Clerk

APPROVES AS TO FORM:

Daniel G. Sodergren, City Attorney

CITY OF PLEASANTON, CA - CAPITAL IMPROVEMENT PROGRAM
Estimated Changes in Fund Balances, FY 2023/24

Fund	Fund Description	Beginning Balance FY24	FY24 Actual Revenue	FY24 Actual Expenses	Estimated Year-End Fund Balance	Recommended Revenue Carryforward	Recommended Expenditure Carryforward	Revised YE Fund Balance
160	Gas Tax	\$ 6,175,228	\$ 4,328,933	\$ 2,310,325	8,193,836	\$ -	\$ 7,591,469	\$ 602,367
162	Miscellaneous CIP Grants	(300,142)	4,592,529	4,574,367	(281,980)	5,692,633	5,692,633	(281,980)
163	Measure B Bike & Pedestrian	556,428	6,942	140,726	422,643	-	239,219	183,424
164	Measure B - Streets/ACTC	60,378	10	-	60,388	-	-	60,388
165	Measure BB Bike & Pedestrian	2,173,626	541,810	185,823	2,529,613	-	1,923,874	605,739
166	Measure F	474,080	364,964	-	839,044	-	799,822	39,222
167	Specific Plans	875,449	12,501	1,832	886,118	-	133,902	752,216
170	Measure BB - Streets/Roads	2,574,968	1,885,639	414,376	4,046,231	-	3,515,025	531,206
172	Transportation Development Grant	150,728	-	-	150,728	493,513	493,513	150,728
173	JDEDZ Transportation Fee	1,012,518	14,516	-	1,027,034	-	552,497	474,537
201	Miscellaneous CIP-Gen	29,027,075	4,096,038	4,037,869	29,085,244	-	9,515,671	19,569,573
202	Downtown & North Pleasanton CIP	3,317,594	131,618	-	3,449,212	-	3,040,525	408,686
203	Capital Facilities Impact Fees	758,902	1,315,012	16,715	2,057,199	-	2,010,794	46,405
204	Misc Developer Contributions	592,297	8,984	-	601,281	-	-	601,281
211	Street CIP - Gen	9,743,156	263,161	1,563,914	8,442,402	-	5,521,716	2,920,686
212	Traffic Impact Fees	10,542,467	842,578	475,252	10,909,794	-	10,867,827	41,967
214	Trivalley Transportation	2,308,725	109,552	-	2,418,277	-	1,852,517	565,760
215	Streets Developer Contribution	6,996,000	136,016	62,400	7,069,616	-	6,673,219	396,397
216	NPID I 82-4	1,202,283	17,107	52,693	1,166,696	-	1,145,810	20,886
221	Park CIP - Gen	2,390,166	1,706,432	559,234	3,537,364	-	367,705	3,169,659
222	Park Development Impact Fees	9,747,779	135,613	551,910	9,331,482	-	7,299,314	2,032,168
223	Parks Developer Contributions	332,813	4,752	527	337,038	-	-	337,038
241	Sewer Developer Contributions	42,633	608	-	43,241	-	-	43,241
421	Water Replacement CIP	6,153,976	8,062,115	13,497,916	718,174	13,134,550	10,958,464	2,894,260
422	Water Connection Fees	4,131,316	86,161	4,195	4,213,282	-	-	4,213,282
426	Recycled Water CIP	2,231,985	434,895	1,332,624	1,334,256	-	300,000	1,034,256
431	Sewer Replacement CIP	11,875,677	164,686	2,421,860	9,618,502	-	4,771,984	4,846,518
432	Sewer Connection Fees	3,169,355	101,434	102,907	3,167,882	-	39,609	3,128,273
441	Storm Drain Replacement/Renov	2,283,618	329,609	753,116	1,860,111	-	1,185,236	674,875
Total*		\$ 120,601,076	\$ 29,694,215	\$ 33,060,582	\$ 117,234,708	\$ 19,320,696	\$ 86,492,346	\$ 96,863,527

* Please note there is one capital project funded in non-capital funds. The remaining budget of \$80,938 for this project is recommended to be carried forward

Fund	Project	Carryforward Amount
129	COP Urban Forest Master Plan	\$ 80,938
	Total Carryforward from table above	86,492,346
	Adjusted Expenditure Carryforward	\$ 86,573,284

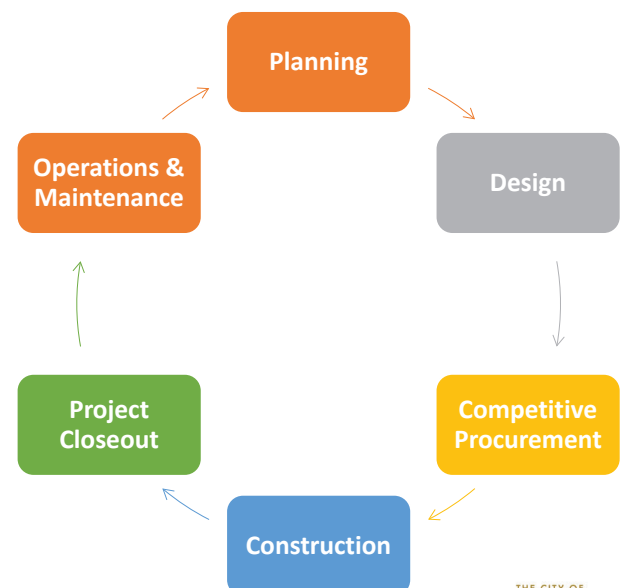
FY 2023/24 Year-End Report Capital Improvement Program

November 19, 2024 Council Meeting



Overview

- Capital projects are multi-year projects
- Project carryforwards will be spent in future years
- Establishing capital projects creates opportunities for pursuing grant funds
- Infrastructure investments are critical in supporting a livable, vibrant community



\$86.5 Million CIP Carryforward

- The carryforward balance reflects unspent budget, not total project budgets
 - \$61.4 million supports active projects
 - \$19.7 million is in reserves or on-hold projects
 - \$5.4 million is planned for future projects
- \$69.9 million in restricted funds
 - Enterprise Funds
 - Development Impact Fees
 - Transportation Funds (Gas Tax, Measure BB, VRF)
 - Grant Funds
- \$16.6 million in non-restricted funds
 - Allocated primarily toward life and safety and FY 2022/23 storm repair projects



3

Summary of Carryforwards by Project Category

Category	FY 2023/24 Budget	FY 2023/24 Actuals	FY 2024/25 Carryforward
Facilities	\$ 14,707,873	\$ 1,167,852	\$ 4,271,044
Miscellaneous	7,097,312	1,026,286	5,721,026
Parks	18,432,488	1,714,840	7,583,847
Sewer	5,960,581	1,113,957	4,811,593
Storm	1,871,035	260,800	1,185,236
Transportation & Streets	63,110,608	8,215,432	51,742,075
Water	16,544,288	4,263,914	11,258,464
Total	\$ 127,724,185	\$ 17,763,080	\$ 86,573,284



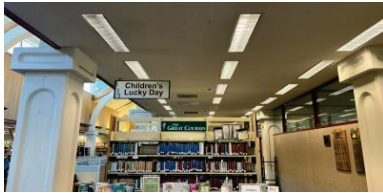
4



Completed Projects in FY 2023/24

- Library Roof Replacement
- Fire Station 3
- Bernal Bridge Abutment
- Annual Street Resurfacing
- Annual Sidewalk and Intersection Ramp Improvement
- Annual Slurry Seal
- Annual Traffic Button and Line Marker
- Val Vista Underdrain Improvements
- Val Vista Community Park Playground Replacement
- Library Roof and Window Replacement
- OSC Generator Replacement
- Alviso Adobe South Wall Repair
- Citywide fence installation and repair
- St. Mary Street Parking Lot Lighting Improvements
- Augustin Bernal Mountain Bike Trail
- Cricket Pitch at Ken Mercer Sports Park

5



\$61.4 Million of Projects in Active Design/Construction

- Annual Water Distribution System Improvements
- Storm Drain Improvements
- W. Las Positas Blvd. Multimodal Reconstruction
- Library Lighting
- Hopyard Rd and Owen Dr. Intersection
- Lions Wayside and Delucchi Parks
- Police Department Shooting Range
- Water System Management Plan
- Bernal Ave Water Line Improvements
- Ken Mercer Motor Control Center Replacement
- Valley Avenue Soundwall Construction
- Annual Repaving Program
- Annual Curb and Gutter Program

6

CIP Next Steps

- Planning for the Future
 - Water System Management Plan
 - Sanitary Sewer Management Plan
 - Asset Management Plan
 - Storm Drain Management Plan
 - Recycled Water Management Plan
- Adopt a CIP Prioritization Program
- Develop a Five-year CIP (FY 2025/26 thru FY 2030/31)



carollo



7

Recommendation

- Staff recommends that the Council receive the year-end report and approve the recommended carryovers



8

Thank You!



November 19, 2024
Community Development

TITLE: RECEIVE PRESENTATION ON DRAFT IMPACT FEE NEXUS STUDIES AND PROVIDE INPUT ON RECOMMENDED CAPITAL FACILITIES FEE, TRANSPORTATION IMPACT FEE, COMMERCIAL LINKAGE FEE, AFFORDABLE HOUSING FEE, AND SEWER AND WATER CONNECTION FEE AMOUNTS

SUMMARY

This study session presents drafts of two separate nexus/fee update studies that support: Update of the City's existing Capital Facilities Fee, Traffic Impact Fee, Commercial Linkage Fee (for housing), and Affordable Housing Fee, and Update of the Sewer and Water Connection Fees. Staff is seeking City Council input and direction on the studies, including the levels at which the various fees should be set.

RECOMMENDATION

Receive presentation on Draft Impact Fee Nexus Studies and provide input on recommended Capital Facilities Fee, Transportation Impact Fee, Commercial Linkage Fee, Affordable Housing Fee, and Sewer and Water Connection Fee amounts.

BACKGROUND

Since early 2024, City staff and a professional services team lead by Economic & Planning Systems (EPS) have been undertaking work to update the City's Development Impact Fees and Affordable Housing Fees, and to update the existing Inclusionary Zoning Ordinance (IZO). Related to the IZO update, amendments are also proposed to PMC Chapter 17.40 - Affordable Housing Fee, Chapter 18.38 – Housing Opportunity Zone District, and the Objective Design Standards for Housing Element Sites to align with the amendments to the IZO and other clarifying changes. As a separate effort, the City, working with Raftelis, is also completing a study to update the local water and wastewater (sewer) Connection fees.

The City Council held two workshops (May 7 and August 20, 2024) as part of the study process, with the latter focused on the update of the IZO.

At the May 7 meeting, the City Council reviewed and discussed the results of the initial analysis completed by EPS and Raftelis, including an evaluation of potential changes to the affordable housing inclusionary rate, along with other initial findings and recommendations with respect to impact fees more generally. The analysis found that new growth and the cost of infrastructure and facilities to serve it could justify significantly higher impact fees. However, the report notes there are trade-offs to be considered – in particular, setting fees at a very high level could have the negative consequence of discouraging, or making infeasible, new development or investment in the city – which could have longer-term fiscal impacts.

Regarding the water and wastewater connection fees, the initial analysis found that the City's

fees are substantially lower than neighboring agencies' due to the length of time since the last fee updates, and it was staff's recommendation, supported by the City Council, to accept the maximum rate increase identified in the draft study.

At the August 20 meeting, the City Council provided direction on several aspects of the IZO, including the inclusionary rate, which the City Council supported setting at 15% for all project types (single-family and multi-family), with recommended target affordability levels for each project type. These recommendations are reflected in the Draft Inclusionary Zoning Ordinance, which the City Council reviewed on October 15, and is presented to the City Council for adoption at this November 19 meeting as a separate agenda item.

DISCUSSION

Regulatory Requirements

State law, specifically Government Code 66000 et. seq. (also known as AB 1600 or the Mitigation Fee Act) and the more recently adopted AB 602, includes various requirements with respect to the development and implementation of fee programs. Note that AB 1600 and AB 602 relate specifically to development impact fees, (i.e., in Pleasanton, the Capital Facilities Fee (CFF) and Transportation Impact Fee (TIF), as well as the Commercial Linkage Fee (fee charged to commercial development to mitigate housing impacts)). The nexus studies have been completed in accordance with all statutory requirements.

Among the requirements of AB 602 is for impact fees to be charged on a per square foot basis, unless analysis can otherwise show that a different methodology is appropriate. Under AB 602 (Government Code Section 66019.A), water, wastewater and similar utility-related fees are not required to be calculated on a per square foot basis.

The City's affordable housing fees are a separate category of fee, related to the City's inclusionary zoning requirements. As such, they are not "mitigation fees" subject to the requirements of AB1600/AB 602; rather, they are authorized under the general police powers given to local agencies to regulate the development and use of property. However, it is best practice for such in-lieu fees to be calculated based on a clear and defensible methodology, and for the inclusionary rate to be considered in the context of development feasibility to ensure it does not present an impediment to residential development.

Calculation of Maximum Fee Amounts

The largest part of the fee study is dedicated to outlining the methodology and calculation of various fees. It is noted the studies provide a calculation of the maximum allowable fee that the City can charge based on the nexus requirements of AB1600, or for the commercial linkage and affordable housing fee, that is otherwise supported based on the analysis. As described later in this report, as a policy matter, the City can elect to set the fee levels at, or below, the maximum amount justified by the study.

Development Impact Fees and Affordable Housing Fee Study

EPS has prepared the *Draft Fee Update and Nexus Study – City of Pleasanton Development Impact, Commercial Linkage and Housing In-Lieu Fee*, which includes the necessary background, analysis, and documentation to support the adoption of updated fees. (Attachment 1)

The study addresses three main categories of fees:

1. Development Impact Fees, which include the City's Capital Facilities Fee (CFF) and Transportation Impact Fee (TIF), and which offset the cost of new and expanded public facilities and infrastructure to meet the demands of new residents and employees associated with new development.
2. A Commercial Linkage Fee with respect to housing, which is intended to offset or capture the impact of new commercial development on the demand for affordable housing, in the form of contributing new employees and related housing demand.
3. An Affordable Housing Fee, also known as an "inclusionary in-lieu fee," is levied for residential projects that are not required to build on-site affordable housing units, or that may be permitted by the City to pay fees "in-lieu" of constructing units on-site.

Capital Facilities and Transportation Impact Fees

The study outlines the methodology, assumptions and other input used to calculate the CFF and DIF, including the following basic steps:

- Estimates of projected future population and employment growth, amounting to a future estimated "service population" of residents and employees of approximately 128,510, an increase of approximately 29,167 over today's service population (99,343). This increase in service population represents 22.7% of the service population total at the time of buildout.
- Evaluation of the necessary infrastructure and capital improvements to serve the future service population, exclusive of water and sewer improvements that are part of a separate fee study (see below).
- Cost estimates of these infrastructure and capital improvements, based on information provided by City staff and other research.
- The allocation of costs between existing and future development, and between residential and commercial uses to derive a cost per resident and per employee.
- Multiplication of those costs per resident or employee, by the future service population.

With respect to capital facilities and infrastructure, the study uses a "service level" approach that determines facility improvements primarily by calculating the City's existing service levels and extrapolating the future needs based on the available facilities today. Certain specialized facilities, such as the aquatic center and cemetery have unique characteristics that mean the service level model works less well; those facilities costs are called out separately. The study also accounts for those facilities planned or included in the City's 5-year CIP, as well as various infrastructure master plans and similar documents. It is noted that AB 602 requires jurisdictions to adopt a "capital improvement plan" as part of the nexus study process. As outlined in the nexus study, the report includes the "Pleasanton DIF Long-Term Capital Improvement Plan (Pleasanton DIF CIP)", which is included in the report as Appendix Table A-1. The Pleasanton DIF CIP is specific to the nexus study, and correlates with, but does not supersede, the City's 5-Year Capital Improvement Plan (5-Year CIP)

Rather than listing every project that may be funded by fees, the nexus study identifies a set of facility categories, within which eligible projects must fit. This approach provides the City with the most adaptability to deploy impact fees based on its priorities and needs over coming years, while providing enough definition to guide the legal use of those fees pursuant to AB

1600. As noted, impact fees can only be used to meet the proportion of facilities costs associated with new development; based on the future service population, this amounts to 22.7% of those facilities costs. This proportion is reflected throughout the impact fee calculations.

A summary of the maximum fee amounts derived from the study is provided in Table 1, below. Note that these fees are shown on a per unit basis for residential development, to provide an easier “apples to apples” comparison with current fee amounts. A separate calculation is applied to translate this into a per square foot amount, for single-family and multi-family development (see Tables 25 and 26 in Attachment A).

It is further noted the fee includes a 2% Administrative Charge. This charge supports the costs for the City to collect, report on, and administer the fee, and helps to address the cost of this and future updates of the fee (see Fiscal Impact Analysis section, below).

Table 1: Capital Facilities and Transportation Fee, Maximum Amounts

	Capital Facilities Fee		Transportation Impact Fee		
Land Use	Current Amount	Maximum Amount¹	Current Amount	Maximum Amount¹	Total Max. Fee
Residential (per unit)					
Single-Family	\$20,483	\$29,677	\$11,642	\$20,565	\$50,243
Multi-Family	\$14,593	\$21,016	\$7,158	\$11,158	\$32,174
Non-Residential (per square foot, except Lodging)					
Office (per sq.ft)	\$2.97	\$13.41	\$18.17	\$31.50	\$44.92
Commercial/Retail (per sq.ft)	\$2.16	\$9.15	\$26.71	\$48.35	\$57.50
Industrial (per sq.ft) ²	\$0.95 to \$2.38	\$4.02	\$10.99	\$17.94	\$21.96
Lodging (per	\$1,173	\$671	\$7,675	\$12,908	\$13,579

room)					
Other Uses (per trip)	N/A	N/A	\$11,642	\$21,449	\$21,449
1. Includes 2% administrative charge 2. Existing City fee schedule includes Warehouse (\$0.95/sq.ft.), Light Manufacturing (\$0.95), and Research & Development (\$2.38 sq. ft) land use categories. These fees are proposed to be consolidated into a single "Industrial" land use category.					

As shown in Table 2, below, the residential fees include a per square foot charge applicable to most units (between 824 square feet - 4,500 square feet for single-family and between 417 square feet - 1,600 square feet for multi-family). Fees are capped on a per unit basis with a ceiling and floor for large and small projects, respectively, due to nexus considerations (i.e., it is more difficult to demonstrate that units above or below a certain size have proportionally higher / lower impacts).

Table 2: Maximum Capital Facilities and Transportation Fee (Combined), Per Square Foot

Unit Type	Fee per Square Foot
Single-Family	\$20.10 per square foot (Units 824-4,500 square feet)
	Minimum Fee (Units 824 square feet or less: \$16,567
	Maximum Fee: Units 4,500 square feet or more: \$90,437
Multi-Family	\$35.95 per square foot
	Minimum Fee (Units 417 sq.ft or less): \$14,982 per unit
	Maximum Fee (Units 1,600 square feet or more): \$57,517 per unit

Commercial Linkage Fee for Affordable Housing

The Commercial Linkage Fee represents the fee charged to commercial projects (i.e., office, retail, industrial developments) to offset or mitigate the demand they generate for new affordable units.

EPS' analysis, contained in Chapter 5 of the study, uses projections of the estimated worker households at different affordability levels associated with new development, based on the occupational category and wage distribution of those households. Then the study estimates the "affordability gap" between market-rate units to accommodate those households, and the subsidy necessary to provide housing at affordability commensurate with those households' needs. The aggregate subsidy is divided among the projected square footage of new non-residential development, to determine the commercial linkage fee on a per square foot basis. The maximum fee amounts resulting from this calculation are summarized in Table 3, below.

Table 3: Commercial Linkage Fee, Maximum Amounts

Land Use Category	Current Fee Amount	Maximum Justifiable fee (per Square Foot)
Commercial/Retail	\$5.38	\$578.73
Office	\$8.98	\$142.42
Lodging	\$3.71	\$72.86
Industrial	\$14.91	\$143.39

As shown, the fee amounts are considerable, and far exceed the feasible amounts that could be paid by new commercial development – this imbalance is a common result in these types of analyses. As such, and as discussed in more detail below, it will be necessary to set the fee at a fraction of the maximum.

Affordable/Inclusionary Housing Fee

The Affordable Housing Fee is applied to small residential projects, below the size threshold to require on-site inclusionary units, and to larger projects subject to the inclusionary requirement, but for which the City may grant approval to pay fees in lieu of on-site construction. Chapter 7 of the study provides the detailed analysis for calculation of the fee.

The maximum justifiable amount of this fee is established based on the cost otherwise incurred to subsidize construction of affordable units on-site, in the proportion and at the affordability levels specified in the City's Inclusionary Zoning Ordinance, as proposed to be revised. Following the Draft IZO update, the study uses an inclusionary rate of 15% for all housing types, including ownership and rental projects. As suggested by City Council, the IZO establishes target incomes at 50% and 60% AMI for rental projects, and 120% AMI for ownership projects.

To calculate the maximum supportable fee, EPS developed prototype projects (single-family detached, townhome and multifamily apartments) to model overall development costs, and market-rate and affordable home values to understand the subsidy necessary for the affordable units. Each maximum justifiable in-lieu fee is summarized in Table 4, below:

Table 4: Inclusionary Housing In-Lieu Fee, Maximum Amounts

Unit Type	Current Fee Amount (per unit)	Current Fee Amount (per square foot equivalent) ¹	Maximum Fee (per square foot)
Single-Family Detached	\$52,203	\$17.40	\$84.24
Townhome	\$51,077	\$25.54	\$42.10
Multi-Family (Condominiums)	\$51,077	\$63.84	\$54.87
Multi-Family (Rental)	\$51,077	\$63.84	\$69.19
1. Assumes Single Family Detached unit is 3,000 sq.ft, townhome is 2,000 square feet, and multi-family condos and rental units are 800 square feet			

Water and Wastewater Connection Fees

Raftelis has prepared the *Draft Water and Wastewater Connection Fee Study*, which includes the necessary background, analysis and documentation to support the adoption of updated fees. (Attachment 2)

The study addresses the water and wastewater connection fees which covers the cost for new and expanded water and sewer infrastructure (pipes, tanks, pump stations, etc.) to meet the demands of new residents and employees. The analysis breaks down the demands and costs for new development into a base rate for a single-family residential (SFR) home and then scales the rates in comparison to the base capacity/demand. For water, the base rate is based on the smallest meter offered by the City which is a 5/8" meter which accommodates the typical SFR home.

For wastewater, the base rate is based on SFR home unit and then scaled by equivalent dwelling units (EDU) ratios for different customer classifications. The EDU converts the wastewater demands from a SFR home to various customer classifications based on per square foot basis and incorporates a factor to adjust for the strength of the wastewater. The EDUs were previously established by the City and Dublin San Ramon Services District (DSRSD), which operates the facility that treats the wastewater conveyed to it through the City-operated sewer system.

Tables 5 and 6 indicate the maximum justifiable connection fee amounts, for water and wastewater, respectively.

Table 5: Water Connection Fees (See Attachment 2, Tables 8 and 9 for full list of water connection fees)

Meter Size	Meter Capacity	Current Fee	2024 Update Maximum Allowable	Percent Change
5/8"	25	\$1,200	\$2,721.29	227%
3/4"	35	\$1,800	\$3,809.81	212%
1"	55	\$3,000	\$5,986.84	200%
1.5"	120	\$6,000	\$13,062.20	218%

Table 6: Wastewater Connection Fees by Equivalent Dwelling Unit (See Attachment 2, Table 10 for full list of wastewater connection fees)

	EDU Ratio	Factor	Current Fee	2024 Update Maximum Allowable	Percent Change
Single Family Residential (SFR)	1	unit	\$500	\$556.24	111%
Secondary Dwelling Unit	0.004	square foot	\$2	\$2.22	111%

Townhome/Duplex	1	per unit	\$500	\$556.24	111%
Condominium	0.75	per unit	\$375	\$417.18	111%
Apartment/Mobile Home	0.66	per unit	\$330	\$367.12	111%

Recommendations and Alternatives for Development Impact Fees, Commercial Linkage Fees and Housing In-Lieu Fees

Table 7 summarizes each of the fees, and the maximum supportable fee levels, for the CFF, TIF, Commercial Linkage and Inclusionary Housing In-Lieu Fee (Affordable Housing Fee).

Table 7: Summary of Development Impact Fees and Housing Fees – Maximum Amounts

Land Use	Capital Facilities Fees ¹	Transportation Fee ¹	Commercial Linkage Fee	Inclusionary In-Lieu Fee
Residential (per sq. ft.)				
Single Family Detached	\$11.87	\$8.23		\$84.25
Multifamily Rental	\$23.48	\$12.47		\$69.19
Nonresidential (per sq. ft.)				
Office	\$13.41	\$31.50	\$142.42	
Retail	\$9.15	\$48.35	\$578.73	
Industrial	\$4.02	\$17.94	\$143.39	
Lodging	\$1.34	\$25.82	\$72.86	

(1) Includes 2% administrative charge.

Policy Considerations

As outlined above, the fee study indicates that increases to the majority of the City's fees can be justified based on the analysis. In some cases, the fee increases, if charged at the maximum rates justified, could be substantial and, in the aggregate, could cause projects to become financially infeasible, based on reasonable development expectations regarding returns on investment. As such, it could negatively impact the City's ability to see longer-term returns of property tax and sales tax revenue that come with new investment or affect the ability to meet other policy goals such as achieving Regional Housing Need Allocation (RHNA) targets.

Alternatively, the City could choose to actively seek to support certain types of investments or land uses, by setting fees somewhat lower, making the overall prospect of developing in

Pleasanton relatively more attractive as a location for new commercial and/or residential development.

If the City Council agrees it is prudent not to set some or all fees at the maximum, then there are policy decisions to be made about which specific fees should be reduced. For example, as a matter of policy, the City Council could decide it is preferable to collect more TIF by setting it at or close to the maximum supportable amount; however, doing so would require a reduction in another fee category, such as the CFF or commercial linkage fee for affordable housing, to keep the fee burden within the feasible range.

To help frame the recommendations and alternatives, EPS developed estimates of the capacity of various types of residential development to absorb fee increases, while remaining financially feasible. In cases where the aggregate increases in fees would exceed this fee burden capacity, options are provided for City Council consideration with respect to fee adjustments.

As a second point of reference, and with the assumption that Pleasanton wishes to remain somewhat comparable or competitive with peer jurisdictions, EPS summarized the average fee burden charged by our peer jurisdictions in those same development categories where feasible. This analysis resulted in a series of alternatives for City Council consideration, for each of the major land use categories.

Residential: Single-Family Detached Fee Alternatives

Two alternatives are proposed, summarized below and with the resultant fee amounts shown in Table 8.

Alternative 1: Adopt all fees at the maximum level supported by the fee and nexus studies.

Alternative 2: (Recommended)

- Charge the CFF and TIF at the maximum level; and
- Set the Affordable Housing Fee in-lieu at \$42.10 per square foot, equivalent to the maximum fee for townhome units.

Table 8: Single-Family Detached: Fee Alternatives

	Alternative 1 (Maximum Fee Amounts)		Alternative 2: Reduce In-Lieu Housing Fee (Recommended)	
	Fee (Per Sq. Ft.)	Fee (Per Unit)	Fee (Per Sq. Ft.)	Fee (Per Unit)
Capital Facilities Fee	\$11.87	\$35,613	\$11.87	\$35,613
Transportation Fee	\$8.23	\$24,678	\$8.23	\$24,678
Affordable Housing Fee	\$84.25	\$252,750	\$42.10	\$125,300
Total Fee Burden	\$124.44	\$313,041	\$62.20	\$186,591
<i>Estimated Fee Burden "Capacity"</i>	\$228,280			

Peer Jurisdictions: \$162,890
Average Fee
Burden

Staff recommends Alternative 2, which discounts the affordable housing in-lieu fee to a level that is within the feasible burden, and similar to the total fee burden charged by peer jurisdictions.

While this may have the consequence of encouraging more projects to seek to “fee out” of their on-site affordable requirement, the City Council would have the discretion to approve such requests, and even if such requests were approved, it would not have a significant effect on affordable housing production. At the same time, this alternative would reduce burden on smaller residential projects that qualify to pay the fee per the IZO. These small projects, that usually involve one or a handful of single-family units on infill sites, are predominantly built by individuals and small investors, and comprise the largest share of remaining new single-family home construction in Pleasanton.

Residential – Townhomes: Alternative

It is recommended the City adopt CFF, TIF and Affordable Housing Fees at the maximum level supported by the study for townhome projects. No other alternatives are proposed for this fee category. See Table 9

The total fee burden is within the estimated capacity for this type of development, meaning it can support the increased fees as recommended and justified by the fee study. Note that the peer cities comparable average is not provided for townhomes, because staff found that different jurisdictions classify and/or group townhomes differently, with some putting them into the same category as detached SFR, and others grouping them with attached units such as apartments.

Table 9: Residential Townhomes – Fee Recommendation

	Recommendation: Adopt Maximum Fees	
	Fee (Per Sq. Ft.)	Estimated Fee (Per Unit) ¹
Capital Facilities Fee	\$11.87	\$23,742
Transportation Fee	\$8.23	\$16,452
Affordable Housing Fee	\$42.10	\$84,200
Total Fee Burden	\$62.20	\$124,394

Estimated Fee Burden “Capacity” \$118,096

1. Representative fee, for a typical 2,000 sq. ft. townhome unit

Residential – Multi-family (Rental Apartments and Condominiums): Alternatives

As previously noted, market conditions for the construction of multi-family projects are extremely challenging at present. Based on EPS’ analysis, under current conditions there is no capacity to increase fees, since development costs, in general, including fees under today’s rates, cannot produce financially feasible projects. With this in mind, two alternatives are proposed, with Alternative 2 having two sub-options:

Alternative 1: Retain aggregate local fees (Impact Fees and Affordable Housing Fees) for multi-family development at approximately the same level as today (\$92.00 per square foot)

Alternative 2: Reduce aggregate fees to match the average of comparable peer cities, that is approximately \$78.00 per square foot, or \$62,500 per unit (peer jurisdictions are Dublin, Livermore, San Ramon, and Walnut Creek).

In this alternative, the reductions could be achieved, depending on the policy priorities of the City Council by either:

- Option 2A: Lowering the Affordable Housing In-Lieu Fee
- Option 2B: Lowering the CFF and TIF.

The alternatives are illustrated in Table 10, below:

Table 10: Residential Multi-Family – Fee Alternatives

	Alternative 1 Retain Existing Aggregate Fee Level		Alternative 2 Lower Aggregate Fee to Regional Average			
	Fee (Per Sq. Ft)	Fee (Per Unit)*	Alternative 2A Reduce Affordable Housing Fee, Maximize CFF and TIF		Alternative 2B Reduce CFF and TIF, Maximize Housing Fee	
			Fee (Per Sq. Ft.)	Fee (Per Unit)*	Fee (Per Sq. Ft.)	Fee (Per Unit)*
Capital Facilities Fee	\$23.48	\$18,785	\$23.48	\$18,785	\$5.86	\$4,685
Transportation Fee	\$12.47	\$9,973	\$12.47	\$9,973	\$3.11	\$2,488
Affordable Housing Fee	\$56.05	\$44,841	\$42.21	\$33,766	\$69.19	\$55,352
Total Fee Burden	\$92.00	\$73,600	\$78.16	\$62,525	\$78.16	\$62,525
<i>Estimated Fee Burden "Capacity"</i>	\$0					
<i>Peer Jurisdictions: Average Fee Burden per Unit</i>	\$62,525					

Staff recommends **Alternative 2A**, to reduce the Affordable Housing In-lieu fee, and charge the TIF and CFF at the maximum supportable, with the aggregate fees at the average of peer jurisdictions.

While this may encourage more projects to seek to "fee out" of their on-site affordable housing requirements, doing so would be at the discretion of City Council, with no obligation to approve such requests. At the same time, heavily discounting the CFF and TIF will impede the City's ability to provide new transportation and capital facilities infrastructure to meet the needs of

this new development, which will constitute the largest share of new growth in Pleasanton in coming years. To the extent multi-family development is viable anywhere in the Tri-Valley, Pleasanton's fees will be on a par with peer jurisdictions.

In conjunction with Option 2A, as a secondary recommendation, and as discussed at the August 2024 meeting, the City Council could consider offering near-term relief to residential multi-family projects by allowing multi-family projects to "fee out" of up to 33% of their inclusionary requirement (without additional City Council approval), for a period of up to two years following the effective date of the IZO's adoption.

This strategy would recognize the challenges of the current market, and interest in promoting multi-family development to help meet the City's RHNA. As currently proposed, the fee would represent a lower cost than the cost to construct on-site, providing some financial relief for these projects, while still having them mitigate the majority of their affordable housing demands on-site. The disadvantage of this approach is that it would potentially reduce the number of deed-restricted affordable housing units constructed during the initial period.

Non-Residential Fees

For non-residential development, for simplicity, the alternatives are presented using the "Office" land use category only, rather than providing a multitude of scenarios for each commercial land use type. The Office category serves as an appropriate proxy because non-residential impact fees are usually derived using similar per unit demand factors (e.g., trips or employees per square foot) that vary proportionally by land use category (e.g., the relationship between office and industrial fees are roughly similar by City).

That said, some cities provide policy-based fee discounts to incentivize certain types or locations of development (e.g., for retail or near transit). The recommendation for Office would be carried forward to other non-residential uses in a proportionate manner, unless the City Council wanted to explore alternatives that would (for example) discount fees for one type of use compared to another.

It is further noted that the maximum Commercial Linkage fee for affordable housing, justified by the study, is well above any feasible level. Therefore, the alternatives provided below assume the existing commercial linkage fee per square foot as the baseline, with changes up or down from this level.

Three alternatives are presented, and illustrated in Table 11:

Alternative 1: Increase CFF and TIF to Maximum Supportable. This alternative would set the CFF and TIF fee at the maximum supportable by the Nexus Study; that is \$13.41, and \$31.50 per square foot, respectively. The Commercial Linkage Fee would remain at its current rate (\$3.71). The aggregate fee would total \$48.62 per square foot.

Alternative 2: Retain the total aggregate existing fee, inclusive of the CFF, TIF and Commercial Linkage Fee of \$30.12/square foot. In order to retain the existing fee, the TIF and CFF would be set to equal one another (at \$13.41 per square foot) and the remaining fee amount (i.e., \$3.29) would be allocated to the Commercial Linkage fee.

Alternative 3: Lower the total aggregate fee to \$22.78, reflective of the average fee burden

across peer jurisdictions (Dublin, Livermore, San Ramon, Walnut Creek). In order to lower the overall fee burden, each fee amount from Option 1 would be further reduced by about 24%.

Table 11: Non-Residential – Fee Alternatives

	Alternative 1 Increase CFF and TIF to Maximum Allowable	Alternative 2 Match Existing Aggregate Fee	Alternative 3 Discount Fee to Match Peer Cities Average
	Fee per Sq. Ft.	Fee Per Sq. Ft.	Fee Per Sq. Ft.
Capital Facilities Fees	\$13.41	\$13.41	\$10.15
Transportation Fees	\$31.50	\$13.41	\$10.15
Commercial Linkage Fee	\$3.71	\$3.29	\$2.49
Total Fee Burden	\$48.72	\$30.12	\$22.78
<i>Peer Jurisdictions:</i>	\$22.78		
<i>Average Fee Burden per Sq. Ft</i>			

Staff recommends the City Council adopt Option 3, which would bring the aggregate multi-family fee down to be more in line with that of the average of peer jurisdictions and ensure that Pleasanton remains regionally competitive as a location for commercial investment.

To the extent commercial development is financially viable anywhere in the Tri-Valley or within peer cities, Pleasanton’s fees will be on a par with peer jurisdictions. Setting the fee higher than this level is not recommended, because it would make Pleasanton less competitive as a location to do business in the region, potentially affecting long-term investment and property and sales tax revenue.

Applicability of Updated Fees to Projects in Process

With respect to projects in process and with active applications, it is recommended City Council adopt a policy regarding applicability of the new fees to such projects. While some projects are “vested” to the existing fees pursuant to State law (e.g. SB 330, Subdivision Map Act), it would be beneficial to provide clarity to current applicants as to the fees to which they will be subject. Attachment 3 provides a draft recommended policy with respect to projects in process – this is modeled on a similar policy adopted with the 2018 update, and generally proposes that the following types projects will still be subject to the existing fee, after the new fees are adopted:

- Projects not subject to legislative approval (i.e. not requiring a zoning or General Plan amendment, or subject to annexation), if “deemed complete” by the effective date of the fees
- Projects subject to legislative approval, if “deemed complete, or have been in process for three months or more, or accomplished other milestones constituting a significant financial investment, such as initiation of a CEQA process, or conducting a City Council or Planning Commission work session, by the effective date

- Project with a Building Permit application deemed substantially complete by the effective date.

These provisions would not supersede or replace vesting conferred by provisions of State law or an existing Development Agreement, would still apply any annual cost adjustments as reflected in the Pleasanton Municipal Code, and would not preclude the City and a developer from negotiating fees as part of a development agreement or similar mechanism.

Summary of Recommendations

For convenient reference, the various fees and the alternatives are summarized below:

Topic	Summary of Alternatives and Staff Recommendation
1. Sewer and Water Connection Fees, All Connection Types	No Alternatives proposed RECOMMENDATION: Adopt Sewer and Water connection fees at Maximum Levels
2. Single Family Detached, TIF, CFF and Affordable Housing Fees	Alternative 1: Adopt maximum fee levels Alternative 2: Reduce Single Family Detached Affordable Housing In-Lieu fee amount to \$42.10 per square foot to match Townhomes RECOMMENDATION: Adopt Alternative 2
3. Residential Townhomes, TIF, CFF and Affordable Housing Fees	No Alternatives proposed RECOMMENDATION: Adopt CFF, TIF and AH In-Lieu Fees at Maximum Levels
4. Residential – Multifamily Apartments and Condominiums, TIF, CFF and Affordable Housing Fees	Alternative 1: Maintain existing aggregate fee level • Alternative 2: Reduce aggregate fee level to the average of peer jurisdictions ○ Option 2A: Focus reductions on Affordable Housing In-Lieu Fee, with secondary recommendation for 2 year “fee out” option for up to 30% of inclusionary units ○ Option 2B: Focus reductions on CFF and TIF RECOMMENDATION: Adopt Alternative

	2A
5. Commercial, TIF, CFF and Affordable Housing Linkage Fee	Alternative 1: Increase CFF and TIF to Maximum Allowable Alternative 2: Maintain existing aggregate fee level Alternative 3: Reduce aggregate fee level to the average of peer jurisdictions <u>RECOMMENDATION:</u> Adopt Alternative 3, to set commercial impact fees at the average of peer jurisdictions
6. Policy for Applicability of Updated Fees	<u>RECOMMENDATION:</u> Adopt Policy as outlined in Attachment 3, which would provide exceptions for development projects that are in process

Next Steps

Based on City Council direction, staff will update and prepare final drafts of the two fee studies, and the PMC and ODS Amendments for formal review and adoption in December. The City Council will also consider adopting the new Capital Facilities, Transportation, Commercial Linkage, Water and Wastewater Connection, and Affordable Housing Fees.

Pursuant to State Law, fees become effective 60 calendar days after adoption. Therefore, if the second reading of the ordinances for adoption are held on January 7, 2025, the fees would become effective on March 8, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The adoption of the amendments to the various fees are not considered a project under CEQA Guidelines Section 15378 because the amendments do not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; the amendments create government funding mechanisms which do not involve any commitment to any specific project. As projects are developed and proposed for implementation, the environmental impacts of such facilities would be evaluated in accordance with CEQA

EQUITY AND SUSTAINABILITY

Adopting the updated fees helps to advance equity and sustainability goals by ensuring that new development contributes to the necessary facilities and infrastructure, including upgrading buildings and facilities to meet energy efficiency standards, and expanding facilities to meet the needs of all segments of the community. Updating affordable housing fees will help to increase the inventory of below-market rate units by collecting fees that support the City's affordable housing programs and production.

OUTREACH

Notice of this meeting was placed in the Valley Times, and interested parties requesting

notification were also sent notices, as were developers whose email contact information is maintained by the City.

Staff presented the key findings of the fee update to meetings of the Chamber of Commerce Economic Development and Government Relations (EDGR) Committee, and the City's Economic Vitality Committee, at meetings in October.

STRATEGIC PLAN ALIGNMENT

Completion of these updates is consistent with the ONE Pleasanton Strategic Plan and with the 6th Cycle Housing Element:

ONE Pleasanton Strategic Plan.*Goal A – Funding Our Future:* Strategy 7: Conduct an analysis and update development fees to keep pace with new development costs.

Housing Element Program 2.1: Continue to implement the Inclusionary Zoning Ordinance and actively pursue strategies to improve its effectiveness in producing affordable housing units in conjunction with new development. The following actions will be undertaken by the City:

- Study the following amendments to the Inclusionary Zoning Ordinance and adopt such amendments provided they are not found to be an undue constraint on the production of housing:
 - An increase to the proportion of inclusionary units required in multi-family projects to be up to 20 percent, rather than the current 15 percent requirement. Identification of a target mix of affordable units (including proportions of very-low, low- and moderate-income units), with the potential for an alternative mix of affordability to be proposed and approved if it would better meet other housing policy objectives to do so. For example, if the project provided deeper affordability, and/or resulted in the production of units suitable for special needs groups such as seniors or persons with mental or physical disabilities. Target affordability mix and unit size standards, including a required proportion of larger (three or more bedroom) lower-income units, may be implemented through Objective Design Standards (Program 4.2) or the amended Inclusionary Zoning Ordinance.

Housing Element Program 2.2: Require new commercial development to pay the Lower-Income Housing Fee established by City Ordinance and adopted by the City, or to otherwise mitigate demand for new employee housing as allowed by the Pleasanton Municipal Code (e.g., through construction of units or dedication of land). Regularly evaluate the amount of these fees to ensure that they: (1) remain commensurate with the needs generated by the development; (2) are established at a level proportionate with the actual cost to provide new housing; and (3) are in conformance with State law while ensuring that Pleasanton remains locally and regionally competitive in attracting new commercial investment.

FISCAL IMPACT

Adopting the fees would have a neutral or beneficial fiscal impact, since it would better align proposed fees levied on new development with the capital facilities, infrastructure and housing

needs of the community, as documented in the EPS and Raftelis Fee studies. The TIF and CFF are proposed to include a 2% administrative charge, which is permissible to address the administrative costs of preparing, revising and updating the Nexus Studies; as these fees are received, they may be used to reimburse the General Fund for the cost to prepare the current Nexus Studies and future updates. The total amount authorized by City Council for the 2024 Nexus Study update is \$203,928.

Prepared by:



Ellen Clark, Director of
Community Development

Submitted by:



Ellen Clark, Director of Community
Development

Approved by:



Gerry Beaudin, City
Manager

Attachments:

1. Draft Nexus Study - City of Pleasanton Development Impact Fee and Affordable Housing Impact Fee
2. Draft Water and Wastewater Connection Fee Study
3. Draft Policy Regarding Applicability of Updated Fees to Projects in Process
4. Presentation Slides

Draft Fee Update and Nexus Study

City of Pleasanton Development Impact Fee, Commercial Linkage Fee, and Affordable Housing In- Lieu Fee

The Economics of Land Use



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1. Introduction and Results

Introduction

This Fee Update and Nexus Study (Nexus Study) is designed to provide the City of Pleasanton with the necessary technical documentation to support the adoption of an update to the City's Development Impact Fee (DIF), Commercial Linkage Fee (CLF), and Affordable Housing In-lieu Fee (AHF) programs. It has been prepared by Economic & Planning Systems, Inc. (EPS), with technical support from Fehr & Peers for transportation as well as input from City of Pleasanton staff. The DIF, CLF, and AHF Programs must be approved by the City Council and will be effective 60 days following the City's adoption of the fees.

Impact fees are one-time charges on new development collected and used by jurisdictions (e.g., a City or County) to cover the cost of capital facilities and infrastructure needed to serve new residential and commercial growth. Meanwhile, affordable housing in-lieu fees provide developers, in certain circumstances, an alternative to meeting the City's inclusionary affordable housing requirements. This Nexus Study provides a legal basis for requiring payment of a development impact fee consistent with the Mitigation Fee Act (AB 1600/ Government Code Section 66000 et seq.) and subsequent related legislation.

This Study is designed to support a comprehensive DIF program and update to the City's Inclusionary Zoning Ordinance (IZO). It provides the nexus arguments and associated fee calculations for the maximum fees the City can charge for the facilities described herein. The calculated fees are proposed to be collected on a citywide basis given the broad scope of capital improvements included in this study. While the City may elect to charge lower fees for particular land uses, areas of the city, or across the board, it should consider the implications of doing so on funding for the identified improvements.

Legal Context

Development Impact Fees

This Nexus Study is designed to provide the necessary technical analysis to support the Pleasanton DIF and CLF programs to be established by a City Ordinance and implemented by Resolution. The Mitigation Fee Act allows the City to adopt, by resolution, the citywide DIF and CLF programs consistent with the supporting technical analysis and findings provided in this Nexus Report, and consistent with the basic parameters of the fee that have been adopted by an enabling ordinance and codified in the Municipal Code. The Resolution approach to setting the fee allows periodic adjustments of the fee amount that may be necessary over time, without amending the enabling ordinance.

Impact fee revenues are used to cover the cost of constructing capital and infrastructure improvements required to serve new development and growth in the area in which they apply. As such, impact fees must be based on a reasonable nexus, or connection, between new development and the need for specific capital facilities and improvements. Impact fee revenue cannot be used to cover the operation and maintenance costs of these or any other facilities and infrastructure. In addition, impact fee revenue cannot be collected or used to cover the cost of preexisting infrastructure needs or deficiencies.

In establishing, increasing, or imposing a fee as a condition for the approval of a development project, Government Code 66001(a) and (b) require a local agency to:

1. Identify the purpose of the fee;
2. Identify how the fee is to be used;
3. Determine how a reasonable relationship exists between the fee use and type of development project for which the fee is being used;
4. Determine how the need for the public facility relates to the type of development project for which the fee is imposed; and
5. Show the relationship between the amount of the fee and the cost of the public facility.

In September 2021, the State of California adopted Assembly Bill (AB) 602, which includes several new requirements related to the development and implementation of impact fee programs. The key provisions related to the calculations documented in this Nexus Report are summarized below.

- **Capital Improvement Plan:** AB 602 requires that jurisdictions adopt a capital improvement plan as part of the nexus study process. This adoption can occur at the same time as the fee ordinance adoption. Accordingly, this Nexus Study relies on a Pleasanton DIF Long-Term Capital Improvement Plan (Pleasanton DIF CIP) to be approved by the City Council in conjunction with the DIF Program.¹The Pleasanton DIF CIP presented in this Nexus Study is derived from the capital improvements identified as part of the Nexus Study and is attached as **Appendix Table A-1**.
- **Explanation of Level of Service and Fee Increase:** AB 602 requires that when applicable, the nexus study identifies the existing level of service for each public facility, identifies the proposed new level of service, and includes an explanation of why the new level of service is appropriate. This Nexus Study relies on service standards developed in consultation with City staff, based on City planning documents, and with reference to the existing capital facilities and improvements in

¹ The Pleasanton DIF CIP is different from and does not replace the City's 5 year CIP budget (balanced) and 10 year CIP. These separate CIP documents serve a shorter-term frame and generally rely on more specific project parameters than the DIF CIP. That said, the DIF CIP may provide funding to support some projects included in the 5-year and 10-year CIPs.

the City as appropriate and documented herein. The level of service is articulated in the CIP provided in **Appendix A-1**.

- **Per Square Foot Residential Fees:** AB 602 notes that for fees adopted after July 1, 2022, the nexus study must “either calculate a fee levied or imposed on a housing development proportionately to the square footage of the proposed units, or make specific findings explaining why square footage is not an appropriate metric to calculate the fees.” AB 602 also notes that “This bill would require that a local agency that calculates fees proportionately to the square footage of the proposed units be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.” This analysis relies on assumptions about the average unit size for residential units developed following market research and conversations with City staff. The average home sizes were then applied to the per unit fees, to determine the maximum per square foot fee for both single family and multifamily development.

All State statutory requirements have been followed in establishing this DIF, as documented in subsequent chapters. **Chapter 6** summarizes the specific findings that explain or demonstrate this nexus. If the DIF is adopted, this Nexus Study and the technical information it contains should be maintained and reviewed periodically by the City to ensure its accuracy and to enable the adequate programming of funding sources. To the extent that infrastructure requirements, costs, and development potential changes over time, the DIF will need to be updated. AB 602 requires the DIF to be updated at least every 8 years.

Affordable Housing In-Lieu Fees

Inclusionary housing programs require that new market-rate residential development projects include a certain percentage of housing units at rents or sale prices that are affordable to lower-income households. Instead of providing required affordable housing units on site, developers may opt to pay an in-lieu fee. Local governments gain the authority to enact inclusionary housing programs and charge in-lieu fees through their general police power to regulate the development and use of real property.² The City of Pleasanton is updating its Inclusionary Zoning Ordinance, and as part of the process is updating the in-lieu fee levels. These in-lieu fees are not “mitigation fees” and therefore do not require a nexus study illustrating demand generated by new housing developments. The City’s authority impose in-lieu fees was confirmed with the approval of AB 1505 in 2017 which allows jurisdictions to require the inclusion of affordable housing in new rental housing projects, thereby superseding the 2009 decision of *Palmer/Sixth Street Properties, L.P., et al. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396.

² *California Building Industry Assn. v. City of San Jose*, 61 Cal.4th 435 (2015).

Summary of Maximum Allowable Fees

Table 1 summarizes the City’s maximum allowable fee schedule for the capital facility and equipment needs as evaluated in this Fee Update. The three fee categories updated in this analysis are:

- **Development Impact Fees** – This fee includes the capital facilities fees and transportation fees for the City. Calculations can be found in **Chapters 2-4**.
- **Commercial Linkage Fee** – This fee only applies to nonresidential developments and is designed to mitigate its impact on the need for affordable housing in the city. Calculations can be found in **Chapter 5**.
- **Affordable Housing In-Lieu Fee** – This fee only applies to residential developments not providing the affordable housing on site required in the IZO. Calculations can be found in **Chapter 7**.

Table 1 Summary of Maximum Fee Calculations

Land Use	Capital Facilities Fees ¹	Transportation Fee ¹	Commercial Linkage Fee	Inclusionary In-Lieu Fee	Total
Residential (per sq. ft.)					
Single Family Detached	\$11.87	\$8.23		\$84.25	\$104.35
Townhomes	\$11.87	\$8.23		\$42.10	\$62.20
Condos	\$23.48	\$12.47		\$54.87	\$90.82
Multifamily Rental	\$23.48	\$12.47		\$69.19	\$105.14
Nonresidential (per sq. ft.)					
Office	\$13.41	\$31.50	\$142.42		\$187.34
Retail	\$9.15	\$48.35	\$578.73		\$636.23
Industrial	\$4.02	\$17.94	\$143.39		\$165.35
Lodging	\$1.34	\$25.82	\$72.86		\$100.02

(1) Includes 2% administrative charge.

As noted, the fees represent the maximum allowable amount that the City can charge based on the nexus requirements of the Mitigation Fee Act. The fees also include a two percent administration charge to cover the cost of implementation, as described further in **Chapter 6**.

Note that the maximum allowable commercial linkage fee is very large and significantly exceeds levels that could feasibly be borne by new commercial developments. This is a typical outcome for commercial linkage fee calculations and reflects the fundamental impact that most employment generating uses have on the need for affordable housing. This is why among the relatively small proportion of cities that impose commercial linkage fees, few, if any, charge the maximum allowable amount. To do so would likely have a deleterious effect on a city’s economic development and fiscal health.

This Fee Update and Nexus Study is provided to support the City Council's ultimate approval of a total fee schedule by land use. As part of these process, City staff has also prepared an analysis of various fee levels and their implications on various City policy considerations, including the need to fund future capital needs, to support affordable housing development, and to ensure that future residential and commercial projects are economically viable. Cities frequently approval impact fees that fall below the maximum allowable amount based on economic and fiscal considerations.

2. Development Impact Fee Methodology

This section provides a brief overview of the nexus methodology and key assumptions used in this Study. It also summarizes the demographic and land use projections underlying the fee. Subsequent chapters provide more detailed calculations for each DIF category. While the commercial linkage fee is considered a development impact fee, the methodology for determining the maximum justifiable fee level differs slightly and will be described in **Chapter 5**.

Summary of Methodology

While the nexus methodology employed in this study varies by fee category as appropriate given the range of capital facilities and improvements covered, there are basic steps common to all. Specifically, for each fee category, EPS has applied the following general steps to calculate the nexus-supported fee amounts:

1. EPS estimated existing and future population and employment in Pleasanton through buildout of the current General Plan using a variety of City and third-party sources, as described in the subsequent section.
2. The EPS consultant team identified the universe of new infrastructure and capital facility improvements needed to serve both existing and future residents and employees. These needs were based on interviews with City staff and analysis of existing City facility capacity and service standards. Capital facilities exclude water, sewer and storm drain facilities since these are part of a separate fee program.
3. The EPS consultant team developed cost estimates for the capital facility improvements described in step 2 above. These cost estimates were developed based on information provided by City departmental staff as well as additional research and in-house resources.
4. EPS allocated the capital facility costs identified in step 3 above between existing and new development to determine the share included in the DIF program. These allocation shares were determined in a variety of ways depending on improvement, available data, and City guidance. In cases where the improvement is expected to service both the existing population and the future population equally, the share of costs attributable to new development is based on the City's current versus future service population.
5. Once costs have been allocated between new and existing development, they are further distributed among residential and commercial uses to arrive at a cost per resident and a cost per employee. This distribution was based on the proportion of total forecasted service population composed of residents and employees, respectively.
6. Once costs were allocated to a "cost per resident" and "cost per employee" basis, they are multiplied by the people per household for each residential fee category

- to derive a fee per unit, or by the average square feet per employee to estimate a fee per square foot for each commercial land use.
7. As a final step, EPS converted the residential fee per unit to a fee per square foot, as required by AB 602, based on data on typical housing unit sizes.

Demographic and Land Use Assumptions

This section describes the demographic and land use assumptions utilized in this study for both existing and future General Plan buildout conditions. The estimates are used for the following primary purposes in the fee calculation:

- Existing population and employment levels are used to estimate service levels for specific capital improvement categories as well as to ascertain existing needs relative to existing standards.
- Future population and employment growth in the city are the basis for determining future capital facility needs and apportioning these costs between existing and new development.
- Estimates related to population and employment density (e.g., persons per household or employees per square foot) are used to allocate costs between land use categories.

Service Population Calculations

The DIF is largely predicated on calculations that translate the population and employment projections provided above into estimates of existing and future “service populations.” The “service population,” in turn, is derived from assumptions that compare residents and employees based on the relative service demands or typical service profiles of each (e.g., amount of time spent in the city, likely utilization of specific infrastructure).

While the service population characterization can differ by infrastructure category, in cases where detailed estimates are not available, EPS has relied upon a default service population calculation. This calculation is based on the City’s existing “daytime population” as derived using the City’s existing residents, employees, and commute patterns for each to estimate the relative time spent within the City. This approach is used to derive an *employee to resident equivalency factor* to allocate costs between existing and new growth and between residential and commercial development.

As illustrated in Table 2, the City’s existing population, employment, and commute patterns (derived from US Census data) suggest a total estimated service population of 99,343. The service population is composed of 76,459 residents and 55,650 employees, with each employee equivalent to .411 residents (e.g., the typical service demand of an employee is about 41 percent of a resident).

Table 2 Existing Service Population Factor Estimate

Item	Existing		Weight ²	Weighted Average
	#	%		
Employment Status of Pleasanton Residents¹	<i>Formula:</i> $a = b * c$	b^1	c	$= b * c$
Not in Labor Force	76,459			
Employed in the City	41,149	53.8%	100%	53.8%
Employed Outside of the City	5,007	6.5%	50%	3.3%
	30,303	39.6%	67%	26.6%
Total Residents	76,459	100.0%		83.7%
Residence Status of Pleasanton Employees¹	<i>Formula:</i> $a = b * c$	b^1	c	$= b * c$
Live in the City	55,650			
Live Outside the City	5,007	9.0%	50%	4.5%
	50,643	91.0%	33%	29.9%
Total Jobs	55,650	100.0%		34.4%
Employee to Resident Equivalency Factor³			(34.4% / 83.7%) =	
			41.1%	

(1) Distribution based on data from U.S. Census (OnTheMap 2021). Total residents are based on 2023 estimates provided by DOF in Table 2. Total jobs are based on 2021 estimates from U.S. Census (OnTheMap 2021).

(2) Represents EPS estimate of how various types of residents and employees relate to each other in terms of demand for City Services.

(3) Equals weighted average of residents divided by weighted average of employees.

Sources: LEHD OnTheMap 2021, Department of Finance, and Economic & Planning Systems, Inc.

Population and Employment Growth Projections

The nexus analysis relies on estimated population and employment growth likely to occur by buildout of existing City plans. EPS reviewed projections from several sources including the Association of Bay Area Governments (ABAG) and the California Department of Finance (DOF) but relied primarily on Pleasanton's 6th Cycle Housing Element Draft EIR and General Plan to estimate population growth. Employment growth is based on an employee to resident ratio of 0.81, which is sourced from Pleasanton's transportation model. EPS growth projections are based on approved City planning documents rather than specific projects "in the pipeline" at the local level, as such projects are, at this point, potentially speculative, and do not cover all years in the planning horizon.

As summarized in **Table 3**, this approach results in a total population of approximately 96,400 residents and total employment of approximately 78,080 employees at buildout. This equates to an increase of 19,941 residents and 22,434 jobs, representing a 26.1 percent and 40.3 percent increase over existing conditions, respectively. The buildout estimate does not correspond to a particular year, but rather reflects projected development embodied in City-wide planning documents.

Table 3 Existing Development and Development at Buildout

Item	Existing	Buildout	Growth	
			Amount	% Change
Resident Population¹	76,459	96,400	19,941	26.1%
Housing Units	30,992	37,781	6,788	21.9%
Employment²	55,650	78,084	22,434	40.3%
Nonresidential Development (KSF)	19,886	28,024	8,138	40.9%
Service Population³	99,343	128,510	29,167	29.4%

(1) Resident population growth is sourced from 6th Cycle Housing Element Draft EIR.

(2) Employment growth is based on an employees to residents ratio of 0.81 at the time of buildout.

(3) Service population represents a measure of public service demand in which employees are given a 40 percent weighting of residents, due to more modest service demands. It is calculated by adding total residential population and 40 percent of total employment (see **Table 2**).

Sources: City of Pleasanton Housing Element Draft EIR; Fehr & Peers; Economic & Planning Systems,

At buildout, the service population is projected to reach 128,510, with new growth accounting for about 22.7 percent of the service population total at that time as shown in **Table 4**. New residents are estimated to account for approximately 68.4 percent of the growth in service population while new employees account for the remaining 31.6 percent. These proportions are used to allocate costs for many of the facilities included in the DIF, unless otherwise indicated. These percentages are used repeatedly throughout the nexus study to allocate cost between new and existing (22.7 percent) and between residential and non-residential development (68.4 and 31.6 percent, respectively).

Table 4 Forecasted Service Population Estimate

Item	Existing ¹		Buildout ²		Net New	
	#	%	#	%	#	%
Employment Status of Pleasanton						
Residents¹						
Not in Labor Force	41,149	53.8%	51,881			
Employed in the City	5,007	6.5%	6,313			
Employed Outside of the City	30,303	39.6%	38,206			
Total Residents	76,459	100.0%	96,400		19,941	26%
Residence Status of Pleasanton						
Employees						
Live in the City	5,007	9.0%	11,562			
Live Outside the City	50,643	91.0%	116,948			
Total Jobs	55,650	100.0%	128,510		72,860	131%
Service Population Calculation³						
Amount Attributable to Residents (@ 100%)	76,459	77.0%	96,400	75.0%	19,941	68.4%
Amount Attributable to Employees (@ 41.1%)	22,884	23.0%	32,110	25.0%	9,225	31.6%
Total Service Population	99,343	100.0%	128,510	100.0%	29,167	100.0%
Service Population Growth as % Build-out Service Population					22.7%	

(1) Existing Resident and Job totals per **Table 3**, percent distributions per **Table 2**.

(2) Resident and Job totals per **Table 3**. Composition based on existing

(3) Amount attributable to Employees per **Table 2**.

Sources: LEHD OnTheMap 2021, Department of Finance, and Economic & Planning Systems, Inc.

Population and Employment Density Assumptions

In addition to the demographic calculations described above, the DIF utilizes assumptions related to population and employment densities by land use type. Specifically, DIF improvement cost estimates per capita or per job are converted to fee rates per unit or square foot based on average persons per household and square foot per employee factors. Note that for methodological simplicity, EPS first calculates all residential fees on a per unit basis (i.e., per single family and multi-family) and then converts the fee to per square foot based on data on typical housing unit sizes. Single Family units include single family detached and townhome units, therefore the average size is less than the typical single family detached home. These assumptions are summarized in **Table 5** and rely on data from the U.S. Census, CoStar, and the City of Pleasanton.

The commercial linkage fee also uses these employment densities in order to estimate the number of employees generated by 100,000 square feet of development for each land use type.

Table 5 Average Household Size and Density Assumptions

Land Use Fee Categories	Assumption for Population & Employment
Average Unit Size	
Single Family	2,500 square feet
Multifamily	895 square feet
Residential¹	
Single Family	3.03 people per household
Multifamily	2.15 people per household
Nonresidential²	
Office	300 square feet per employee
Retail	440 square feet per employee
Industrial	1,000 square feet per employee
Lodging	2 employees per room

(1) Average household size per occupied housing unit in the City of Pleasanton based on data from the 2022 American Community Survey (5-Year Estimates) conducted by U.S. Census Bureau.

(2) Average employment density is based on previous Pleasanton nexus studies and EPS review of relevant sources.

Sources: U.S. Census ACS 2022 5-Year Estimates; CoStar; Redfin; City of Pleasanton; Economic & Planning Systems, Inc.

3. Capital Facilities Fees

This Chapter describes the technical methodology for the Capital Facilities fees which consist of a variety of public buildings and facilities, including those for needed for Parks and Recreation, Police, Fire, and other City department functions. The transportation fee is calculated separately in Chapter 4. Since most City government services serve the needs of both residents and businesses (employees), it is assumed that both residential and nonresidential development will pay both the parks and recreational impact fee and the public facilities impact fee.

Facility Needs and Costs

In an effort to maximize the fee program's adaptability, this analysis determined the facility improvements necessary to serve future development primarily by calculating the City's existing service levels for its facilities. **Table 6** shows the inventory of existing parks and recreational facilities, as well as their calculated service levels, based on the City's current service population. In a select few instances, the City has identified that the existing service level is insufficient to meet the City's existing facility needs. These facilities are identified with an asterisk (*) and instead use a service standard approach to determine the facility needs for future development.

Table 6 Parks and Recreation Facilities Service Level

Item	Existing Inventory a	Service Level ¹ $b = (a / 99,343) * 1,000$	New Total Space $c = (b * 128,510) / 1,000$	Space Attributable to Growth $d = c - a$	Units
Library & Recreation					
Library Building	32,802	750*	96,383	63,581	square feet
Community Center ²	22,000	221	28,459	6,459	square feet
Cultural & Arts Buildings ³	58,266	587	75,373	17,107	square feet
Parks & Trails					
Open Space	1,016	10	1,314	298	acres
Developed Parkland	385	4	498	113	acres
Restrooms	12,622	127	16,328	3,706	square feet
Trails	80	1.24*	159	79	miles
Fields	67.25	0.68	87	20	acres
Synthetic Fields	7.46	0.08	10	2	acres
Outdoor Hard Surface Facilities ⁴	6.45	0.06	8	2	acres

(1) Calculations are based on the existing facility space per 1,000 service population, except where indicated by an asterisk (*), which signifies a service standard identified by City Staff.

(2) Existing square footage refers to Senior Center

(3) See **Appendix Table A-2** table for detailed list of facilities included.

(4) Includes basketball courts, tennis courts, pickleball courts, bocce courts and skate park.

Table 7 shows the inventory of existing public facilities, as well as their calculated service levels, based on the City's current service population.

Table 7 Pleasanton Public Facilities Service Levels

Item	Existing Inventory a	Service Level ¹ $b = (a / 99,343) * 1,000$	New Total Space $c = (b * 128,510) / 1,000$	Space Attributable to Growth $d = c - a$	Units
General Government					
Civic Center ²	45,384	456.84	58,709	13,325	square feet
Parking Spaces ²	370	4	479	109	spaces
Public Works					
Public Works Yard ²	53,709	541	69,478	15,769	square feet
Fleet Expansion/ Replacement ³	939	9	1,215	276	vehicles
Police					
Police Station ²	21,797	219	28,197	6,400	square feet
Public Works Yard Space ⁴	11,600	117	15,006	3,406	square feet
Fleet Expansion/ Replacement ³	258	3	334	76	vehicles
Fire					
Fire Stations	53,298	537	68,946	15,648	square feet
Public Works Yard Space ⁴	9,200	93	11,901	2,701	square feet
Fleet Expansion/ Replacement ³	111	1	144	33	vehicles

(1) Calculations are based on the existing facility space per 1,000 service population, except where indicated by an asterisk (*), which signifies a service standard identified by City Staff.

(2) See **Appendix Table A-2** table for detailed list of facilities included.

(3) This analysis assumes vehicles are replaced on average, 3 times within the term of the fee study.

(4) An evidence storage building (Police), firing range (Police), and fire training tower (Fire) are located at the Public Works Yard.

There are a few capital improvement projects which do not fit into this methodology. Those facilities and their related costs are outlined in **Table 8**.

Table 8 Specialized Facilities

Facilities	Department	Cost	Allocation to Fee Program (22.7%)
Aquatic Center Modernization¹	Library & Recreation	\$6,400,000	\$1,452,562
Emergency Operations Center	Police/Public Works	\$5,600,000	\$1,270,992
Cemetery²	Library & Recreation	\$660,000	\$149,796

(1) Cost sourced from Capital Improvement Program.

(2) Cost sourced from Cemetery Master Plan. This cost assumes there is no expansion in the South Hill Area of the Cemetery and all designs are completed in-house.

Cost Allocation and Fee Calculation

The public facility improvements allocated to new development are based on maintaining the same level of service for new development as is currently provided to existing residents. The portion of the cost allocated to new development is based on growth in the City's service population relative to the City's future service population, or 22.7 percent (see **Table 4**).

Table 9 Costs Attributable to Growth

Facilities	Space Attributable to Growth	Cost Assumption	Cost Attributable to Growth
Library & Recreation			
Library Building	63,581 square feet	\$550 per square foot	\$34,969,275
Community Center	6,459 square feet	\$500 per square foot	\$3,229,588
Cultural & Arts Buildings	17,107 square feet	\$500 per square foot	\$8,553,418
Parks & Trails			
Open Space ²	298 acres	\$1,000 per acre	\$298,297
Developed Parkland	113 acres	\$500,000 per acre	\$56,517,797
Restrooms	3,706 square feet	\$2,000 per square foot	\$7,411,612
Trails	79 miles	\$560,000 per mile	\$44,296,000
Fields	20 acres	\$1,000,000 per acre	\$19,744,529
Synthetic Fields	2 acres	\$1,000,000 per acre	\$2,190,534
Outdoor Hard Surface Facilities	2 acres	\$2,500,000 per acre	\$4,734,283
General Government			
Civic Center	13,325 square feet	\$500 per square foot	\$6,662,347
Parking Spaces ¹	109 spaces	\$10,000 per space	\$1,086,316
Public Works			
Public Works Yard	15,769 square feet	\$550 per square foot	\$8,672,898
Fleet Expansion/ Replacement	276 vehicles	\$85,000 per vehicle	\$23,433,600
Police			
Police Station	6,400 square feet	\$1,000 per square foot	\$6,399,576
Public Works Yard Space	3,406 square feet	\$550 per square foot	\$1,873,161
Fleet Expansion/ Replacement	76 vehicles	\$70,000 per vehicle	\$5,302,397
Fire			
Fire Stations	15,648 square feet	\$2,000 per square foot	\$31,296,473
Public Works Yard Space	2,701 square feet	\$550 per square foot	\$1,485,611
Fleet Expansion/ Replacement	33 vehicles	\$270,000 per vehicle	\$8,799,160
Total			\$276,956,873

(1) Estimate assumes all spaces are surface parking.

Sources: City of Pleasanton

Table 10 illustrates the total costs included in the fee program for each department. This figure includes the portion of the specialized facility costs identified in **Table 8**, as well as the costs attributable to growth identified in **Table 9**.

Table 10 Costs per Facility Category

Facilities	Cost
General Government	\$7,748,663
Public Works	\$32,106,498
Library and Recreation	\$48,354,639
Parks and Trails	\$135,193,051
Police	\$14,846,127
Fire	\$41,581,244
Total	\$279,830,223

Table 11 allocates these costs by land use, either residential or nonresidential, and then calculates a facilities cost per resident. **Table 12** utilizes that cost per resident figure to calculate fees for each department, and **Table 13** summarizes those department fees into the larger fee categories: Parks and Recreation Facilities and Public Facilities.

It is noted that the analysis included in this chapter calculates the initial residential impact fees on a per unit basis, however, AB 602 requires residential impact fees be charged on a per square foot basis. As described and outlined in the summary of fees at the end of this report, residential fees per unit have been converted into a fee per square foot, as required by AB 602, based on data on typical housing unit sizes.

Table 11 Facilities Costs per Resident & Employee

Cost Allocation Factor	Formula	Parks and Recreation Facilities		Public Facilities			
		Library & Recreation	Parks & Trails	General Government	Fire	Police	Public Works
Facility Costs Allocated to Fee Program	a	\$48,354,639	\$135,193,051	\$7,748,663	\$41,581,244	\$14,846,127	\$32,106,498
Cost Allocation to Land Use¹							
Residential Development	b	68%	68%	68%	68%	68%	68%
Nonresidential Development	c	32%	32%	32%	32%	32%	32%
Allocated Costs by Land Use							
Residential Development	d = a * b	\$33,059,275	\$92,429,274	\$5,297,634	\$28,428,415	\$10,150,053	\$21,950,687
Nonresidential Development	e = a * c	\$15,294,226	\$42,760,595	\$2,450,847	\$13,151,850	\$4,695,724	\$10,155,056
Service Population Growth							
Residents	f	19,941	19,941	19,941	19,941	19,941	19,941
Employees	g	22,434	22,434	22,434	22,434	22,434	22,434
Facilities Cost per Resident	h = d / f	\$1,658	\$4,635	\$266	\$1,426	\$509	\$1,101
Facilities Cost per Employee	i = e / g	\$682	\$1,906	\$109	\$586	\$209	\$453

[1] The cost allocation to residential and nonresidential development is based on the service population attribution calculated in Table 5.

Source: Economic & Planning Systems, Inc.

Table 12 DIF Calculation Summary

Land Use	Density (See Table 6)	Library and Recreation	Parks and Trails	General Government	Fire	Police	Public Works
Residential	<u>Persons / Household</u>						
Single Family	3.03	\$5,028	\$14,057	\$806	\$4,323	\$1,544	\$3,338
Multifamily	2.15	\$3,560	\$9,954	\$571	\$3,062	\$1,093	\$2,364
Nonresidential	<u>Average Employment Density</u>						
Office	300	\$2.27	\$6.35	\$0.36	\$1.95	\$0.70	\$1.51
Retail	440	\$1.55	\$4.33	\$0.25	\$1.33	\$0.48	\$1.03
Industrial	1,000	\$0.68	\$1.91	\$0.11	\$0.59	\$0.21	\$0.45
Lodging	3,000	\$0.23	\$0.64	\$0.04	\$0.20	\$0.07	\$0.15

Source: Economic & Planning Systems, Inc.

Table 13 Capital Facilities Fees Summary

Land Use	Parks & Recreation Facilities	Public Facilities	Total Capital Facilities Fees
Residential (per unit)			
Single Family Residential	\$19,084	\$10,011	\$29,095
Multifamily Residential	\$13,515	\$7,089	\$20,604
Non-Residential (per sq. ft.)			
Office	\$8.63	\$4.52	\$13.15
Retail	\$5.88	\$3.09	\$8.97
Industrial	\$2.59	\$1.36	\$3.95
Lodging	\$0.86	\$0.45	\$1.32

Source: City of Pleasanton; Economic & Planning Systems Inc.

4. Transportation DIF

This section describes the methodology and assumptions used to calculate the transportation component of the Pleasanton Impact fee program, also known as the Transportation Impact Fee or TIF. Transportation consultant Fehr & Peers (F&P) provided research and technical analysis to support the analysis and assumptions used in this fee calculation. The more detailed documentation of their assumptions, methodology, and data sources is provided in **Appendix B**.

Capital Needs, Costs, and Allocation

F&P, in coordination with City staff, developed a list of capital improvement projects for inclusion as part of the Transportation category of the citywide Development Impact Fee. The projects reflect the goals and objectives identified by the Pleasanton General Plan and City budget documents, with some project needs determined based on existing service standards as described below. The capital project list has a particular emphasis on improving traffic flow and reducing conflicts for vehicles, bicyclists, and pedestrians through the application of new signalized intersections, upgraded signal infrastructure, and various pedestrian/bicycle safety improvements such as new bike lanes and bridge railing.

The Transportation analysis uses the same service population calculations as those used for the capital facilities fees, therefore the fair share allocation to new development used for transportation items is 23 percent.

Table 14 lists each project type, the number of projects, and the resulting costs allocated to new development and included in the fee program. As shown, the total transportation-related costs included in the fee program sum to \$293 million. A more detailed list of these items and their descriptions can be found in **Appendix Table B-1**.

Following the same approach that was used in the 2018 TIF nexus study, if more than 70 percent of the usage of the facility was from Pleasanton, that indicates that the need for the improvement is predominantly due to Pleasanton-related travel so the entire cost of the project was considered to be included in the TIF program. If less than 70 percent of the usage was from Pleasanton, the percentage attributable to Pleasanton was used directly from the model. The result is shown in **Appendix Table B-1** in the column called Percent Pleasanton Trips, Adjusted. Note that these percentages have been newly calculated only for the 18 additional transportation improvement projects proposed to be included in the TIF program. For all the projects that are remaining from the current TIF project list, the percentage of future traffic volume attributable to Pleasanton has not been re-calculated but is carried forward from the 2018 TIF nexus study.

For projects that involve bicycle, pedestrian or safety enhancements, or those that are citywide projects, the percentage attributable to Pleasanton is calculated based on

current data about existing service population and projections of future growth. Per the growth projections described above, that value is 22.7 percent.

Table 14 Transportation Costs included in Fee Program

Project Type	Number of Projects	Cost
Roadway Improvements	40	\$233,144,000
New Traffic Signals	1	\$22,200,000
Bicycle and Pedestrian Improvements	53	\$37,912,360
Citywide Projects	3	\$576,100
Total	97	\$293,832,460

Source: Fehr & Peers, 2024.

Transportation Fee Calculations

This analysis allocates the \$293 million in fair share costs attributed to new growth based on trip rate factors drawn from the Institute of Transportation Engineers Trip Generation Manual (11th Edition), with a 35 percent adjustment for pass-by trips applied to retail uses (consistent with the approach from the 2018 TIF nexus study). **Table 15** determines the growth in total dwelling unit equivalents (DUE) for the buildout of the General Plan. **Table 16** establishes a cost per DUE and then applies that figure to each land use to calculate a fee.

This analysis included in this chapter calculates the initial residential impact fees on a per unit basis, however, AB 602 requires residential impact fees be charged on a per square foot basis. As described and summarized in the summary of fees at the end of this report, residential fees per unit have been converted into a fee per square foot, as required by AB 602, based on data on typical housing unit sizes.

Table 15 DUE Growth

Item	Growth	Trip Rate ¹	DUE Growth
Housing Units	6,788	0.56	3,769
Non Residential (KSF)	8,138	1.22	9,930
Total			13,699

(1) Reflects weighted average based on estimated development distribution.

Sources: Institute of Transportation Engineers *Trip Generation Manual* (11th Edition), Fehr & Peers, 2024.

Table 16 Transportation Fee Calculation

Item	Trip Rate	Total
Total Costs		\$293,832,460
DUE Growth		13,699
Cost per DUE		\$21,449
Fee Calculation		
Single Family (per unit)	0.94	\$20,162
Multifamily (per unit)	0.51	\$10,939
Office (per KSF)	1.44	\$30,886
Retail (per KSF)	2.21	\$47,402
Industrial (per KSF)	0.82	\$17,588
Lodging (per room) ¹	0.59	\$12,655
Other (per Trip Rate)		\$21,449

(1) Analysis assumes hotel/motel rooms will average 500 gross sq. ft. per room.

Sources: Institute of Transportation Engineers *Trip Generation Manual* (11th Edition), Fehr & Peers, 2024.

5. Commercial Linkage Fee

The commercial linkage fee is charged to non-residential development, exclusively, in order to mitigate its impact on the need for affordable housing in the city. Development of nonresidential buildings in the city will attract tenants or businesses who, in turn, hire additional workers. The wages of a significant portion of the new workers will be inadequate to support sufficient rent prices to attract residential developers to provide housing opportunities without further subsidy. The fee will be used to help to fill the “affordability gap” for housing development and increase the number of homes available for the local workforce.

As a development impact fee, this linkage fee can only be charged to new development and must be based on the impact of new development on the need for resources to subsidize the development of new affordable housing. Fee revenue may be collected by the City and used to subsidize the production or preservation of affordable units for lower-income households. Expenditures may include, but are not limited to, direct contributions to affordable housing developers, land acquisition, and funding local match requirements to leverage other funding opportunities. This use of funds is consistent with how the City has been using commercial linkage fee revenue collected since the fee’s adoption, and consistent with Chapter 17.40 of the Pleasanton Municipal Code, the enabling legislation for the City’s Affordable Housing Fee.

Methodology

Estimates for Level of Service

The City of Pleasanton currently has over approximately 1,000 affordable (non-senior) housing units for an employment base of 41,319 workers.³ This represents a ratio of 0.024 affordable units per worker. The “adjusted maximum” linkage fee levels identified herein would allow the City to subsidize a greater number of affordable units per worker than the current ratio – 0.5 per Commercial worker, 0.2 per Office worker, 0.5 per Lodging worker, and 0.4 per Industrial worker.⁴ These higher proportions may be appropriate given the shortfall of such affordable units in the city, region, and state, and the impacts of new commercial development on the city’s need for affordable housing.

³ Assisted rental unit count is from the City of Pleasanton Community Development department as of 2024. The employment base is from the US Census Bureau, ACS, Five-Year Estimates, 2022.

⁴ Proportions are calculated as the number of affordable units that could be subsidized by the maximum fee on a 100,000 square foot space, divided by the total number of employees that would work in a given building type (as shown on **Table 18**).

Primary Sources

To estimate the fee, EPS relied on numerous sources of data, including the following:

- JobsEQ, which is a software tool that compiles industry and wage occupation data for 2023 from a variety of sources, including U.S. Census Bureau, Bureau of Labor Statistics, Bureau of Economic Analysis, National Center of Education Statistics, and others.
- State Department of Housing and Community Development (HCD) annual income limits for Alameda County, 2024 (**Appendix Table C-1**)
- U.S. Census Bureau American Community Survey (ACS) 5-Year Estimates (2018-2022)

In addition, EPS sought input from City of Pleasanton staff regarding affordability levels and recently developed affordable housing projects. Data from recent Pleasanton developments and land transactions were combined with information collected from various market-rate and affordable housing developers to estimate appropriate development cost assumptions for use in Pleasanton. These and other data sources are identified on the tables provided throughout this report.

Land Use Categories

The linkage fee program uses the same land use categories as the Capital Facilities and Transportation fees. While most land use categories are unique to a particular type of building, others may be interchangeable as tenants often shift between building types (e.g., businesses located in industrial space moving to office space). The commercial land uses analyzed in this study, along with a description of the types of businesses that often locate in each category, are presented in **Appendix Table D-1**. In general, each land use category is intended to be associated with a particular type of building or land use, to which the fees can be applied. This analysis bases its employment projections on North American Industry Classification System (NAICS) codes associated with the most typical tenants for each land use category.

Estimates of New Worker Households

The following section details the methodology for estimating the distribution of household income levels for new worker households in the city, and the number of these households that will be generated by new development in each commercial land use category.

Occupational Category and Wage Distribution

The first step in determining the number of new worker households requiring affordable residential units is to associate each land use type with occupational categories and the wage distribution within those categories. This estimate included the following analytical steps:

- EPS used JobsEQ to calculate the proportion of occupations likely to be represented under each land use category in the Oakland-Fremont-Berkeley

Metropolitan Division (MD) which includes Pleasanton.⁵ For example, EPS evaluated the occupation categories within the lodging industry to determine the proportional distribution of occupations for the land use category “Lodging.” Using JobsEQ, the NAICS sector 721000 (“Accommodation”) for Oakland-Fremont-Berkeley MD shows that 7.9 percent of the jobs in the Lodging industry nationwide are filled by managers, while 30.04 percent are in the category of buildings and grounds cleaning and maintenance (see **Table E-4**). The occupational distribution for all designated employment categories is provided in **Appendix E**. In addition to the distribution by occupation, JobsEQ provided the average wage for each occupation in each land use category.

- The wages for each occupation were multiplied by 1.79, the average number of workers per working household in the city.⁶ While certainly there will be some variation in wages per employee within a household, in the absence of more specific data, this analysis assumes comparable levels of education and training and thus hourly earnings among all workers in a household.⁷
- Each occupation is placed into its income category and the distribution is calculated based on JobsEQ’s reported percent of each industry’s jobs that is in the income category. This sorting uses HCD’s income classifications for a 3-person household because there are 3.4 people per working household in the City of Pleasanton. For consistency, the affordability gap calculation averages the respective affordability gaps of a two-person household multifamily rental unit and a four-person household townhome. The unit values used in this calculation are consistent with the unit values calculated as part of the Affordable Housing In-Lieu Fee Study in **Chapter 7**.

Household Formation

After calculating the estimated number of new employees (see **Table 5** for density assumptions) generated for each land use category, EPS estimated the number of households represented by these new employees (detailed in **Appendix Table F-1**). To calculate new households, EPS first adjusted the number of workers expected to form new households, accounting for those workers who are typically too young (aged 16 to 19) to form their own households.⁸ The resulting adjusted estimate of new workers was

⁵ The Oakland-Fremont-Berkeley Metropolitan Division (MD) is comprised of Alameda and Contra Costa Counties.

⁶ From the Census Bureau’s American Community Survey.

⁷ This assumption is consistent with “Assortative Mating” theory. See [National Bureau of Economic Research, “Marry Your Like: Assortative Mating and Income Inequality.”](#)

⁸ Data from the Bureau of Labor Statistics indicate this age cohort represents about 2.0 percent of the overall workforce. This proportion was applied to all industries except Commercial, which represents retail and food service industries, where the younger worker cohort represents 7.7 percent of the overall industry employment.

divided by 1.79, which represents the average number of workers per households in Pleasanton.⁹

Table 17 Income Distribution of Worker Households by Employment Category

Income Level ¹	Office	Commercial/ Retail	Industrial	Lodging
Low (up to 60% AMI)	0.0%	36.9%	0.5%	0.0%
Low (80% AMI)	13.3%	51.4%	14.7%	49.9%
Median (100% AMI)	19.3%	4.2%	31.1%	39.1%
Moderate (120% AMI)	4.4%	0.0%	26.3%	2.7%
Above Moderate (>120% AMI)	63.0%	7.5%	27.4%	8.4%

(1) Designation of household income assumes a 3-person household and 1.79 workers per household, based on American Community Survey data.

Sources: JobsEQ, 2022; California Housing and Community Development (HCD); Economic & Planning Systems, Inc.

⁹ Based on the Census Bureau's American Community Survey 2018-2022 data regarding the number of Pleasanton residents who are defined as "workers" in households that have workers.

Table 18 Household Generation Rates by Employment Category

Item	Office	Commercial/ Retail	Industrial	Lodging
Sq. Ft. per Worker ¹	300	440	1,000	3,000
Total Workers per 100k Sq. Ft.	333	227	100	33
Percent of Workers Forming Households ²	98.0%	92.3%	98.0%	98.0%
Total Households Per 100k Sq. Ft. ^{3,4}	182	117	55	18
Households by Income Level ⁵				
Very Low (50% AMI)	0	0	0	0
Low (60% AMI)	0	43	0	0
Low (80% AMI)	24	60	8	9
Median (100% AMI)	35	5	17	7
Moderate (120% AMI)	8	0	14	0
Above Moderate (>120% AMI)	115	9	15	2

(1) See **Appendix Table C-1** for sources on employment densities in different land uses.

(2) U.S. Bureau of Labor Statistics data indicates that 7.7% of retail/restaurant workers are aged 16-19, but an average of only 2% of workers in other industries fall into that age cohort. EPS has assumed that workers aged 16-19 do not form their own households.

(3) Assumes 1.79 workers per household based on Census data; rounded.

(4) This maximum nexus-based fee calculation assumes that Pleasanton fees account for all worker households generated by new employers in City of Pleasanton, though some workers and their households may choose to reside outside of Pleasanton. Total number of households may not match sum of households by income level due to rounding.

(5) Figures are rounded to nearest whole number.

Sources: U.S. Census American Community Survey 5-Year Estimates 2022; JobsEQ, 2023; California Housing and Community Development (HCD); Economic & Planning Systems, Inc.

Housing Development Costs and Affordability Gap

To calculate the maximum justifiable fee for each land use category, EPS estimated the “affordability gap” related to developing residential units affordable to very-low, low, and moderate-income households. The average household size in Pleasanton is 2.83 people per household according to 2022 Five-Year Estimates from the American Community Survey (ACS), but the average number of people, per *working* household (households with earnings – not including retired households, etc.) is 3.40.

To estimate the development cost of a “typical” affordable unit, a development prototype is defined. In an effort to provide consistency between the Commercial Linkage Fee Study and the Inclusionary Housing In-Lieu Fee Study, EPS has relied on prototypes developed for the Inclusionary Housing analysis in this study as well. Since there was no three-person household prototype used in the Inclusionary Housing analysis, the Commercial Linkage Fee analysis uses an average affordability gap of two development prototypes to characterize the cost of a “typical” affordable unit. The first assumed prototype reflects multifamily construction at over 30 dwelling units to the acre with podium parking. Based on comparable recent projects, EPS assumes the typical gross square footage of a one-bedroom rental unit will be approximately 800 square feet. The second assumed prototype reflects single family townhome construction at 20 dwelling units to the acre, consistent with recent townhome production in Pleasanton. EPS assumes the typical gross square footage of a three-bedroom townhome unit will be 2,000 square feet. These assumptions are based on the average sizes of similar housing units recently constructed in Pleasanton and nearby jurisdictions. The multifamily prototype is assumed to be rental and the townhome prototype is assumed to be for sale. The City of Pleasanton does not anticipate a significant amount of single family detached development, so it is less appropriate when estimating the “typical” affordable unit.

Development Cost Assumptions

Affordable housing development costs include land costs, direct costs (e.g., labor and materials), and indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.). Data from recent land transactions in and around Pleasanton have been combined with EPS’s information from various market-rate and affordable housing developers in the surrounding region to estimate appropriate development cost assumptions for use in Pleasanton. A developer fee is also estimated and represents the compensation to the developer for their efforts, investment, and risk. These assumptions are shown on **Table 19** and indicate that the total development cost per unit for rental apartments is about \$595,000 and the total development cost per unit for for sale townhomes is about \$1.07 million. By necessity, this figure represents a “prototypical” project; the actual costs for a given project will vary by location and project design characteristics.

Revenue Assumptions

Assumptions must be made regarding the applicable income level (very-low, low, and moderate) and the percentage of household income spent on housing costs to calculate the values of the affordable units. In addition, translating these assumptions into unit prices and values requires estimates of operating expenses and capitalization rates. Additional details about assumptions used to estimate unit prices and values can be found in **Chapter 7**.

Affordability Gap Results

Table 19 shows the costs and values for developing rental apartments in the city for households at various income levels. Across all categories, the cost of constructing the unit is higher than the supportable value of the unit. This is considered the “affordability gap,” and serves as the basis for calculating the subsidies required to provide housing for the lower-wage worker households generated by new nonresidential development. The results of the analysis illustrate that rents affordable to households earning moderate incomes and below cannot support the costs of new construction without subsidy.

Table 19 Affordability Gap Analysis

Item	Very Low Income 50% AMI	Low Income 60% AMI	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
Multifamily Rental					
Project Development Cost Assumptions (per unit)	\$595,227	\$595,227	\$595,227	\$595,227	\$595,227
Maximum Supported Home Value					
Household Income ¹	\$62,300	\$74,730	\$96,650	\$124,550	\$149,500
Income Available for Housing Costs/Year ²	\$15,528	\$19,257	\$25,833	\$34,203	\$41,688
(less) Operating Expenses per Unit/Year ³	(\$7,500)	(\$7,500)	(\$7,500)	(\$10,000)	(\$10,000)
Net Operating Income	\$8,028	\$11,757	\$18,333	\$24,203	\$31,688
Capitalization Rate ⁴	5.0%	5.0%	5.0%	5.0%	5.0%
Total Supportable Unit Value ⁵	\$160,560	\$235,140	\$366,660	\$484,060	\$633,760
Affordability Gap	\$434,667	\$360,087	\$228,567	\$111,167	-\$38,533
Townhomes					
Project Development Cost Assumptions (per unit)	\$1,069,670	\$1,069,670	\$1,069,670	\$1,069,670	\$1,069,670
Maximum Supported Home Price					
Household Income ⁶	\$77,850	\$93,420	\$108,990	\$140,130	\$171,270
Income Available for Housing Costs/Year ⁷	\$27,248	\$32,697	\$38,147	\$49,046	\$59,945
Less Annual Housing Expenses ⁸	\$13,167	\$14,204	\$16,277	\$18,350	\$21,025
Income Available for Mortgage Payments	\$14,080	\$18,493	\$21,869	\$30,695	\$38,920
Interest Rate	7.0%	7.0%	7.0%	7.0%	7.0%
Total Supportable Mortgage Amount ⁹	\$174,719	\$229,478	\$271,376	\$380,897	\$482,955
Down Payment %	5%	5%	5%	5%	5%
Total Supportable Unit Value	\$183,915	\$241,556	\$285,659	\$400,944	\$508,374
Affordability Gap	\$885,754	\$828,113	\$784,011	\$668,726	\$561,295
Average Affordability Gap	\$660,211	\$594,100	\$506,289	\$389,946	\$261,381

(1) Incomes are based on 2024 HCD Income Limits for two-person households in Alameda County for rental.

(2) Assumes 30% of income available for housing related expenses.

(3) Operating expenses are generally based on EPS feasibility studies in the region and are inclusive of utility costs; lower-income units (at or below 80% of AMI) are assumed to be built as non-profit and are, therefore, exempt from property taxes. Property taxes are assumed to comprise a share of the operating expenses for the moderate-income category.

(4) The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated operating risk.

(5) The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

(6) Incomes are based on 2024 HCD Income Limits for four-person households in Alameda County. Per California Health and Safety Code Section 50052.5, incomes for households above 70% AMI are set at a lower percent of AMI than the cutoff, (ex. Moderate Income is 110% of AMI rather than 120%).

(7) Assumes 35% of household income is spent on housing related expenses.

(8) Includes property tax, mortgage insurance, and utility payments.

(9) Assumes 30-year mortgage term.

Sources: City of Pleasanton; Alameda County Housing Authority; California Housing and Community Development (HCD); CoStar; Economic & Planning Systems, Inc.

Fee Calculation

Tables 20 through **23** provide the maximum nonresidential housing fee calculations for each of the four land use categories.

The fee is calculated by the following steps:

1. Estimate the number of new households by income category generated by a prototype 100,000-square foot building in the land use category.
2. Multiply the number of households generated by the per-unit affordability gap (as calculated in **Table 19**) to determine the level of subsidy required to provide housing in Pleasanton for all new worker households.
3. Divide the total affordability gap by 100,000 square feet (the size of the prototype building) to determine a maximum fee per building square foot.

The “Maximum Fee per Square Foot” calculated in the following tables represents the maximum justifiable linkage fee that the City can charge for each land use category based on the required nexus findings. The City may, however, decide to adopt fees below the maximum justifiable levels based on economic or policy considerations. The fee level ultimately adopted by City Council will depend on policy considerations regarding development feasibility and overall fee burdens.

Table 20 Fee Calculation – Office

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$660,211	\$0
Low Income - 60%	0	\$594,100	\$0
Low Income - 80%	24	\$506,289	\$12,150,927
Median Income	35	\$389,946	\$13,648,116
Moderate	8	\$261,381	\$2,091,048
Total	67		\$14,241,976
Fee Calculation	<i>formula</i>		
Total Financing Gap	<i>a</i>		\$14,241,976
Total Building Sq. Ft.	<i>b</i>		100,000
Maximum Fee per Sq. Ft.	<i>c = a / b</i>		\$142.42

Sources: US Census Bureau "On The Map"; Economic & Planning Systems, Inc.

Table 21 Fee Calculation – Commercial / Retail

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$660,211	\$0
Low Income - 60%	43	\$594,100	\$25,546,301
Low Income - 80%	60	\$506,289	\$30,377,318
Median Income	5	\$389,946	\$1,949,731
Moderate	0	\$261,381	\$0
Total	108		\$57,873,350
Fee Calculation	<i>formula</i>		
Total Financing Gap	<i>a</i>		\$57,873,350
Total Building Sq. Ft.	<i>b</i>		100,000
Maximum Fee per Sq. Ft.	<i>c = a / b</i>		\$578.73

Sources: US Census Bureau "On The Map"; Economic & Planning Systems, Inc.

Table 22 Fee Calculation – Industrial

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$660,211	\$0
Low Income - 60%	0	\$594,100	\$0
Low Income - 80%	8	\$506,289	\$4,050,309
Median Income	17	\$389,946	\$6,629,085
Moderate	<u>14</u>	<u>\$261,381</u>	<u>\$3,659,335</u>
Total	39		\$14,338,729
Fee Calculation		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$14,338,729
Total Building Sq. Ft. ¹		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		<i>c = a / b</i>	\$143.39

Sources: US Census Bureau "On The Map"; Economic & Planning Systems, Inc.

Table 23 Fee Calculation – Lodging

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$660,211	\$0
Low Income - 60%	0	\$594,100	\$0
Low Income - 80%	9	\$506,289	\$4,556,598
Median Income	7	\$389,946	\$2,729,623
Moderate	<u>0</u>	\$261,381	<u>\$0</u>
Total	16		\$7,286,221
Fee Calculation		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$7,286,221
Total Building Sq. Ft. ¹		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		<i>c = a / b</i>	\$72.86

Sources: US Census Bureau "On The Map"; Economic & Planning Systems, Inc.

6. Nexus Findings and Impact Fee Summary

This chapter documents the necessary findings for the approval of a comprehensive DIF program for Pleasanton, as required under Government Code Section 66000 (also referred to as AB1600/the Mitigation Fee Act). Specifically, it demonstrates the "nexus" between new development in Pleasanton and the infrastructure improvements needed to serve it. It also summarizes the DIF calculations presented in previous chapters.

Nexus Findings

The development impact fees to be collected for all new development are calculated based on the proportionate share of the total facility demand that the land uses included in the DIF are anticipated to represent at build-out of the General Plan. With this context, the following findings are made regarding the Fee Program.

Purpose and Use of Fees

Parks and Recreation Facilities

The fee will fund acquisition and improvements of new parks as well as existing facility improvements and renovations, as documented in **Chapter 3**.

Public Facilities

The fee will fund construction and expansion of public facilities, including general government, fire, police, and public works. The public facility components are documented in Chapter 3.

Transportation

Fee revenue will be used to fund City transportation improvements, including interchange, pedestrian / bicycle safety, and traffic signal improvements required to serve future growth. A list of projects and costs is included in **Appendix Table B-1**.

Commercial Linkage Fee

The fee generated by this program will be deposited in the City's Lower Income Housing Fund, to assist in the production, acquisition of at-risk units, or rehabilitation of affordable housing.

Relationship between Use of Fees and Type of Development

New development in the City of Pleasanton will require additional public facilities and capital improvements, to maintain adequate levels of service and meet the needs of new residents and employees. The DIF revenue will be used to fund the "fair share" cost of these facilities and improvements based on the nexus relationships described in previous

chapters. While some of the infrastructure improvements included in the DIF Long Term CIP will also benefit existing land uses, the cost allocated to the DIF only reflect the proportion of the cost attributable to new development.

New development will also generate demand for affordable housing. The Commercial Linkage Fee revenue will be used to support the development of affordable housing.

Relationship between Need for Facility and Type of Project

The specific infrastructure improvements identified in this study are designed to accommodate the needs of new development. In addition, the infrastructure is based on the level of service standards and goals that reflect what is currently provided and/or addresses future needs identified by City staff. To establish a proper nexus between the demand for affordable housing and the type of project, EPS has assessed the proportion of lower wage workers and the number of square feet per employee for each employment category.

Relationship between Fee Amount and Cost Facilities Attributed to Development

The fee levels calculated in this Nexus Study are based on a fair share cost allocation to new citywide development. Overall, about 22.7 percent of the facility improvement costs are allocated to future development, which corresponds with growth as a percentage of future population, with the remainder attributable to existing land uses in the city.

EPS estimated the difference between the cost of developing new rental housing and the value of the new rental units based on rents affordable to workers at wages typical of businesses in different commercial land uses. The affordable rents yielded unit values below the cost of construction, indicating an “affordability gap.” To estimate the fee for each non-residential land use, this gap was multiplied by the anticipated number of lower wage workers generated by the new development projects and the number of households of various income categories those workers are likely to form.

Summary of Impact Fees

Table 24 summarizes the Capital Facilities fees and Transportation fees for residential and nonresidential uses.

The maximum fee estimates include a 2 percent fee program administration fee, consistent with other Mitigation Fee Act program administrative costs in many other California jurisdictions. This 2 percent administration cost is designed to cover expenses for preparation of the development impact fee and subsequent updates, as well as the required reporting, auditing, collection and other annual administrative costs involved in overseeing the program.

Table 24 Capital Facilities & Transportation Fees

Land Use	Capital Facilities Fees ¹	Transportation Fee ¹	Total ¹
Residential (per unit)			
Single Family	\$29,677	\$20,565	\$50,243
Multifamily	\$21,016	\$11,158	\$32,174
Nonresidential (per sq. ft.)			
Office	\$13.41	\$31.50	\$44.92
Retail	\$9.15	\$48.35	\$57.50
Industrial	\$4.02	\$17.94	\$21.96
Lodging	\$1.34	\$25.82	\$27.16

(1) Includes 2% administrative charge.

This analysis calculates the initial residential impact fees on a per unit basis, however, AB 602 requires residential impact fees be charged on a per square foot basis. **Table 25** and **Table 26** convert the Capital Facilities and Transportation fees for single family and multifamily into per square foot fees using the average unit sizes for those units. EPS has also provided a minimum and maximum per unit fee, based on the range of typical unit sizes. The minimum unit size has been adjusted to reflect the minimum square footage of a one-person household, based on the average unit sizes and average persons per household for single family and multifamily.

Table 25 Capital Facilities & Transportation Single Family Fee Per Sq. Ft. Conversion

Item	Amount		Formula	Source / Assumption
	Capital Facilities	Transportation		
Unit Size (sq.ft.)				
Average ¹	2,500		a	Redfin
Units equal or less than ²	824		b	
Units equal or greater than ³	4,500		c	Redfin
Fee / Unit				
Average ⁴	\$29,677	\$20,565	d	
Minimum ⁵	\$9,786	\$6,781	e = d * (b / a)	
Maximum ⁶	\$53,419	\$37,017	f = d * (c / a)	
Fee Amounts				
Units equal to or less than 824 sq.ft. (per unit)	\$9,786	\$6,781		see "e"
Units between 824 - 4,500 sq.ft. (per sq. ft.)	\$11.87	\$8.23	= d / a	
Units equal to or greater than 4,500 sq.ft. (per unit)	\$53,419	\$37,017		see "f"

(1) Represents average square footage of recently built single family housing (both detached and attached) in Pleasanton, based on Redfin sales data.

(2) Minimum size has been adjusted to reflect the square footage for a 1-person household, based on the average unit size (2,500 sq. ft.) and average persons per household (3.03) in Pleasanton.

(3) Represents high end of recent home built in Pleasanton based on Redfin sales data.

(4) Based on the average development impact fee per unit as calculated in **Table 24**.

(5) Adjusts the average fee based on the ratio of minimum unit size to the average unit size.

(6) Adjusts the average fee based on the ratio of maximum unit size to the average unit size.

Table 26 Capital Facilities & Transportation Multifamily Fee Per Square Foot Conversion

Item	Amount		Formula	Source / Assumption
	Capital Facilities	Transportation		
Unit Size (sq.ft.)				
Average ¹	895		a	CoStar
Units equal or less than ²	417		b	
Units equal or greater than ³	1,600		c	CoStar
Fee / Unit				
Average ⁴	\$21,016	\$11,158	d	
Minimum ⁵	\$9,786	\$5,196	$e = d * (b / a)$	
Maximum ⁶	\$37,570	\$19,947	$f = d * (c / a)$	
Fee Amounts				
Units equal to or less than 417 sq.ft. (per unit)	\$9,786	\$5,196		see "e"
Units between 417 - 1,600 sq.ft. (per sq. ft.)	\$23.48	\$12.47	$= d / a$	
Units equal to or greater than 1,600 sq.ft. (per unit)	\$37,570	\$19,947		see "f"

(1) Represents average square footage of recently built single family housing (both detached and attached) in Pleasanton, based on

(2) Minimum size has been adjusted to reflect the square footage for a 1-person household, based on the average unit size (895 sq. ft.) and average persons per household (2.15) in Pleasanton.

(3) Represents high end of recent rental apartments built in Pleasanton based on CoStar rental data.

(4) Based on the average development impact fee per unit as calculated in **Table 24**.

(5) Adjusts the average fee based on the ratio of minimum unit size to the average unit size.

(6) Adjusts the average fee based on the ratio of maximum unit size to the average unit size.

7. Affordable Housing In-Lieu Fee

The City of Pleasanton's Inclusionary Zoning Ordinance (IZO) requires that new market-rate residential development projects include a certain percentage of housing units at rents or sale prices that are affordable to lower-income households. This program also includes the option for new development to pay a fee in-lieu of providing affordable units on-site, as an alternative means of compliance. This Chapter provides the calculation needed to establish the maximum allowable in-lieu fee amount that corresponds to the City's IZO requirements.

When a developer builds the affordable units on-site, the project's development costs are not significantly affected as it usually costs roughly the same to build a market-rate unit as an affordable unit, unless the units are materially different. However, the *revenue* the developer can expect from the affordable units is less than the revenue from the market-rate units. The developer is, in effect, subsidizing the development of the affordable units. Generally, the deeper the affordability for the units, the greater the amount of subsidy needed for the development.

As an alternative to on-site construction of the full inclusionary requirement, the developer may request to pay in-lieu fees. Pleasanton's IZO also allows for smaller residential projects, below a threshold number of units, to pay in-lieu fees. In-lieu fees, which are a common alternative means of complying with an inclusionary requirement, are typically calculated based on the financial subsidy needed to support the development of affordable units that are not being provided on-site. The fee revenues are collected in a dedicated fund that can be utilized to support the production and preservation of affordable units in the city.

IZO Policy Scenarios

EPS worked closely with City staff to develop the inclusionary housing scenarios used in this analysis. Additionally, the study process was informed by input from City Council received at two separate public meetings in May and August, 2024. It is important to stress that the affordable housing in-lieu fee represents only one component of a large IZO policy framework that has been developed by City staff with City Council input, and which will be considered separately as part of a comprehensive update to the Ordinance. Other elements of the IZO will play a more significant role in the amount and type of affordable housing developed in the city over time.

EPS calculated an updated maximum in-lieu fee to align with the proposed changes to the IZO recommended by City staff and supported by City Council as illustrated in **Table 27**. Specifically, the calculations reflect the City's intent to change the inclusionary percentage for ownership units (generally, single-family units) from 20 percent to 15 percent, bringing it into alignment with the inclusionary percentage for rental properties (generally, multi-family units). The subsidy between market rate and

affordable rates tends to be greater for ownership units, therefore the affordability level for these units is set at Moderate-income (120% AMI). For rental units, the affordable units will be evenly split between Very Low-income and Low-income households (50% and 60% AMI, respectively).

Table 27 Inclusionary Housing Requirements

	Overall	Very Low Income (50% of AMI)	Low Income (60% of AMI)	Moderate Income (120% of AMI)
Ownership	15%	0%	0%	15%
Rental	15%	7.5%	7.5%	0%

Source: City of Pleasanton

Methodology

To calculate the subsidy needed to support the development of affordable units, EPS developed several residential prototypes to determine their respective development costs and estimated anticipated revenues.

Housing Prototypes

The prototype residential products used in the feasibility analysis were informed by EPS research on the local housing market. Research included review of recent developments and proposed projects, discussions with developers active in the region, and discussions with City staff. The chosen prototypes include one rental prototype – podium multifamily apartments - and three for-sale prototypes – condominiums, townhomes, and single-family detached homes.

The critical differentiator between the for-sale prototypes is the density at which they are built and how parking is provided, with the condominium product assumed to be built at a higher density (45 units per acre) than the townhome product (20 units per acre) and with wrap-around style parking. The townhome product is assumed to include an attached, “tuck-under” garage. The single-family detached product is assumed to be developed at an even lower density (5 units per acre) and with an attached garage. The analysis also assumes that the prototypical townhome is smaller than the prototypical single-family home. In some cases, there may be additional design factors – such as whether a unit is detached or attached – that are used to define a project as a townhome or single-family home. This analysis does not account for those types of factors, only differentiating the two prototypes based on density, parking, and unit size.

The unit characteristics for each prototype are meant to represent average unit sizes and other generic project parameters. The analysis assumes that the unique unit mix of any particular project will, in aggregate, conform to these average unit sizes. However, any specific project will have its own cost and revenue factors that may be impacted in part by its unit mix.

Development Cost Assumptions

Housing development costs categories include land acquisition, site preparation, indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.), and hard costs (e.g., construction labor and materials). For multifamily projects that include a structured garage, EPS also defines parking costs per unit as a separate line item. Data from recent developments and land transactions in the local market have been combined with information from interviews with various housing developers to inform the development cost assumptions used in this analysis. **Table 28** calculates the cost per unit for all four development types. More detailed cost calculations can be found in **Appendix G**.

Table 28 Prototype Development Costs (per unit)

	Single Family Detached	Single Family Townhome	Multifamily Condo	Multifamily Podium
Land	\$1,061,360	\$290,340	\$145,170	\$84,091
Direct Construction Costs	\$630,000	\$472,500	\$574,875	\$351,750
Indirect Costs ¹	\$301,981	\$192,222	\$180,525	\$131,042
Developer Profit Threshold ²	\$239,201	\$114,607	\$108,068	
Total Development Cost Per Unit	\$2,232,542	\$1,069,670	\$1,008,638	\$566,883

(1) Includes Development Impact fees, as well as costs for architecture and engineering, entitlement and fees,
(2) Assumes a 12 percent profit margin for ownership products.

Affordable Housing Values

Based on the maximum household income at each income level, which as defined in Pleasanton is based on the Alameda County Area Median Income, EPS calculated the maximum spending toward housing costs affordable at each income level. Consistent with the City's published inclusionary program guidelines, the analysis assumes that rental households spend 30 percent of their gross annual income on total housing costs and for-sale households spending 35 percent of gross annual income. For rental units, housing costs include rent and utilities. For for-sale units, housing costs include mortgage and interest payments, insurance, property taxes, and Homeowners Association (HOA) fees.

To calculate the maximum affordable sale price for these for-sale units, EPS estimated other housing costs based on professional assumptions as well as assumptions given in the City's inclusionary program guidelines and subtracted them from 35 percent of gross annual income to obtain the maximum income available for a mortgage payment. This mortgage payment was converted into an affordable home sale price assuming a 5 percent down payment¹⁰ and a 30-year mortgage with a fixed interest rate of 7 percent.

Table 29 indicates the maximum annual incomes for Alameda County households associated with each income category for the associated household size, as well as the affordable rents and sale prices associated with each category.

¹⁰ While The City's affordable housing guidelines allow for down payments as low as 3 percent, 5 percent is commonly used when estimating affordable values due to the availability of assistance programs.

Table 29 Affordable Home Values

Item	Very Low Income (50% AMI)	Low Income (60% AMI)	Moderate Income (120% AMI) ⁹
Rental Multifamily Apartments			
Maximum Household Income ¹	\$62,300	\$74,730	\$149,500
Income Available for Housing Costs/Year ²	\$15,528	\$19,257	\$41,688
(less) Operating Expenses per Unit/Year ³	(\$7,500)	(\$7,500)	(\$10,000)
Net Operating Income	\$8,028	\$11,757	\$31,688
Capitalization Rate ⁴	5%	5%	5%
Unit Value⁵	\$160,560	\$235,140	\$633,760
Ownership Condominiums			
Household Income ¹	\$56,060	\$70,075	\$154,165
Income Available for Housing Costs/Year ⁶	\$19,621	\$24,526	\$53,958
Supportable Mortgage ⁷	\$98,569	\$147,861	\$436,880
Supportable Home Price⁸	\$103,800	\$155,600	\$459,900
Ownership Townhomes			
Household Income ¹	\$77,850	\$93,420	\$171,270
Income Available for Housing Costs/Year ⁶	\$27,248	\$326,697	\$59,945
Supportable Mortgage ⁷	\$174,719	\$229,478	\$482,955
Supportable Home Price⁸	\$183,915	\$241,556	\$508,400
Ownership Single Family Detached			
Household Income ¹	\$67,260	\$84,075	\$184,965
Income Available for Housing Costs/Year ⁶	\$23,541	\$29,426	\$64,738
Supportable Mortgage ⁷	\$114,242	\$173,380	\$520,164
Supportable Home Price⁸	\$120,300	\$182,500	\$547,500

(1) Reflects 2024 HCD Income Limits for a two-person household for apartments, a three-person household for condominiums, a four-person household for townhomes, and a five-person household for single-family homes.

(2) Assumes that no more than 30% of a household's income should be spent on housing costs for housing to be considered affordable.

(3) Operating expenses are generally based on EPS feasibility studies in the region and are inclusive of utility costs; units at or below 80% of AMI are assumed to be built as non-profit and are therefore exempt from property taxes. Property taxes are assumed to comprise a share of the operating expenses for the moderate income category.

(4) The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated operating risk. Obtained for multifamily developments in Pleasanton and the surrounding region from CoStar.

(5) The unit value is determined by dividing the net operating income by the capitalization rate.

(6) Based on Pleasanton's Inclusionary Guidelines for calculating income, this reflects that total housing costs should not exceed 35% of income, and takes into account other housing-related costs, such as taxes, insurance, and HOA fees.

(7) Assumes a 30-year mortgage and a fixed 7% interest rate.

(8) Assumes a 5% down payment.

(9) Per California Health and Safety Code Section 50052.5, incomes for households above 70% AMI are set at a lower percent of AMI than the cutoff, (ex. Moderate Income is 110% of AMI rather than 120%).

Sources: City of Pleasanton; Alameda County Housing Authority; California Housing and Community Development (HCD); CoStar; Economic & Planning Systems, Inc.

Fee Calculations

Table 30 summarizes the development costs and supportable home values for all prototypes and calculates the corresponding maximum justifiable in-lieu fee.

Table 30 Inclusionary In-Lieu Fee Calculations

Item	Formula	Single Family Detached	Townhomes	Condos	Rental (Podium)
Income Level		Moderate Income (120% AMI)	Moderate Income (120% AMI)	Moderate Income (120% AMI)	Low Income (60% AMI) and Very Low Income (50% AMI)
Inclusionary Percentage	a	15%	15%	15%	15%
Development Cost Per Unit	b	\$2,232,542	\$1,069,670	\$1,008,638	\$566,883
Supportable Home Value	c	\$547,500	\$508,400	\$459,900	\$197,850
Affordability Gap	d = b - c	\$1,685,042	\$561,270	\$548,738	\$369,033
Per Market Rate Unit Fee	e = d * a	\$252,756	\$84,190	\$82,311	\$55,355
Average Unit Size	f	3,000	2,000	1,500	800
Per Sq. Ft. Fee	g = e / f	\$84.25	\$42.10	\$54.87	\$69.19



APPENDIX A:

2024 Pleasanton Development Impact Fee Capital Improvement Program

Appendix Table A-1
2024 Pleasanton Development Impact Fee CIP
Pleasanton Development Impact Fee Update

Improvement Item	Space Attributable to Growth	Cost Allocated to Fee Program
Library & Recreation		
Library Building	63,581 square feet	\$34,969,275
Community Center	6,459 square feet	\$3,229,588
Cultural & Arts Buildings	17,107 square feet	\$8,553,418
Aquatic Center Modernization		\$1,452,562
Cemetery		\$149,796
Parks & Trails		
Open Space	298 acres	\$298,297
Developed Parkland	113 acres	\$56,517,797
Restrooms	3,706 square feet	\$7,411,612
Trails	79 miles	\$44,296,000
Fields	20 acres	\$19,744,529
Synthetic Fields	2 acres	\$2,190,534
Outdoor Hard Surface Facilities	2 acres	\$4,734,283
General Government		
Civic Center	13,325 square feet	\$6,662,347
Parking Spaces	109 spaces	\$1,086,316
Public Works		
Public Works Yard	15,769 square feet	\$8,672,898
Fleet Expansion/ Replacement	276 vehicles	\$23,433,600
Police		
Police Station	6,400 square feet	\$6,399,576
Public Works Yard Space	3,406 square feet	\$1,873,161
Fleet Expansion/ Replacement	76 vehicles	\$5,302,397
Emergency Operations Center		\$1,270,992
Fire		
Fire Stations	15,648 square feet	\$31,296,473
Public Works Yard Space	2,701 square feet	\$1,485,611
Fleet Expansion/ Replacement	33 vehicles	\$8,799,160

Sources: City of Pleasanton, Economic & Planning Systems, Inc.

Appendix Table A-2
Baseline Data of Existing Facilities
Pleasanton Development Impact Fee Update

Facility	Existing Amount
<u>Civic Center (square feet)</u>	
200 Bernal	16,209
200 Bernal HR Modular	2,666
123 Main	9,243
123 Main IT Modular	2,048
157 Main	<u>15,218</u>
Subtotal	45,384
<u>Parking Spaces (number of spaces)</u>	
Library	113
Police	88
123 Main	26
IT Modular	2
157 Main	40
200 Old Bernal	89
HR Modular	<u>12</u>
Subtotal	370
<u>Public Works Yard (square feet)</u>	
Administrative Building ¹	7,808
Control Tower/Office	5,100
Parks Building	12,900
Steam Cleaning Office	493
Streets Building	12,900
Support Services Storage	2,500
Support Services Building	17,800
Vehicle Services Building	<u>2,016</u>
Subtotal	61,517
<u>Cultural & Arts Buildings (square feet)</u>	
Cultural Arts Building (4477 Black Ave)	3,200
Amador Recreation Building	2,015
Amador Theater	12,530
Century House	2,730
Historical Building (603 Main St)	4,716
Nature House	800
VFW Building	9,025
Adobe House	750
Alviso Adobe	2,500
Fire House Arts Center	<u>20,000</u>
Subtotal	58,266

Appendix Table A-2
Baseline Data of Existing Facilities
Pleasanton Development Impact Fee Update

Facility	Existing Amount
<u>Police Buildings</u>	
Police Station	20,297
Joint BART/Pleasanton (50%) ²	<u>1,500</u>
Subtotal	21,797

(1) The Public Works Yard Administrative Building is shared with the Utilities Department, which is funded by an enterprise fund. While the Administrative Building is actually 10,410 square feet, this analysis assumes 25% of that space is used by the Utilities Department and therefore is not included in this fee program.

(2) Analysis assumes responsibilities for 3,000 sf joint BART/Pleasanton substation are split 50/50 between BART and Pleasanton

Source: City of Pleasanton



APPENDIX B:

2024 Transportation Improvements

Technical Memorandum

Date: September 24, 2024
To: Jason Moody and Megan Gregory, Economic & Planning Systems
From: Julie Morgan and Bruno Lertora, Fehr & Peers
Subject: **Pleasanton Transportation Impact Fee Update: Documentation of Nexus Analysis**

WC24-4053

Introduction

The Pleasanton Transportation Impact Fee (TIF) program, as most recently updated in 2018, has a capital improvement list made up of 111 projects. As documented in previous nexus studies, the transportation facilities included in the Pleasanton TIF project list are needed in whole or in part to serve the demand created by new development in Pleasanton. The primary purpose of this current effort is to update the TIF project list by removing completed projects and incorporating 19 additional transportation improvement projects that are consistent with the purpose of the TIF program. As part of that effort, Fehr & Peers has completed a technical analysis regarding the nexus between new development, the need for the 19 additional transportation projects, and the costs associated with those improvements. This technical memorandum documents the steps in that analysis.

Transportation Project List

The list of new transportation improvement projects to be included in the TIF was developed by City staff. The projects are drawn from recent studies and plans that identified the needs for future improvements in order to serve the City's transportation needs. **Table 1** shows a summary of the project costs by type of improvement for the projects from the current TIF program that will remain on the project list, as well as for the new projects to be included in the TIF program. Improvement projects have been subdivided into four categories: roadway improvements, new traffic signals, bicycle projects, and supporting citywide infrastructure. Projects that have already been completed or those for which TIF funding has already been secured have been removed from the list. **Attachment 1** shows the detailed project list with project descriptions and extents,



along with the source for each project. The locations of the roadway improvements are shown geographically in **Figure 1**.

Table 1: Pleasanton TIF Transportation Project List

Project Type	2018 TIF Remaining Projects		New Projects		Total 2024 TIF Project List	
	# of Projects	Cost*	# of Projects	Cost*	# of Projects	Cost*
Roadway Improvements	31	\$259,170,000	9	\$11,685,000	40	\$270,855,000
New Traffic Signals	0	\$0	1	\$22,200,000	1	\$22,200,000
Bicycle and Pedestrian Improvements	45	\$129,560,000	8	\$64,280,000	53	\$193,840,000
Citywide Projects	2	\$2,570,000	1	\$500,000	3	\$3,070,000
Total	78	\$391,300,000	19	\$98,665,000	97	\$489,965,000

Source: Fehr & Peers, 2024.

Note: *The costs are in 2024 US dollars.

For the projects that are already part of the TIF program, the cost estimates from the 2018 TIF nexus study have been escalated to the current year to adjust for inflation. For the newly added projects, cost estimates have been developed based on assumptions about the planned right-of-way, roadway cross-sections, and landscaping treatments for each corridor. These assumptions have been based on similar existing corridors within the City of Pleasanton as well as the City's roadway design standards, and have been reviewed and confirmed by City staff. In some cases, the estimated project cost is presented as a range, depending on design details that are not known at this point.

As shown in **Table 1**, the total cost of all projects is about \$490 million. The results of the nexus analysis procedures are described in the following sections of this memorandum.

Nexus Analysis

In order to include the 19 additional projects that are proposed to be added to the TIF program, it is necessary to establish a "nexus" or relationship between new development in Pleasanton, the need for transportation improvements in order to serve that new development, and the cost of the improvements that would be covered by the TIF. The following procedures have been used to evaluate that nexus relationship.

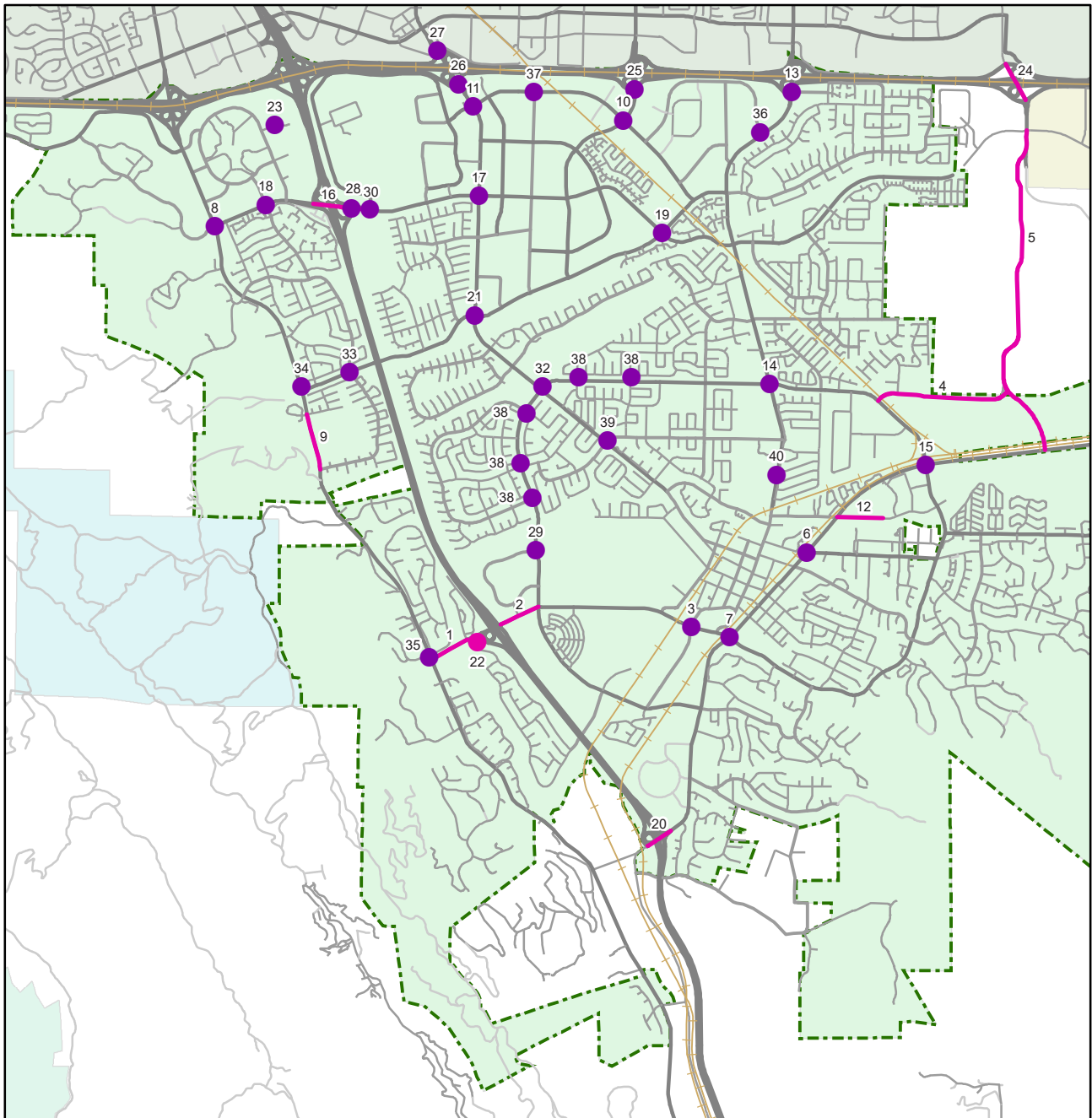


Figure 1
Roadway Improvements

*Pleasanton
Transportation Impact Fee*

Legend

- Roadway Improvement
- Intersection Improvement
- ## Project Number
- City Limits



First, there has been an evaluation of whether there is an existing deficiency at any of the 18 new project locations, and if so, the magnitude of that deficiency. Existing deficiencies are accounted for by reducing the project cost that is included in the fee program. The concept of accounting for existing deficiencies in a fee study is that new development should not be charged the full cost of improving a facility if that facility is not meeting current operating standards during the critical peak hour (typically the PM peak period). As in the original TIF study, the determination of existing deficiencies is being drawn from the results of prior traffic analyses and the traffic count data available from the City, and no new traffic data has been collected. Based on the available information, no existing deficiencies were identified for the 19 new projects being added to the TIF list.

Anticipated Direct Developer Contributions

Some of the projects listed in Attachment 1 are anticipated to be partially funded through direct contributions from nearby developments, because those projects are needed to provide access to the developments or as mitigation for the developments' direct impacts. In those instances, the percent eligibility for the TIF program has been set per direction from City staff. None of the 19 new projects proposed to be added to the TIF program involve any direct developer contributions.

Growth Projections

The City of Pleasanton's Travel Demand Model was used to project future traffic volumes for the Buildout Year scenario. The travel demand model includes forecasted land use changes and roadway improvements, reflecting the growth anticipated in the Pleasanton General Plan. The total amount of citywide growth in the major land use categories is presented below in **Table 2**.

Table 2: Growth Projections by Land Use Category

Land Use	Unit	Existing	Buildout	Growth (Existing - Buildout)	% Growth
Residential	Dwelling Units	30,992	37,781	6,788	22%
Non-Residential	KSF	19,237	26,990	7,753	40%

Source: Fehr & Peers, 2024.

As part of this TIF study, Economic & Planning Systems (EPS) has prepared refined projections of the number of residents and workers who would be associated with the new residential and non-residential development summarized above. The EPS projections calculate that the "Service Population" which is defined as all of the residential population and 40% of the employees, is expected to grow from roughly 99,343 today to approximately 128,510 over the planning horizon



of this study. Thus, the Service Population added as a result of new growth will represent 22.7% of the total future Service Population.

Costs Attributable to Pleasanton

The next step in the nexus analysis is to determine the proportion of project costs attributable to the land uses within the City of Pleasanton.

Land use growth to the buildout year was incorporated into the Pleasanton travel demand model and the model was applied to generate estimates of travel patterns and volumes in the future. A common modeling technique called a select zone analysis was applied to identify the amount of future traffic volume on each roadway link that would be generated by land uses in Pleasanton. On each model link that represents the location of a project, the future traffic volume attributable to Pleasanton was compared to the overall future traffic volume, thereby calculating the share of the usage of that link that can be attributed to land uses in Pleasanton. These usage percentages are shown in Attachment 1 in the column called Percent Pleasanton Trips, From Model.

Following the same approach that was used in the 2018 TIF nexus study, if more than 70% of the usage of the facility was from Pleasanton, that indicates that the need for the improvement is predominantly due to Pleasanton-related travel so the entire cost of the project was considered to be included in the TIF program. This approach was used in recognition of the “lumpiness” of most transportation infrastructure (for example, it is not possible to build half of a left-turn lane or half of a traffic signal), and the consideration that if Pleasanton traffic was contributing more than 70% of the need for an improvement then it would be reasonable to conclude that the improvement would not be needed but for the growth in Pleasanton. If less than 70% of the usage was from Pleasanton, the percentage attributable to Pleasanton was used directly from the model. The result is shown in Attachment 1 in the column called Percent Pleasanton Trips, Adjusted. Note that these percentages have been newly calculated only for the 19 additional projects proposed to be included in the TIF program. For all of the projects that are remaining from the current TIF project list, the percentage of future traffic volume attributable to Pleasanton has not been re-calculated but is carried forward from the 2018 TIF nexus study.

For projects that involve bicycle, pedestrian or safety enhancements, or those that are city-wide projects, the percentage attributable to Pleasanton is calculated based on current data about existing service population and projections of future growth. Per the growth projections described above, that value is 22.7%.

Final Nexus Results

For each project, the cost to be included in the TIF program was calculated as the estimated project cost multiplied by the eligibility factor (thus accounting for existing deficiencies and direct developer contributions) and then multiplied by the Percent Pleasanton Trips, Adjusted. As shown



in **Table 3**, the final project costs eligible for funding through the TIF program are approximately \$294 million, with about \$49 million of that total being associated with the 19 new projects to be added to the program.

Table 3: Pleasanton TIF Transportation Projects Cost Eligibility

Project Type	2018 TIF Remaining Projects		New Projects		Total 2024 TIF Project List	
	# of Projects	Cost*	# of Projects	Cost*	# of Projects	Cost*
Roadway Improvements	31	\$221,459,000	9	\$11,685,000	40	\$233,144,000
New Traffic Signals	0	\$0	1	\$22,200,000	1	\$22,200,000
Bicycle and Pedestrian Improvements	45	\$23,320,800	8	\$14,591,560	53	\$37,912,360
Citywide Projects	2	\$462,600	1	\$113,500	3	\$576,100
Total	78	\$245,242,400	19	\$48,590,060	97	\$293,832,460

Source: Fehr & Peers, 2024.

Note: *The costs are in 2024 US dollars.

Trip Rate Factors

The costs attributable to new development in Pleasanton, described above, can be distributed across the various land uses that will make up the new development, in order to determine a reasonable fee for each land use category.

A typical method for achieving this distribution is to develop a set of factors that relate the transportation demands of different land use categories to each other. **Table 4** presents a set of factors for the land use categories that might occur in Pleasanton; these factors are drawn from the Institute of Transportation Engineers Trip Generation Manual (11th Edition), and an adjustment of 35% for pass-by trips is applied to retail uses (consistent with the approach from the 2018 TIF nexus study). Each land use factor is then multiplied by the corresponding growth projection to result in a Dwelling Unit Equivalent (DUE) growth that can be added across categories.

Table 5 displays the calculated maximum impact fees based on this nexus analysis. The total potential future fee contribution toward all the projects shown in Table 3 (\$293.8 million) has been divided by the total number of future Dwelling Unit Equivalents (DUEs) expected in Pleasanton as shown in Table 4 (13,699 DUEs), to calculate the resulting maximum fee per trip of



21,449. That maximum fee per trip is then multiplied by the Adjusted PM Peak Hour Trip Rate for each of the categories shown in the previous table, and the results are presented in Table 5.

Table 4: Trip Rates and DUE Growth by Land Use Category

Category	Unit	PM Peak Hour Trip Rate	Pass-by Adjustment	Adjusted PM Peak Hour Trip Rate	Growth (Existing - Buildout)	DUE Growth
Single-Family Residential	DU	0.94	0%	0.94	6,788	3,769
Multi-Family Residential	DU	0.51	0%	0.51		
General Office	KSF	1.44	0%	1.44	7,753	9,930
Light Industrial/R&D	KSF	0.82	0%	0.82		
Retail	KSF	3.40	-35%	2.21		
Hotel	Rooms	0.59	0%	0.59		
Total	-					13,699

Source: Institute of Transportation Engineers *Trip Generation Manual* (11th Edition), Fehr & Peers, 2024.

Table 5: New Maximum Fee Calculations

Category	Unit	New Maximum Fee
Single-Family Residential	DU	\$20,162
Multi-Family Residential	DU	\$10,939
General Office	KSF	\$30,886
Light Industrial/R&D	KSF	\$17,588
Retail	KSF	\$47,402
Hotel	Rooms	\$12,655
Other Categories	PM Peak Hour Trip Rate	\$21,449

Source: Fehr & Peers, 2024.

This concludes the technical elements of the transportation nexus analysis. Please contact us with any questions.



Attachment 1

Attachment 1: 2024 Pleasanton TIF Update Project List

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
Roadway Improvements												
1	Bernal Avenue	I-680 to East of Foothill	Construct a new bridge to the south of the existing bridge to provide new bike lane and two eastbound travel lanes. Existing bridge will be converted to "westbound" direction only.	\$7,350,000	\$7,350,000	No	100%		100%	100%	\$7,350,000	\$7,350,000
2	Bernal Avenue	I-680 to Valley Avenue	Widen to 6 lanes; at the intersection of Valley Avenue, convert the westbound right turn only lane into a through/right option lane; convert the SBR only lane to a channelized free right turn lane and convert the SB shared through/right lane to an exclusive SBT lane	\$1,470,000	\$1,470,000	No	100%		96%	100%	\$1,470,000	\$1,470,000
3	Bernal Avenue	Case Avenue/Old Bernal Avenue	Add southbound right turn lane on Old Bernal Avenue	\$740,000	\$740,000	No	100%		96%	100%	\$740,000	\$740,000
4	Busch Road	East of Ironwood Drive to El Charro Road	Construct as 4 lane divided with Class I bike facility along south side or Class IV bike facilities	\$12,340,000	\$12,340,000	No	100%		100%	100%	\$12,340,000	\$12,340,000
5	El Charro Road	Stoneridge Drive to Stanley Boulevard	Construct as 4 lane divided with Class I bike facility along west side or Class IV bike facilities	\$78,670,000	\$78,670,000	No	100%		99%	100%	\$78,670,000	\$78,670,000
6	First Street	Vineyard Avenue/Ray Street	Convert east/west to protected/permissive left turn phasing	\$110,000	\$110,000	No	100%		97%	100%	\$110,000	\$110,000
7	First Street/Sunol Boulevard	Bernal Avenue	Add 2nd WBL lane on Bernal and extend 2nd SBT lane on First Street/Sunol Boulevard; include bike lanes	\$6,100,000	\$6,100,000	No	100%		97%	100%	\$6,100,000	\$6,100,000
8	Foothill Road	Stoneridge Drive	Add a third southbound left turn lane; consider removing split phasing	\$590,000	\$890,000	No	100%		90%	100%	\$590,000	\$890,000
9	Foothill Road	Foothill High School	Widen SB approach to provide 2nd left-turn lane and NB right turns	\$1,620,000	\$1,620,000	No	100%		100%	100%	\$1,620,000	\$1,620,000
10	Hacienda Drive	Owens Drive	Add 3rd southbound and eastbound left turn lanes from through lanes	\$2,360,000	\$2,360,000	No	100%		95%	100%	\$2,360,000	\$2,360,000
11A	Hopyard Road	Owens Drive (Phase I)	Modify northbound lanes to full build configuration: 2 left turns, 3 through, 1 right turn	\$0	\$0	No	100%		86%	100%	\$0	\$0
11B	Hopyard Road	Owens Drive (Full Build)	Modify lanes; Northbound: 2 left turns, 3 through, 1 right turn; Southbound: 3 left turns, 3 through, 1 right turn (free); Eastbound: 2 left turn, 2 through, 1 right turn; Westbound: 2 left turn, 2 through, 1 right turn (free); unsplit eastbound/westbound; narrow lane to reduce pedestrian clearance to 20 seconds	\$2,500,000	\$2,500,000	No	100%		86%	100%	\$2,500,000	\$2,500,000
12	Nevada Street	First Street to California Avenue	Construct as 2 lane street with TWLTL and bike lanes	\$7,350,000	\$7,350,000	No	100%		100%	100%	\$7,350,000	\$7,350,000
13	Santa Rita Road	I-580 Eastbound Off-Ramp/Pimlico	Construct 2nd southbound left turn lane	\$11,310,000	\$11,310,000	No	100%		91%	100%	\$11,310,000	\$11,310,000

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
14	Santa Rita Road	Valley Avenue	Construct second WB left-turn lane. Construct 3rd SB left-turn. Timing to be determined by City Council under Program 2.3.	\$2,940,000	\$2,940,000	No	100%		100%	100%	\$2,940,000	\$2,940,000
15	Stanley Boulevard	Valley Avenue/Bernal Avenue	Extend sidewalk on east side of Valley Avenue (from the termination near the train overcrossing) to Stanley Boulevard and modify intersection to provide crosswalk on the east leg of the intersection and construct free westbound right turn lane.	\$3,680,000	\$3,680,000	No	100%		99%	100%	\$3,680,000	\$3,680,000
16	Stoneridge Drive	I-680 Overpass	Widen WB overpass by 1 to 2 lanes	\$11,760,000	\$18,510,000	No	100%		90%	100%	\$11,760,000	\$18,510,000
17	Stoneridge Drive	Hopyard Road	Provide EB free right turn (maybe remove one SB through lane). Change cycle to 100 sec	\$1,140,000	\$1,140,000	No	100%		97%	100%	\$1,140,000	\$1,140,000
18	Stoneridge Drive	Springdale Avenue	Unsplit north/south phasing (safety improvement)	\$110,000	\$110,000	Yes	18%	Treated as existing deficiency because project is primarily safety-focused.	88%	100%	\$19,800	\$19,800
19	Stoneridge Drive	W Las Positas Boulevard	Convert a through lane for the northbound and southbound approaches to a left turn lane; restripe WB and EB lanes to add separate WB and EB right turn lanes on Stoneridge	\$80,000	\$80,000	No	100%		100%	100%	\$80,000	\$80,000
20	Sunol Boulevard	I-680 Interchange	Widen roadway in interchange area; signalize both ramp intersections at Sunol Boulevard; widen structure over Happy Valley Road and provide a southbound acceleration lane from Sunol On-Ramp	\$31,000,000	\$31,000,000	No	100%		97%	100%	\$31,000,000	\$31,000,000
21	W Las Positas Boulevard	Hopyard Road	Construct 3rd westbound left turn lane	\$1,210,000	\$1,210,000	No	100%		98%	100%	\$1,210,000	\$1,210,000
22	Park and Ride Lot	-	Park and Ride lot at Bernal/I-680	\$5,880,000	\$5,880,000	No	100%		100%	100%	\$5,880,000	\$5,880,000
23	Embarcadero Court	Embarcadero Court at two-way stop-controlled intersection	Construct a roundabout	\$1,470,000	\$1,470,000	No	100%		100%	100%	\$1,470,000	\$1,470,000
24	El Charro Road	I-580 Interchange	I-580/El Charro Road Interchange Improvements (Phase 2): reconstruction of overcrossing to provide four-lanes in each direction with bike lanes; reconstruction of the southbound to eastbound loop on-ramp; widening of the eastbound off-ramp to provide two exit lanes with two left turn and two right tum lanes; widening of the eastbound on-ramp; widening of the westbound off-ramp to provide two left tum and two right tum lanes; and widening of the westbound on-ramp	\$46,120,000	\$46,120,000	No	25%	City of Pleasanton is only responsible for 25% of the project cost	77%	100%	\$11,530,000	\$11,530,000
25	Hacienda Drive	Hacienda Drive at I-580 Eastbound Off-Ramp	Modify signal and striping to convert #2 left turn lane to a left/right option lane	\$60,000	\$60,000	No	100%		84%	100%	\$60,000	\$60,000
26	Hopyard Road	Hopyard Road at I-580 Eastbound Ramp	Modify signal to provide eastbound right/northbound through overlap period	\$50,000	\$50,000	No	100%		72%	100%	\$50,000	\$50,000
27	Hopyard Road	Hopyard Road at I-580 Westbound Off-Ramp	Re-stripe off-ramp to convert #2 left turn lane into a left/right option lane	\$30,000	\$30,000	No	100%		56%	56%	\$16,800	\$16,800
28	Stoneridge Drive	Stoneridge Drive at I-680 Northbound	Modify signal to allow a northbound right/westbound through overlap period	\$50,000	\$50,000	No	100%		96%	100%	\$50,000	\$50,000
29	Valley Avenue	Valley Avenue at Koll Center Parkway North	Un-split east/west signal phasing	\$60,000	\$60,000	No	100%		100%	100%	\$60,000	\$60,000

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
30	-	Johnson Drive at Stoneridge Drive	Construct 3rd eastbound left turn lane; widen southbound approach to six lanes for at least 700 feet north of intersection to provide an additional northbound receiving lane and an additional southbound right turn lane; add an additional southbound left turn lane; extend the westbound right turn pocket 800 feet, convert the lane to a shared through-right lane, and construct a second on-ramp lane to northbound I-680	\$10,290,000	\$10,290,000	No	100%		98%	100%	\$10,290,000	\$10,290,000
31	Various Locations	-	Install flashing yellow arrows at up to 25 traffic signals	\$1,840,000	\$3,680,000	Yes	18%	Treated as existing deficiency because project is primarily safety-focused.		100%	\$331,200	\$662,400
32*	Hopyard Road	Hopyard @ Valley	Unsplit eastbound and westbound and add a second eastbound left turn	\$890,000	\$890,000	No	100%		97%	100%	\$890,000	\$890,000
33*	West Las Positas Boulevard	West Las Positas @ Muirwood Drive	Widen eastbound and westbound approaches to allow for 2 through lanes. Need 200 feet of additional lane to improve intersection capacity	\$2,000,000	\$2,000,000	No	100%		96%	100%	\$2,000,000	\$2,000,000
34*	West Las Positas Boulevard	West Las Positas @ Foothill Road	Add a second westbound left turn lane. Widen the south side of intersection to receive second left turn lane. Extend westbound left turn pocket	\$1,250,000	\$1,250,000	No	100%		94%	100%	\$1,250,000	\$1,250,000
35*	Bernal Avenue	Bernal Avenue at Foothill Road	Add a second southbound left turn lane and widen east side of intersection to receive additional turn lane	\$1,110,000	\$1,110,000	No	100%		96%	100%	\$1,110,000	\$1,110,000
36*	Santa Rita Road	Santa Rita @ Rosewood	Add a second northbound left turn lane	\$1,210,000	\$1,210,000	No	100%		93%	100%	\$1,210,000	\$1,210,000
37*	Owens Drive	Owens @ Willow	Reduce crossing distance on west side of intersection	\$825,000	\$825,000	No	100%		100%	100%	\$825,000	\$825,000
38*	Valley Avenue	Crestline, Blackbird, Paseo Santa Cruz (N), Hansen, Paseo Santa Cruz (S)	Construct roundabouts	\$3,000,000	\$3,000,000	No	100%		98%	100%	\$3,000,000	\$3,000,000
39*	Hopyard Road	Hopyard @ Black	Redesign south side of intersection to allow 2 southbound through lanes through the intersection.	\$200,000	\$200,000	No	100%		100%	100%	\$200,000	\$200,000
40*	Santa Rita Road	at Amador High	Modify design to allow southbound right turn lane into parking lot. Elevate bike lane	\$1,200,000	\$1,200,000	No	100%		95%	100%	\$1,200,000	\$1,200,000
SUBTOTAL, Roadway Improvements				\$261,965,000	\$270,855,000						\$225,762,800	\$233,144,000
New Traffic Signals												
41*	Citywide	Citywide	Installation of new traffic signals	\$22,200,000	\$22,200,000	No	100%				\$22,200,000	\$22,200,000
SUBTOTAL, New Traffic Signals				\$22,200,000	\$22,200,000						\$22,200,000	\$22,200,000
Bicycle and Pedestrian Improvements												
42	Dublin Canyon Road	Foothill Road to Canyon Meadow Circle	Six foot bike lanes	\$350,000	\$350,000		18%				\$63,000	\$63,000
43	Foothill Road	Canyon Way to Castlewood Drive	Six foot bike lanes with 2 foot buffer or cycle track	\$1,250,000	\$7,740,000		18%				\$225,000	\$1,393,200

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
44	Hopyard Road	I-580 WB Off-Ramp to Black Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$1,500,000	\$9,290,000		18%				\$270,000	\$1,672,200
45	Santa Rita Road	Stoneridge Drive to Black Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$750,000	\$4,650,000		18%				\$135,000	\$837,000
46	St Mary Street	Division Street to Main Street	Six foot bike lanes	\$40,000	\$100,000		18%				\$7,200	\$18,000
47	Main Street	Old Bernal Avenue to Bernal Avenue	Six foot bike lanes	\$30,000	\$490,000		18%				\$5,400	\$88,200
48	Abbie Street	Main Street to First Street	Six foot bike lanes	\$40,000	\$40,000		18%				\$7,200	\$7,200
49	First Street	Vineyard Avenue to Bernal Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$380,000	\$2,330,000		18%				\$68,400	\$419,400
50	Owens Drive	Hopyard Avenue to W Las Positas Boulevard	Six foot bike lanes with 2 foot buffer or cycle track	\$940,000	\$5,810,000		18%				\$169,200	\$1,045,800
51	Stoneridge Drive	Foothill Road to Santa Rita Road	Six foot bike lanes with 2 foot buffer or cycle track	\$1,100,000	\$1,900,000		18%				\$198,000	\$342,000
52	W Las Positas Boulevard	Santa Rita Road to Hacienda Drive	Six foot bike lanes with 2 foot buffer or cycle track	\$630,000	\$3,870,000		18%				\$113,400	\$696,600
53	W Las Positas Boulevard	Dorman Road to Hopyard Road	Five to five and a half foot bike lanes	\$70,000	\$390,000		18%				\$12,600	\$70,200
54	Valley Avenue	Sunol Boulevard to Case Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$190,000	\$1,170,000		18%				\$34,200	\$210,600
55	Valley Avenue	Hopyard Road to Bernal Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$470,000	\$5,030,000		18%				\$84,600	\$905,400
56	Valley Avenue	Northway Road to Greenwood Road	Six foot eastbound bike lanes	\$110,000	\$110,000		18%				\$19,800	\$19,800
57	Valley Avenue	Santa Rita Road to Stanley Boulevard	Six foot bike lanes with 2 foot buffer or cycle track	\$400,000	\$4,260,000		18%				\$72,000	\$766,800
58	Bernal Avenue	Foothill Road to Pleasanton Avenue	Six foot bike lanes with 2 foot buffer or cycle track	\$470,000	\$5,030,000		18%				\$84,600	\$905,400
59	Bernal Avenue	Kottinger Drive to Stanley Boulevard	Six foot bike lanes with 2 foot buffer or cycle track	\$630,000	\$3,870,000		18%				\$113,400	\$696,600
60	Sunol Boulevard	Arlington Drive to I-680	Six foot bike lanes	\$110,000	\$190,000		18%				\$19,800	\$34,200
61	Pleasanton Sunol Boulevard	I-680 Interchange to Castlewood Drive	Six foot bike lanes	\$70,000	\$70,000		18%				\$12,600	\$12,600
62	Val Vista Community Park Trail	Arroyo de la Laguna to Johnson Drive/Stoneridge Drive	East bank: 10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use	\$680,000	\$1,090,000		18%				\$122,400	\$196,200
63	Val Vista Community Park Trail	Johnson Drive/Stoneridge Drive to Johnson Drive North/I-580	South and east banks: 10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Intersection/trail crossing at Stoneridge	\$1,710,000	\$2,730,000		18%				\$307,800	\$491,400

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
64	Val Vista Bridge Improvements	Val Vista Community Park Trail & Arroyo de la Laguna	Update bridge railing to meet Caltrans standards	\$140,000	\$140,000		18%				\$25,200	\$25,200
65	Arroyo de la Laguna	Arroyo Mocho to Arroyo del Valle	East bank: 10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use	\$1,870,000	\$2,990,000		18%				\$336,600	\$538,200
66	W Las Positas/Arroyo de la Laguna Trail Access Point	Arroyo de la Laguna to W Las Positas	Access gate and pathway from north side of W Las Positas Road	\$170,000	\$170,000		18%				\$30,600	\$30,600
67	Arroyo de la Laguna Trail - South Extension	Arroyo del Valle to near south end of Laguna Creek Lane	10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Requires new bike/ped bridge at junction of Arroyo del Valle. Intersection improvements at Bernal Ave, Potential access points at Lylewood Drive, Bernal Avenue, and along Laguna Creek Lane	\$3,070,000	\$3,070,000		18%				\$552,600	\$552,600
68	Pleasanton Canal Bridge Improvements	Alamo Canal Trail to Pleasanton Canal	Change bridge railing to meet Caltrans standards, 55" height	\$110,000	\$110,000		18%				\$19,800	\$19,800
69	Chabot Canal	Owens Drive/Dublin-Pleasanton BART Station to W Las Positas Boulevard/Arroyo Mocho Trail	10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Intersection Improvements at W Las Positas, Inglewood, Stoneridge, Gibraltar, Owens. Requires bridge at Arroyo Mocho. Provides between Arroyo Mocho Trail and Dublin-Pleasanton BART, and Hart Middle School (Constrain: multiple mid-block crossings)	\$6,000,000	\$6,000,000		18%				\$1,080,000	\$1,080,000
70	Iron Horse Trail	Between Stoneridge Drive and Santa Rita Road	Iron Horse Trail, intersection/trail crossing and signage improvements are needed; this area includes the intersection of W Las Positas with Stoneridge Drive and the Arroyo Mocho Trail with the Iron Horse Trail Corridor; construct bridge across Arroyo Mocho Trail	\$2,360,000	\$4,120,000		18%				\$424,800	\$741,600
71	Iron Horse Trail	Busch Road to Stanley Boulevard	10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use from Busch Road, to Stanley Boulevard, at Shadow Cliffs Regional Park Entrance. Intersection/trail crossings improvements at Busch Road and Valley/Stanley intersection, and railroad crossing	\$12,360,000	\$12,360,000		18%				\$2,224,800	\$2,224,800

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
72	Tassajara Canal	Rosewood Drive/I-580 to W Las Positas Boulevard/Arroyo Mocho Trail	10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Intersection Improvements at Rosewood, Owens, Stoneridge, W Las Positas. Requires bridge at Arroyo Mocho. Study potential for crossing at I-580 to connect with Tassajara Creek Trail in Dublin, (constraints, multiple mid-block crossings, current adjacent land uses are commercial office/industrial parks which turn backs to canal with no access South bank:	\$3,450,000	\$4,770,000		18%				\$621,000	\$858,600
73	Arroyo Mocho	Hopyard Road to City Limit near Busch Road	10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Provides connection to future trails to Livermore	\$4,770,000	\$7,610,000		18%				\$858,600	\$1,369,800
74	Arroyo Mocho	Near Gulfstream Street to City Limit near Busch Road	Access improvements from Fairlands Park and Meadows Park neighborhoods North bank: 10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Provides connection to future trails to Livermore	\$1,570,000	\$2,500,000		18%				\$282,600	\$450,000
75	Arroyo Mocho	Hopyard Road to Santa Rita Road	Access Improvements from Parkside neighborhood	\$100,000	\$100,000		18%				\$18,000	\$18,000
76	Arroyo Mocho - Fairlands Connector	W Las Positas to Arroyo Mocho Trail	In coordination with any future major redevelopment of the Nob Hill shopping center site at the SW corner of W Las Positas and Hopyard, provide a multi-use trail connecting from Fairlands Elementary School to the Arroyo Mocho trail. Consider new bike/pedestrian bridge for this connection	\$480,000	\$760,000		18%				\$86,400	\$136,800
77	Pleasanton Canal	Arroyo de la Laguna to Hopyard Road	North bank: 10 foot paved bikeway Compacted soil/decompressed granite side path for pedestrian/runner/equestrian use Provides connection Tennis & Community Park and Pleasanton Sports & Recreation Park	\$1,190,000	\$1,900,000		18%				\$214,200	\$342,000
78	Pleasanton Canal	Arroyo de la Laguna to Hopyard Road	Trail Access Improvements	\$2,190,000	\$3,110,000		18%				\$394,200	\$559,800
79	Pleasanton Sports & Recreation Park	Hopyard Road to Omega Circle	Trail Access Improvements	\$50,000	\$50,000		18%				\$9,000	\$9,000
80	Arroyo del Valle	Main Street to Shadow Cliffs Regional Park	Trail improvements per <i>Community Trails Master Plan</i>	\$4,280,000	\$4,280,000		18%				\$770,400	\$770,400
81	Main Street/Santa Rita to Stanley connector	South end of Santa Rita frontage road to Stanley Boulevard	Realign existing path on east side of Main Street south side of railroad. Add bike/ped crossing gate at the railroad crossing from Santa Rita frontage road southbound 10' concrete pedestrian/bike path	\$680,000	\$680,000		18%				\$122,400	\$122,400
82	Regional Trail	Bernal Avenue to Stanley Boulevard	6' decomposed granite multi-use path. Intersection/trail crossing improvements	\$2,790,000	\$2,790,000		18%				\$502,200	\$502,200
83	Regional Trail	Bernal Avenue to City Limit near I-680	Class I Multi-Use Trail, connecting with planned East Bay Regional Parks District Trail south. Provides route avoiding the Sunol Boulevard crossina of I-680	\$1,700,000	\$2,720,000		18%				\$306,000	\$489,600
84	Interchanges	I-580 (Foothill, Hopyard, Hacienda, Santa Rita and El Charro) and I-680 (Stoneridge, Bernal and Sunol)	Interchange improvements for bikes	\$8,390,000	\$8,390,000		18%				\$1,510,200	\$1,510,200
85	Foothill Road	-	Foothill Road Bike Master Plan	\$60,000	\$60,000		18%				\$10,800	\$10,800

#	Roadway	Intersection/Segment	Improvements	Estimated Cost (\$2024)		Existing Deficiency?	Percent Eligible for Fee Program	Explanation of Eligibility	Percent Pleasanton Trips, from Model	Percent Pleasanton Trips, Adjusted	Cost Included in TIF Program	
				Low	High						Minimum	Maximum
86	Downtown	-	Downtown Bike Master Plan	\$230,000	\$370,000		18%				\$41,400	\$66,600
87*	West Las Positas Corridor	Foothill to Fairlands	Pedestrian and bicycle improvements identified in WLP Corridor plan	\$50,000,000	\$50,000,000	No	23%				\$11,350,000	\$11,350,000
88*	Stoneridge Mall Road	Full loop	Add sidewalk	\$510,000	\$510,000	No	23%				\$115,770	\$115,770
89*	Stoneridge Mall Road	Full loop	Add cycle track	\$3,780,000	\$3,780,000	No	23%				\$858,060	\$858,060
90*	Bernal Avenue	Valley to Fire Station	Add bike lane in the eastbound direction	\$110,000	\$110,000	No	23%				\$24,970	\$24,970
91*	Peters Avenue	St. John to Old Bernal	Construct two-way cycle track on west side of roadway	\$2,000,000	\$2,000,000	No	23%				\$454,000	\$454,000
92*	Safety Corridors	Santa Rita, Stoneridge Hopyard	Convert to protected intersections	\$6,600,000	\$6,600,000	No	23%				\$1,498,200	\$1,498,200
93*	Stanley Boulevard	Valley to City Limit	Extend two-way cycle track / mixed use path design from intersection to the mixed use path that exists to the east of the BMX park	\$880,000	\$880,000	No	23%				\$199,760	\$199,760
94*	Citywide	Trails	Improve trail access by adding gates and paths from existing sidewalks	\$400,000	\$400,000	No	23%				\$90,800	\$90,800
SUBTOTAL, Bicycle Improvements				\$134,210,000	\$193,840,000						\$27,178,960	\$37,912,360
Citywide Projects												
95	Citywide	-	Expand the City's ITS equipment and capabilities; update the City's Traffic Operations Center Hardware (computers, servers, switches, monitors, etc.); web integration and information dissemination project to provide information to public through various media (i.e., web, mobile, phone, etc.); includes 5 years of service	\$950,000	\$950,000		18%				\$171,000	\$171,000
96	Citywide	-	Upgrade and update of approximately 70 traffic controllers to allow for Ethernet communications; upgrade system communication to Ethernet and establish communication to all signals; upgrade existing controller software to the latest version	\$1,620,000	\$1,620,000		18%				\$291,600	\$291,600
97*	Citywide	-	Update to the existing traffic model	\$500,000	\$500,000		23%				\$113,500	\$113,500
Remaining Project TOTAL				\$322,780,000	\$391,300,000						\$227,127,800	\$245,242,400
New Projects TOTAL				\$98,665,000	\$98,665,000						\$48,590,060	\$48,590,060
OVERALL TOTAL (Remaining + New Projects)				\$421,445,000	\$489,965,000						\$275,717,860	\$293,832,460

Note: New projects added in the 2024 TIF Update are marked with asterisk (*).



APPENDIX C:

Affordable Housing Income Limits

Appendix Table C-1
Alameda County 2024 Income Limits by Persons in Household
Pleasanton Fee Update

Affordability Category	Maximum Percentage of County Median	Number of Persons in Household						
		1	2	3	4	5	6	7
Acutely Low Income	0% - 15%	\$16,350	\$18,700	\$21,000	\$23,350	\$25,200	\$27,100	\$28,950
Extremely Low Income	30%	\$32,700	\$37,400	\$42,050	\$46,700	\$50,450	\$54,200	\$57,950
Very Low Income	50%	\$54,500	\$62,300	\$70,100	\$77,850	\$84,100	\$90,350	\$96,550
Low Income	60%	\$65,400	\$74,730	\$84,090	\$93,420	\$100,890	\$108,360	\$115,830
Low Income	80%	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800
Median Income	100%	\$109,000	\$124,550	\$140,150	\$155,700	\$168,150	\$180,600	\$193,050
Moderate Income	120%	\$130,800	\$149,500	\$168,150	\$186,850	\$201,900	\$216,750	\$231,700
Moderate Income	150%	\$163,500	\$186,825	\$210,225	\$233,550	\$252,225	\$270,900	\$289,575

Sources: CA Department of Housing and Community Development; Economic & Planning Systems, Inc.



APPENDIX D:

Non Residential Land Use Descriptions

Appendix Table D-1
Non-Residential Category Descriptions
Pleasanton Fee Study

Land Use Category	Description and Examples	NAICS Sectors
Commercial/Retail	Businesses selling or providing merchandise, entertainment, and personal services to the general public. Examples include grocery stores, drug stores, clothing stores, general merchandise stores, beauty salons, and gas stations. Food and drinking places are also included in this category.	44 and 45 - Retail Trade 532 - Rental and Leasing Services 722 - Food Services and Drinking Places 812 - Personal and Laundry Services
Lodging	Lodging or short-term accommodations for travelers, vacationers, and others in facilities known as hotels, motor hotels, resort hotels, and motels. Does not include short-term rentals.	721000 - Accommodation.
Office	Employers engaged in business activity with limited direct access from the general public; businesses focused on professional, financial, scientific, and technical services. Examples include finance, insurance, real estate, law, engineering, medical offices, and science and technology.	51 - Information 52 - Finance and Insurance 53 - Real Estate and Rental and Leasing (excluding 532000 -Rental and Leasing Services) 54 - Professional, Scientific, and Technical Services 55 - Management of Companies and Enterprises 561 - Admin. and Support Services 6211 - Offices of Physicians 6212 - Offices of Dentists 6213 - Offices of Other Health Practitioners 6214 - Outpatient Care Centers 6215 - Medical and Diagnostic Laboratories
Industrial/R&D	Employers engaged in business activity with limited direct access from the general public; businesses focused on assembling, distributing, or repairing products; businesses focused on the testing and invention of new materials, products, or processes; and businesses engaged in the transformation of raw materials into consumable products. Examples include auto repair, self-storage facilities, and food/beverage products manufacturing. Additionally includes warehousing, and the storage and distribution of goods.	22 - Utilities 23 - Construction 31 - Manufacturing 42 - Wholesale Trade 484 - Truck Transportation 493 - Warehousing & Storage 811 - Repair and Maintenance

Sources: City of Pleasanton; Economic & Planning Systems, Inc.



APPENDIX E:

Occupation Distributions By Land Use Category

Appendix Table E-1
Occupation and Wage Distribution - Office
Pleasanton Fee Update

Office

Occupation Category [1]	Oakland-Fremont- Berkeley, CA MD Average Wage	% of Industry Jobs in Occupation Category	HH Income at 1.79 workers/HH	Income Category
Management Occupations	\$190,189.69	12.08%	\$340,439.54	Above Moderate
Business and Financial Operations Occupations	\$109,574.09	12.72%	\$196,137.62	Above Moderate
Computer and Mathematical Occupations	\$143,171.62	9.73%	\$256,277.19	Above Moderate
Architecture and Engineering Occupations	\$126,733.41	4.35%	\$226,852.81	Above Moderate
Life, Physical, and Social Science Occupations	\$117,113.42	3.35%	\$209,633.02	Above Moderate
Community and Social Service Occupations	\$72,901.01	1.47%	\$130,492.81	Moderate
Legal Occupations	\$177,265.53	1.93%	\$317,305.30	Above Moderate
Educational Instruction and Library Occupations	\$77,620.09	0.17%	\$138,939.96	Moderate
Arts, Design, Entertainment, Sports, and Media Occupations	\$107,865.12	2.99%	\$193,078.57	Above Moderate
Healthcare Practitioners and Technical Occupations	\$146,806.42	9.65%	\$262,783.50	Above Moderate
Healthcare Support Occupations	\$58,401.33	4.56%	\$104,538.38	Median
Protective Service Occupations	\$45,503.11	2.85%	\$81,450.57	Low - 80%
Food Preparation and Serving Related Occupations	\$42,081.80	0.31%	\$75,326.43	Low - 80%
Building and Grounds Cleaning and Maintenance Occupations	\$49,239.19	5.76%	\$88,138.16	Low - 80%
Personal Care and Service Occupations	\$45,408.38	0.49%	\$81,281.00	Low - 80%
Sales and Related Occupations	\$95,622.38	6.17%	\$171,164.06	Above Moderate
Office and Administrative Support Occupations	\$59,331.54	14.75%	\$106,203.46	Median
Farming, Fishing, and Forestry Occupations	\$50,329.29	0.11%	\$90,089.43	Low - 80%
Construction and Extraction Occupations	\$81,943.93	0.69%	\$146,679.63	Moderate
Installation, Maintenance, and Repair Occupations	\$69,898.86	2.09%	\$125,118.97	Moderate
Production Occupations	\$50,311.25	1.54%	\$90,057.14	Low - 80%
Transportation and Material Moving Occupations	\$45,028.98	2.26%	\$80,601.87	Low - 80%
Total or Weighted Average	\$107,955.58	100.00%	\$193,240.49	

[1] Includes NAICS Sectors: 51 - Information; 52 - Finance and Insurance; 53 - Real Estate and Rental and Leasing (excluding 532000 -Rental and Leasing Services); 54 - Professional, Scientific, and Technical Services; 55 - Management of Companies and Enterprises; 561 - Admin. and Support Services; 6211 - Offices of Physicians; 6212 - Offices of Dentists; 6213 - Offices of Other Health Practitioners; 6214 - Outpatient Care Centers; and 621500 - Medical and Diagnostic Laboratories.

Sources: JobsEQ, 2023; U.S. Census American Community Survey 5-Year Estimates 2021; Economic & Planning Systems, Inc.

Appendix Table E-2
**Occupation and Wage Distribution - Commercial/Retail
Pleasanton Fee Update**
Commercial/Retail

Occupation Category [1]	Oakland-Fremont- Berkeley, CA MD Average Wage	% of Industry Jobs in Occupation Category	HH Income at 1.79 workers/HH	Income Category
Management Occupations	\$113,984.36	4.15%	\$204,032.01	Above Moderate
Business and Financial Operations Occupations	\$83,844.08	1.28%	\$150,080.90	Above Moderate
Computer and Mathematical Occupations	\$110,151.18	0.27%	\$197,170.60	Above Moderate
Architecture and Engineering Occupations	\$108,059.95	0.02%	\$193,427.32	Above Moderate
Life, Physical, and Social Science Occupations	\$72,681.78	0.01%	\$130,100.38	Moderate
Community and Social Service Occupations	\$48,053.74	0.04%	\$86,016.19	Low - 80%
Legal Occupations	\$103,257.95	0.02%	\$184,831.73	Above Moderate
Educational Instruction and Library Occupations	\$57,721.53	0.05%	\$103,321.53	Median
Arts, Design, Entertainment, Sports, and Media Occupations	\$63,118.73	0.88%	\$112,982.53	Median
Healthcare Practitioners and Technical Occupations	\$99,977.79	1.72%	\$178,960.25	Above Moderate
Healthcare Support Occupations	\$65,049.21	0.49%	\$116,438.09	Median
Protective Service Occupations	\$46,978.54	0.32%	\$84,091.59	Low - 80%
Food Preparation and Serving Related Occupations	\$39,864.03	36.91%	\$71,356.62	Low - 60%
Building and Grounds Cleaning and Maintenance Occupations	\$45,703.53	0.83%	\$81,809.32	Low - 80%
Personal Care and Service Occupations	\$46,413.98	5.09%	\$83,081.02	Low - 80%
Sales and Related Occupations	\$45,282.34	26.00%	\$81,055.40	Low - 80%
Office and Administrative Support Occupations	\$52,341.58	5.40%	\$93,691.43	Low - 80%
Farming, Fishing, and Forestry Occupations	\$42,195.83	0.14%	\$75,530.53	Low - 80%
Construction and Extraction Occupations	\$68,067.59	0.19%	\$121,840.99	Median
Installation, Maintenance, and Repair Occupations	\$63,064.55	2.63%	\$112,885.54	Median
Production Occupations	\$46,988.54	2.23%	\$84,109.48	Low - 80%
Transportation and Material Moving Occupations	\$43,635.21	11.35%	\$78,107.02	Low - 80%
Total or Weighted Average	\$48,833.76	100.00%	\$87,412.42	

[1] Includes NAICS Sectors: 44 and 45 - Retail Trade; 532000 - Rental and Leasing Services; 812000 - Personal and Laundry Services; and 722000 - Food Services and Drinking Places.

Sources: JobsEQ, 2021; U.S. Census American Community Survey 5-Year Estimates 2021; Economic & Planning Systems, Inc.

Appendix Table E-3
Occupation and Wage Distribution - Industrial
Pleasanton Fee Update

Industrial

Occupation Category [1]	Oakland-Fremont- Berkeley, CA MD Average Wage	% of Industry Jobs in Occupation Category	HH Income at 1.79 workers/HH	Income Category
Management Occupations	\$170,068.19	8.09%	\$304,422.05	Above Moderate
Business and Financial Operations Occupations	\$107,128.27	5.63%	\$191,759.60	Above Moderate
Computer and Mathematical Occupations	\$150,750.78	2.34%	\$269,843.90	Above Moderate
Architecture and Engineering Occupations	\$126,716.77	3.75%	\$226,823.01	Above Moderate
Life, Physical, and Social Science Occupations	\$100,708.55	0.72%	\$180,268.30	Above Moderate
Community and Social Service Occupations	\$78,825.42	0.00%	\$141,097.51	Moderate
Legal Occupations	\$224,628.17	0.07%	\$402,084.43	Above Moderate
Educational Instruction and Library Occupations	\$69,671.15	0.01%	\$124,711.37	Moderate
Arts, Design, Entertainment, Sports, and Media Occupations	\$86,811.16	0.78%	\$155,391.98	Above Moderate
Healthcare Practitioners and Technical Occupations	\$113,972.14	0.11%	\$204,010.12	Above Moderate
Healthcare Support Occupations	\$69,978.63	0.01%	\$125,261.74	Moderate
Protective Service Occupations	\$58,763.47	0.13%	\$105,186.61	Median
Food Preparation and Serving Related Occupations	\$41,626.70	0.51%	\$74,511.79	Low - 60%
Building and Grounds Cleaning and Maintenance Occupations	\$52,033.86	0.58%	\$93,140.60	Low - 80%
Personal Care and Service Occupations	\$47,839.93	0.01%	\$85,633.48	Low - 80%
Sales and Related Occupations	\$88,773.80	5.87%	\$158,905.10	Above Moderate
Office and Administrative Support Occupations	\$60,870.71	9.10%	\$108,958.57	Median
Farming, Fishing, and Forestry Occupations	\$46,920.74	0.25%	\$83,988.12	Low - 80%
Construction and Extraction Occupations	\$81,208.86	19.00%	\$145,363.86	Moderate
Installation, Maintenance, and Repair Occupations	\$76,268.71	7.28%	\$136,521.00	Moderate
Production Occupations	\$60,443.04	21.87%	\$108,193.05	Median
Transportation and Material Moving Occupations	\$53,036.54	13.89%	\$94,935.40	Low - 80%
Total or Weighted Average	\$82,806.00	100.00%	\$148,222.75	

[1] Includes NAICS Sectors: 22 - Utilities; 23 - Construction; 42 - Wholesale Trade; 484 - Truck Transportation; 493 - Warehousing & Storage; and 811 - Repair and Maintenance

Sources: JobsEQ, 2023; U.S. Census American Community Survey 5-Year Estimates 2021; Economic & Planning Systems, Inc.

Appendix Table E-4
Occupation and Wage Distribution - Lodging
Pleasanton Fee Update

Lodging

Occupation Category [1]	Oakland-Fremont- Berkeley, CA MD Average Wage	% of Industry Jobs in Occupation Category	HH Income at 1.79 workers/HH	Income Category
Management Occupations	\$127,300.00	7.90%	\$227,867.00	Above Moderate
Business and Financial Operations Occupations	\$72,100.00	2.32%	\$129,059.00	Moderate
Computer and Mathematical Occupations	\$95,600.00	0.20%	\$171,124.00	Above Moderate
Architecture and Engineering Occupations	\$134,300.00	0.07%	\$240,397.00	Above Moderate
Life, Physical, and Social Science Occupations	\$92,900.00	0.01%	\$166,291.00	Above Moderate
Community and Social Service Occupations	\$70,700.00	0.03%	\$126,553.00	Moderate
Legal Occupations	\$311,900.00	0.01%	\$558,301.00	Above Moderate
Educational Instruction and Library Occupations	\$74,500.00	0.10%	\$133,355.00	Moderate
Arts, Design, Entertainment, Sports, and Media Occupations	\$89,700.00	0.20%	\$160,563.00	Above Moderate
Healthcare Practitioners and Technical Occupations	\$121,600.00	0.01%	\$217,664.00	Above Moderate
Healthcare Support Occupations	\$63,100.00	0.60%	\$112,949.00	Median
Protective Service Occupations	\$47,700.00	1.96%	\$85,383.00	Low - 80%
Food Preparation and Serving Related Occupations	\$46,100.00	21.07%	\$82,519.00	Low - 80%
Building and Grounds Cleaning and Maintenance Occupations	\$54,000.00	30.04%	\$96,660.00	Median
Personal Care and Service Occupations	\$48,500.00	4.12%	\$86,815.00	Low - 80%
Sales and Related Occupations	\$67,000.00	2.50%	\$119,930.00	Median
Office and Administrative Support Occupations	\$48,900.00	19.34%	\$87,531.00	Low - 80%
Farming, Fishing, and Forestry Occupations	\$51,800.00	0.08%	\$92,722.00	Low - 80%
Construction and Extraction Occupations	\$77,500.00	0.20%	\$138,725.00	Moderate
Installation, Maintenance, and Repair Occupations	\$67,500.00	5.91%	\$120,825.00	Median
Production Occupations	\$53,100.00	2.44%	\$95,049.00	Low - 80%
Transportation and Material Moving Occupations	\$45,600.00	0.87%	\$81,624.00	Low - 80%
Total or Weighted Average	\$58,598.75	100.00%	\$104,891.77	

[1] Includes NAICS Sector: 721 - Accommodation.

Sources: JobsEQ, 2023; U.S. Census American Community Survey 5-Year Estimates 2021; Economic & Planning Systems, Inc.



APPENDIX F:

Demographic Assumptions

Appendix Table F-1
Commercial Linkage Fee Demographic Assumptions
Pleasanton Fee Update

Item		Source
Demographic Assumptions		
Households with Earnings	23,111 households	American Community Survey 5-Year Estimates 2022
Workers per Household with Workers	1.79 persons	American Community Survey 5-Year Estimates 2022
Persons per Working Household	3.40 persons	American Community Survey 5-Year Estimates 2022
Pleasanton Workers Living in Pleasanton	9.0% of workers	US Census Bureau "On The Map" 2021 data

Sources: U.S. Census American Community Survey 5-Year Estimates 2022;US Census Bureau "On The Map"; City of Pleasanton



APPENDIX G:

Housing Proformas

Appendix Table G-1
Market-Rate Prototypes and Development Cost Assumptions
Pleasanton Inclusionary Zoning Ordinance Update

Item	Single Family Detached	
	Assumptions	Per Unit
Development Prototype		
Tenure	Ownership	
Parcel Size	1 acre	
Density	5 units/acre	
Unit Size	3,000 sq.ft.	
Number of Bedrooms	4.0 per unit	
Amount of Parking	2.0 per unit	
Development Costs		
Land Costs	\$4,000,000 per acre	\$800,000
Site Preparation	\$30 per sq.ft. of land	<u>\$261,360</u>
<i>Subtotal, Land</i>		<i>\$1,061,360</i>
Direct Construction Costs	\$200 per bldg. sq.ft.	\$600,000
Parking Costs	\$0 per space	\$0
Builder Fee	5.0% of direct const. costs	<u>\$30,000</u>
<i>Subtotal, Direct Costs</i>		<i>\$630,000</i>
Development Impact Fees [1]	\$175,981 per unit	\$175,981
Indirect Costs [2]	20% of direct costs	<u>\$126,000</u>
<i>Subtotal, Indirect Costs</i>	48% of direct costs	<i>\$301,981</i>
Total Construction Costs		\$1,993,341

Sources: Costar; Marshall & Swift; EPS discussions with local active developers

[1] Development impact fee total does not include current affordable housing inclusionary fee requirements

[2] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; and contingency.

Appendix Table G-2
Market-Rate Prototypes and Development Cost Assumptions
Pleasanton Inclusionary Zoning Ordinance Update

Item	Single Family Attached Townhome	
	Assumptions	Per Unit
Development Prototype		
Tenure	Ownership	
Parcel Size	1 acre	
Density	20 units/acre	
Unit Size	2,000 sq.ft.	
Number of Bedrooms	3.0 per unit	
Amount of Parking	2.0 per unit	
Development Costs		
Land Costs	\$4,500,000 per acre	\$225,000
Site Preparation	\$30 per sq.ft. of land	<u>\$65,340</u>
<i>Subtotal, Land</i>		<i>\$290,340</i>
Direct Construction Costs	\$225 per sq.ft.	\$450,000
Parking Costs	\$0 per space	\$0
Builder Fee	5.0% of direct const. costs	<u>\$22,500</u>
<i>Subtotal, Direct Costs</i>		<i>\$472,500</i>
Development Impact Fees [1]	\$97,722 per unit	\$97,722
Indirect Costs [2]	20% of direct costs	<u>\$94,500</u>
<i>Subtotal, Indirect Costs</i>	41% of direct costs	<i>\$192,222</i>
Total Construction Costs		\$955,062

Sources: Costar; Marshall & Swift; EPS discussions with local active developers

[1] Development impact fee total does not include current affordable housing inclusionary fee requirements

[2] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; and contingency.

Appendix Table G-3
Market-Rate Prototypes and Development Cost Assumptions
Pleasanton Inclusionary Zoning Ordinance Update

Item	Multifamily Attached Condo	
	Assumptions	Per Unit
Development Prototype		
Tenure	Ownership	
Parcel Size	1 acre	
Density	40 units/acre	
Unit Size	1,500 sq.ft.	
Number of Bedrooms	2.0 per unit	
Amount of Parking	1.5 per unit	
Development Costs		
Land Costs	\$4,500,000 per acre	\$112,500
Site Preparation	\$30 per sq.ft. of land	<u>\$32,670</u>
<i>Subtotal, Land</i>		<i>\$145,170</i>
Direct Construction Costs	\$325 per sq.ft.	\$487,500
Parking Costs	\$40,000 per space, wrap-style	\$60,000
Builder Fee	5.0% of direct costs, incl. parking	<u>\$27,375</u>
<i>Subtotal, Direct Costs</i>		<i>\$574,875</i>
Development Impact Fees [1]	\$65,550 per unit	\$65,550
Indirect Costs [2]	20% of direct costs	<u>\$114,975</u>
<i>Subtotal, Indirect Costs</i>	<i>31% of direct costs</i>	<i>\$180,525</i>
Total Construction Costs		\$900,570

Sources: Costar; Marshall & Swift; EPS discussions with local active developers

[1] Development impact fee total does not include current affordable housing inclusionary fee requirements

[2] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; and contingency.

Appendix Table G-4
Market-Rate Prototypes and Development Cost Assumptions
Pleasanton Inclusionary Zoning Ordinance Update

Item	Multifamily Attached Podium	
	Assumptions	Per Unit
Development Prototype		
Tenure	Rental	
Parcel Size	1 acre	
Density	75 units/acre	
Unit Size	800 sq.ft.	
Number of Bedrooms	1.0 per unit	
Amount of Parking	1.5 per unit	
Development Costs		
Land Costs	\$5,000,000 per acre	\$66,667
Site Preparation	\$30 per sq.ft. of land	<u>\$17,424</u>
<i>Subtotal, Land</i>		<i>\$84,091</i>
Direct Construction Costs	\$325 per sq.ft.	\$260,000
Parking Costs	\$50,000 per space, podium	\$75,000
Builder Fee	5.0% of direct costs, incl. parking	<u>\$16,750</u>
<i>Subtotal, Direct Costs</i>		<i>\$351,750</i>
Development Impact Fees [1]	\$60,692 per unit	\$60,692
Indirect Costs [2]	20% of direct costs	<u>\$70,350</u>
<i>Subtotal, Indirect Costs</i>	<i>37% of direct costs</i>	<i>\$131,042</i>
Total Construction Costs		\$566,883

Sources: Costar; Marshall & Swift; EPS discussions with local active developers

[1] Development impact fee total does not include current affordable housing inclusionary fee requirements

[2] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; and contingency.

City of Pleasanton

Water and Wastewater Connection Fee Study

October 17, 2024

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October 17, 2024

Tamara Baptista
Deputy Director of Business Services, Operations Services Department
City of Pleasanton
P.O. Box 520
Pleasanton, CA 94566

Subject: Water and Wastewater Connection Fee Study

Dear Ms. Baptista,

Raftelis is pleased to provide this Water and Wastewater Connection Fee Study Report (Report) for the City of Pleasanton (City).

The major objectives of the study include the following:

- Review the current connection fee structure and propose updates to reflect the current state of the water and wastewater systems and future capital improvements as well as industry standards
- Provide subject matter expertise in the methodology used to calculate the proposed connection fee schedules
- Confirm that proposed connection charges are fair to both future users and existing users who have invested and reinvested in the water and wastewater systems

This Report summarizes the analyses, key assumptions, results, and proposed fees.

It has been a pleasure working with you, and we thank you and the City staff for their support during the study.

Sincerely,



Brian Bass
Project Manager

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Introduction

Connection fees are also commonly known as developer fees, development impact fees, capacity fees, tap fees, and system development charges, among others. This report uses the term *connection fees* reflecting the nomenclature used by the City. Connection fees are one-time capital charges assessed against new development to recover the proportional share of capital facility investment previously constructed by a utility (or to be constructed) to accommodate growth. Connection fees are codified in the California Government Code Sections 66000-60025. Connection fees must reflect the link between the fee imposed on, and the benefit received by, a new connection to the system. The fee charged may not exceed the reasonable share of costs associated with providing the service.

Broadly, utilities use one of three different methodologies to calculate capacity fees: Buy-In, Incremental, and Hybrid. Variations of each are dictated by local community and system characteristics and policy objectives. Utilities have broad latitude in the method and approach used to calculate fees, provided the fees reflect the cost and do not exceed the reasonable costs for providing service to the connection. These fees are designed to be proportional to the burden placed on the system by new connections.

Background and Legal Framework

Background of the Study

The City revised its water connection fees in 1992, wastewater connection fees in 2008, and recycled water connection fees in 2015. The adopted connection fees have not consistently been adjusted annually for inflation. The City engaged Raftelis in 2024 to conduct a connection fee study to examine the existing approach against alternatives that may better reflect current community conditions, system characteristics, and policy objectives. Raftelis worked collaboratively with City staff throughout the study to calculate the proposed connection fees. This report documents the findings, analyses, and proposed changes to the City's water and wastewater connection fees. The updated connection fees documented in this report are in accordance with the rules and regulations of California State Government Code Section 66013. This report is the formal technical documentation supporting modifications to the water and wastewater connection fees within the City's service area, including data sources, methodology, results, and comparisons.

Economic and Legal Framework

For publicly owned systems, most of the assets are typically paid for by the contributions of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the infrastructure developed by previous customers is generally extended towards the service of new customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. To further economic equality among new and existing customers, new connectors will typically "Buy-In" to the existing and pre-funded facilities based on the existing assets, effectively putting them on par with existing customers. In other words, the new users are buying into the existing system based on the replacement costs of existing assets to continue providing the same service level to new customers through repairs, expansions, and upgrades to the system.

The basic economic philosophy behind connection fees is that those who receive utility from the product should pay for service costs. To effect fair distribution of the system's value, the charge should reflect a reasonable estimate of the cost of providing capacity to new users and not unduly burden existing users through a comparable rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their connection fee structure.

The philosophy that service should be paid for by those who receive utility service is often referred to as “growth-should-pay-for-growth.” The principle is summarized in the American Water Works Association (AWWA) Manual M26: *Water Rates and Related Charges*:

“The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a ‘growth-pays-for-growth’ policy.”

This principle, in general, applies to water and wastewater systems. In the excerpt above, customer-contributed capital system charges are equivalent to connection fees.

Legal Framework and California Requirements

In establishing connection fees, it is important to understand and comply with local laws and regulations governing establishing, calculating, and implementing connection fees. The following sections summarize Raftelis’ understanding¹ of the regulations applicable to developing connection fees for the City.

Connection fees must be established based on a reasonable relationship to the costs and benefits of the development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. The basic statutory standards governing connection fees are embodied by California Government Code Sections 66013, 66016, 66022, and 66023. Government Code Section 66013 contains requirements specific to determining utility development charges:

“Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus, or relationship, between a development project and the improvement being financed with the charge.
- The capacity charge revenue must be segregated from the General Fund to avoid commingling of connection fees and the General Fund.

¹ Raftelis does not practice law, nor does it provide legal advice. Our discussion provides a general overview of Raftelis’ understanding as utility rate and charges practitioners and is labeled “Legal Framework and California Requirements” for literary convenience only. The City should consult with its legal counsel for clarification and/or specific guidance.

Methodology Overview

A connection fee is a one-time charge paid by a newly connecting water or wastewater system customer for the cost of backbone facilities necessary to provide water system capacity to that new customer. New customers are directly impacted when the City requires them to mitigate the costs of backbone facilities. If the impacts are cumulative over time, then the impact is indirectly addressed by the payment of connection fees. Backbone facilities are built in advance with the capacity needed for new customers, and as customers connect and use this capacity, they are expected to pay their fair share of those costs. Revenues generated by this charge are used to pay for growth-related water and wastewater facilities. Backbone facilities refer to those components of the system that are necessary to provide service to all customers. Water backbone facilities include sources of supply, treatment, pumping, major water transmission lines, and daily storage; and wastewater backbone facilities include conveyance, pumping, and treatment.

A connection fee may be developed as a single charge for the entire backbone system or as individual charges for each backbone component. The City has historically calculated the capacity fee as a single charge, which is the most common approach across California. The City's water connection fees have historically been charged by meter size. The City's wastewater connection fees have historically been charged by a unit factor, which differs by customer class. Residential customers are charged per dwelling unit, while non-residential customers are charged per square foot with some exceptions, such as accessory dwelling units (ADUs), which are charged per square foot, and churches and hotels/motels, which are charged per seat and per room, respectively. Under specific conditions, the City Building Official has the discretion to adjust a connection fee based on historical water usage, among other factors.

Connection Fee Methodologies

The method for calculating connection fees generally utilizes one of the following three approaches: Buy-In, Incremental, or Hybrid. The Buy-In approach is designed to recover the historical costs of plant investment in proportion to the amount of built capacity, some of which is available for new growth. The Incremental approach is designed to recover the costs of future growth-related projects and the additional capacity those projects will yield. The Hybrid approach combines aspects of the buy-in and incremental approaches. It is appropriate where some remaining capacity is available in the existing system and new future facilities are required for development.

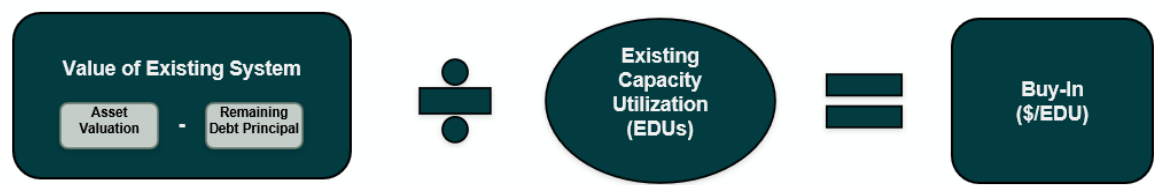
BUY-IN METHOD

The "Buy-In Method" is backward-looking and based on the premise that new customers are entitled to service at the same cost as existing customers. Under this approach, new customers pay only an amount equal to the current system value, either using the original cost or replacement cost as the valuation basis and either deducting the value of depreciation or not. This net investment, or value of the system, is then divided by the current system capacity to determine the Buy-In cost per unit.

For example, if the existing system has 100 units of equivalent 3/4" meters and the new connector uses a 3/4" meter, then the new customer would pay 1/100 of the total value of the existing system. The new connector has "bought in" to the existing system by contributing this connection fee. The new user has effectively acquired a financial position on par with existing customers and will face future capital re-investment on an equal financial footing with those customers. This approach is suitable when: (1) an agency has built most or all of its facilities and only a small, or no, portion of future facilities are required for additional development, (2) an agency does not have a detailed adopted long-term capital improvement plan, or (3) an agency's "build-out" date is so far out in the future that it is

difficult to project growth and required facilities with precision accurately. Figure 1 shows the framework for calculating a Buy-In connection fee.

Figure 1: Formula for Buy-In Approach

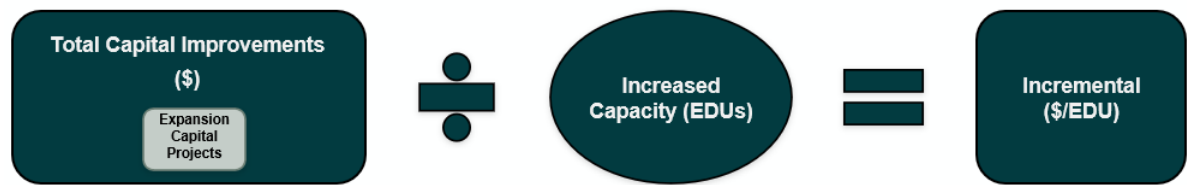


INCREMENTAL COST METHOD

The Incremental Cost Method is forward-looking and states that new development (new users) should pay for the additional capacity and expansions necessary to accommodate them. This method is typically used when specific capital improvements are needed to facilitate growth for new development. Under the Incremental-Cost Method, growth-related capital improvements are allocated to new development based on their estimated usage or capacity requirements, irrespective of the value of past investments made by existing customers.

For instance, if it costs X dollars (\$X) to provide water for 100 3/4” meter equivalent connection and a new connector uses one of those equivalent units, then the new user would pay \$X/100 to connect to the system. In other words, new customers pay the incremental cost of capacity based on the estimated cost of the new facilities. This method is generally used when detailed future facilities have been identified to meet the capacity required to serve new customers and limited existing system capacity is available for development. While California Code 66013 (b)(3) does not define a specific period to include future projects, these periods can be as long as a master planning period. Figure 2 shows the framework for calculating an incremental cost connection fee.

Figure 2: Formula for Incremental-Cost Approach



HYBRID METHOD

The hybrid method is typically used where some capacity is available to serve new growth, but additional expansion is necessary to accommodate new development. Under the hybrid method, the connection fee is based on the existing capacity value and the costs of necessary expansions (i.e., the Buy-In component and the Incremental-cost component). Capital improvements that expand system capacity to serve future customers may be included proportionally to the percentage of the cost specifically required for expansion of the system versus the percentage of cost incurred in repair and replacement of existing capacity (and therefore benefitting existing users). Figure 3: Formula for Hybrid Approach summarizes the framework for calculating the Hybrid connection fee.

Figure 3: Formula for Hybrid Approach



RECOMMENDED METHODOLOGY

Since new capacity is currently being constructed to meet expansion needs, and the existing capacity is insufficient for new development, the City selected the Incremental approach, which is forward-looking.

System Value and Equivalent Units

This section details the calculation of the per-unit costs for the Incremental approach.

Water Connection Fee

SYSTEM VALUE

The cost basis for determining the Incremental, or expansion, system value was provided by City Staff. The \$22.3 million valuation includes all expansion-related capital expenses identified in the Water Distribution System Capacity Master Plan dated November 2023 and adopted by the City in May 2024. These expenses are the share of the City's water capital improvement plan that are allocated to future users. The growth-related expenses identified in the new water master plan are used for the water system value.

The 1992 water master plan had specific costs applicable to N. Pleasanton District 2B; thus, a separate connection fee was calculated for those customers. A future review of the water connection fees will use a hybrid approach and reevaluate the backbone water costs applicable to N. Pleasanton District 2B customers. Therefore, the City's existing water connection fees for N. Pleasanton District 2B customers should be used until this future analysis using the hybrid approach has been completed.

EQUIVALENT UNITS

To determine the Incremental component, the second step is to determine the capacity that can be served by the expansion improvements above. The expansion CIP projects are estimated to add approximately 6.06 million gallons per day (MGD) per the East Pleasanton Specific Plan and Tri-Valley Municipal and Industrial Water Demand Study. The single-family residential (SFR) equivalent capacity demand is calculated by taking the gallon per day (GPD) demand for a typical single-family home and multiplying it by the SFR maximum day peaking factor to obtain the GPD maximum day demand². This value is used to divide the GPD additional capacity to calculate the additional SFR equivalent units served by expansion projects. This calculation is detailed in Table 1.

² SFR demand and peaking factors were identified in the Water Distribution System Capacity Master Plan, November 2023.

Table 1: Projected Water SFR Equivalents

Line No.	Description	Derivation	Values
	Future Water System Capacity		
1	Future Capacity (MGD)	-	6.06
2	Future Capacity (GPD)	Line 1 x 1,000,000	6,060,000
	SFR Equivalent Capacity Demand		
3	GPD Demand	-	390
4	Max Day Peaking Factor	-	1.9
5	GPD Max Day Demand	Line 3 x Line 4	741
6	SFR Equivalent Units Served	Line 2 / Line 5	8,178

INCREMENTAL UNIT COST

The Incremental unit cost for an SFR equivalent is the quotient of the Incremental system valuation divided by the additional SFR equivalent units served by expansion projects. The Incremental unit cost component is \$2,721.29 per SFR equivalent unit. Table 2 shows the unit cost calculation.

Table 2: Water Incremental Unit Cost Calculation

Line No.	Fee Calculation	Derivation	Values
1	Expansion CIP	-	\$22,255,100
2	SFR Equivalent Units Served	Table 1	8,178
3	SFR Equivalent Unit Fee	Line 1 / Line 2	\$2,721.29

Wastewater Connection Fee

SYSTEM VALUE

The cost basis for determining the Incremental, or expansion, system value was provided by City Staff. The \$5.0 million valuation includes expansion projects related to upsizing pipes in the system, as shown in Table 3 below.

Table 3: Wastewater Incremental System Value

Line No.	System Valuation	Derivation	Values
1	Project 3: Upsize Pipes downstream of Stoneridge Mall	-	\$3,000,000
2	Project 4: Upsize Pipes on Kamp and Stoneridge Drive	-	\$2,019,000
3	Total Expansion CIP	Line 1 + Line 2	\$5,019,000

EQUIVALENT UNITS

To determine the Incremental capacity fee, the next step is to determine the demands that can be served by the expansion improvements above. The SFR equivalent capacity demand for wastewater is calculated by multiplying the SFR demand based on billed water consumption times a return to sewer factor to estimate the amount of water usage entering the wastewater system. The return to sewer factor calculation is outlined in Table 4. The City provided the estimated billed water consumption in hundred cubic feet (HCF) and the number of wastewater accounts for previous financial planning work. Table S1101 (2022: ACS 1-Year Estimates) from the U.S. Census Bureau is used for the average family size. The flow per day is based on California Water Code Section 10608.20 (b) (2) (A). The SFR equivalent capacity demand calculation is outlined in Table 5.

Table 4: Wastewater Return to Sewer Factor

Line No.	Description	Derivation	Values
1	Estimated billed water consumption for SFR (HCF)	-	3,012,950
2	Estimated wastewater flow for SFR		
2	Wastewater Accounts	-	19,235
3	Household density	-	3.4
4	Flow per day (GPD)	-	55
5	Estimated wastewater flow (HCF)	Line 2 x Line 3 x Line 4 x 365 / 748	1,755,194
6	Return to Sewer Factor	Line 1 / Line 5	0.58

Table 5: Wastewater SFR Equivalent Capacity Demand

Line No.	Description	Derivation	Values
	SFR Equivalent Capacity Demand		
1	GPD Flow	-	390
2	Return to Sewer Factor	Table 4	0.58
3	Estimated GPD Demand	Line 1 x Line 2	227

The demands that the expansion improvements can serve are calculated by dividing the future capacity by the SFR equivalent capacity demand. The expansion CIP projects are estimated to add 2.05 MGD. This calculation is detailed in Table 6.

Table 6: Wastewater Projected SFR Equivalents

Line No.	Description	Derivation	Values
	Future Wastewater System Capacity		
1	Future Capacity (MGD) - Project 3	-	1.6
2	Future Capacity (MGD) - Project 4	-	0.45
3	Future Capacity (MGD) - Total	Line 1 + Line 2	2.05
4	Future Capacity (GPD)	Line 3 x 1,000,000	2,050,000
	SFR Equivalent Capacity Demand		
5	Estimated GPD Demand	Table 5	227
6	SFR Equivalent Units Served	Line 4 / Line 5	9,023

INCREMENTAL UNIT COST

The Incremental unit cost for an SRF equivalent is the quotient of the Incremental system valuation divided by the additional SFR equivalent units served by expansion projects. The Incremental unit cost component is \$556.24 per SFR equivalent. Table 7 shows the unit cost calculation.

Table 7: Wastewater Incremental Unit Cost Calculation

Line No.	Fee Calculation	Derivation	Values
1	Total Expansion CIP	Table 3	\$5,019,000
2	SFR Equivalent Units Served	Table 6	9,023
3	SFR Equivalent Unit Fee	Line 1 / Line 2	\$556.24

Proposed Connection Fees

Water Connection Fee

Table 8 compares the proposed fee calculated under this approach by meter size to the existing capacity fee. Fees are levied per meter size. Meter size is a common approach for assessing water connection fees. This approach is popular because it is easy to administer and explain to customers. Using the meter size approach, connection fees are increased based on the size or capacity of the meter. The projected water connection fees shown in Table 8 below are calculated for each meter size using the meter capacity ratio normalized to the 5/8" meter size. For example, if a 1-inch meter has 2.5 times the flow capacity of a 5/8-inch meter, the connection fee will be 2.5 times higher. The City of Pleasanton currently installs meters from three manufacturers – Diehl, Sensus, and Kamstrup. New meters installed in the future will be either Sensus, Kamstrup, Master Meter, Metron Farnier, or Metron Spectrum. These meters have different meter capacities for each meter size. Table 8 shows the meter capacities, resulting meter ratios, and proposed rates by meter size for each manufacturer. Table 9 shows the proposed water connection fees for N. Pleasanton Improvement District 2B are the same as the existing fees.

Table 8: Proposed Water Incremental Unit Charge Connection Fee and Existing Connection Fee

Ultrasonic

Proposed Fees – Diehl/Sensus Meters	Meter Capacity	Meter Ratio	\$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 inch - Diehl	22	0.9	\$2,394.74	\$1,200.00	\$1,194.74
5/8 inch - Sensus	25	1.0	\$2,721.29	\$1,200.00	\$1,521.29
3/4 inch - Diehl	32	1.3	\$3,483.25	\$1,800.00	\$1,683.25
3/4 inch - Sensus	35	1.4	\$3,809.81	\$1,800.00	\$2,009.81
1 inch - Diehl	55	2.2	\$5,986.84	\$3,000.00	\$2,986.84
1 inch - Sensus	55	2.2	\$5,986.84	\$3,000.00	\$2,986.84
1-1/2 inch - Diehl	100	4.0	\$10,885.17	\$6,000.00	\$4,885.17
1-1/2 inch - Sensus	160	6.4	\$17,416.27	\$6,000.00	\$11,416.27
2 inch - Sensus	160	6.4	\$17,416.27	\$19,200.00	-\$1,783.73
2 inch - Diehl	170	6.8	\$18,504.79	\$19,200.00	-\$695.21
3 inch - Sensus	500	20.0	\$54,425.84	\$21,000.00	\$33,425.84
4 inch - Sensus	1000	40.0	\$108,851.68	\$60,000.00	\$48,851.68
6 inch - Sensus	2000	80.0	\$217,703.35	\$120,000.00	\$97,703.35
8 inch - Sensus	2700	108.0	\$293,899.53	\$210,000.00	\$83,899.53
10 inch - Sensus	4000	160.0	\$435,406.71	\$330,000.00	\$105,406.71
Proposed Fees - Kamstrup Meters	Meter Capacity	Meter Ratio	\$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 inch	25	1.0	\$2,721.29	\$1,200.00	\$1,521.29
3/4 inch	35	1.4	\$3,809.81	\$1,800.00	\$2,009.81
1 inch	55	2.2	\$5,986.84	\$3,000.00	\$2,986.84
1-1/2 inch	120	4.8	\$13,062.20	\$6,000.00	\$7,062.20
2 inch	160	6.4	\$17,416.27	\$19,200.00	-\$1,783.73
3 inch	350	14.0	\$38,098.09	\$21,000.00	\$17,098.09
4 inch	700	28.0	\$76,196.17	\$60,000.00	\$16,196.17
6 inch	1600	64.0	\$174,162.68	\$120,000.00	\$54,162.68
8 inch	2800	112.0	\$304,784.70	\$210,000.00	\$94,784.70
10 inch	4500	180.0	\$489,832.55	\$330,000.00	\$159,832.55
12 inch	5500	220.0	\$598,684.22		
Proposed Fees - Metron Spectrum	Meter Capacity	Meter Ratio	\$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 x 3/4	25	1.0	\$2,721.29	\$1,800.00	\$921.29

Positive Displacement

Proposed Fees - Master Meter (BLMJ)	Meter Capacity	Meter Ratio	\$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 inch	20	0.8	\$2,177.03	\$1,200.00	\$977.03
3/4 inch	30	1.2	\$3,265.55	\$1,800.00	\$1,465.55
1 inch	50	2.0	\$5,442.58	\$3,000.00	\$2,442.58
Proposed Fees - Metron Farnier	Meter Capacity	Meter Ratio	\$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 inch	20	0.8	\$2,177.03	\$1,200.00	\$977.03
3/4 inch	30	1.2	\$3,265.55	\$1,800.00	\$1,465.55
1 inch	70	2.8	\$7,619.62	\$3,000.00	\$4,619.62

Table 9: Proposed and Existing N. Pleasanton Improvement District 2B Water Connection Fees

Proposed Fees – Sensus Meters	Proposed \$/Meter Size	Existing \$/Meter Size	Difference (\$)
5/8 inch	\$460.00	\$460.00	\$0
3/4 inch	\$690.00	\$690.00	\$0
1 inch	\$1,150.00	\$1,150.00	\$0
1-1/2 inch	\$2,300.00	\$2,300.00	\$0
2 inch	\$7,360.00	\$7,360.00	\$0
3 inch	\$8,050.00	\$8,050.00	\$0
4 inch	\$23,000.00	\$23,000.00	\$0
6 inch	\$46,000.00	\$46,000.00	\$0
8 inch	\$80,500.00	\$80,500.00	\$0
10 inch	\$126,500.00	\$126,500.00	\$0
Proposed Fees – Kamstrup Meters	Proposed \$/Meter Size	Existing \$/Meter Size	Difference (\$)
1-1/2 inch	\$2,300.00	\$2,300.00	\$0
2 inch	\$7,360.00	\$7,360.00	\$0
3 inch	\$8,050.00	\$8,050.00	\$0
4 inch	\$23,000.00	\$23,000.00	\$0
6 inch	\$46,000.00	\$46,000.00	\$0
8 inch	\$80,500.00	\$80,500.00	\$0
10 inch	\$126,500.00	\$126,500.00	\$0

Wastewater Connection Fee

Table 10 compares the proposed fees by factor calculated under this approach to the existing capacity fee. Fees are assessed per SFR equivalent dwelling units (EDU), and EDU factor ratios are based on those previously developed by the City. The EDU factor ratios also match the connection fee factor ratios used by the Dublin San Ramon Services District (DSRSD). This agency processes and treats all sewage from the City. The Projected connection fees shown in Table 10 below are calculated for each customer class using their respective SFR EDU factor ratio.

Table 10: Proposed Wastewater Incremental Unit Charge Connection Fee and Existing Connection Fee

Proposed Fees	EDU Ratio	Factor	Proposed Fee	Existing Fee	Difference (\$)
Residential					
Single Family Dwelling Unit	1.00	per house/unit	\$556.24	\$500.00	\$56.24
Auxiliary (Secondary) Dwelling Unit	0.004	per square foot	\$2.22	\$2.00	\$0.22
Townhome, Townhouse, Duet, Duplex	1.00	per unit	\$556.24	\$500.00	\$56.24
Condominium	0.75	per unit	\$417.18	\$375.00	\$42.18
Apartment, Mobile Home	0.66	per unit	\$367.12	\$330.00	\$37.12
Regular (low)					
Auditoriums	0.0091	per seat	\$5.06	\$4.55	\$0.51
Auto body shops/Auto dealers	0.0005	per square foot	\$0.28	\$0.25	\$0.03
Banks, Financial Offices	0.0003	per square foot	\$0.16	\$0.14	\$0.02
Barber shops / Beauty shops	0.0014	per square foot	\$0.76	\$0.68	\$0.08
Bars, Cocktail lounges, taverns (w/o dining)	0.0016	per square foot	\$0.89	\$0.80	\$0.09
Bowling alleys	0.0014	per square foot	\$0.78	\$0.70	\$0.08
Car washes	0.0077	per square foot	\$4.29	\$3.86	\$0.43
Churches	0.0227	per seat	\$12.64	\$11.36	\$1.28
Delicatessen	0.0032	per square foot	\$1.79	\$1.61	\$0.18
Dental Clinic	0.0041	per square foot	\$2.28	\$2.05	\$0.23
Dry Cleaners	0.0020	per square foot	\$1.13	\$1.02	\$0.11
Gas Stations	0.0021	per square foot	\$1.19	\$1.07	\$0.12
General Retail/ Commercial	0.0002	per square foot	\$0.12	\$0.11	\$0.01
Gyms, Health Clubs	0.0019	per square foot	\$1.06	\$0.95	\$0.11
Hospital	1.1364	per bed	\$632.09	\$568.18	\$63.91
Hotels, Motels (no dining facilities)	0.5909	per room	\$328.68	\$295.45	\$33.23
Institutional (Resident)	0.4545	per bed	\$252.83	\$227.27	\$25.56
Laundries, coin-operated	0.5909	per machine	\$328.68	\$295.45	\$33.23
Laundries, full service (commercial)	0.0045	per square foot	\$2.53	\$2.27	\$0.26
Market - Dry Goods	0.0009	per square foot	\$0.48	\$0.43	\$0.05
Medical Clinic	0.0017	per square foot	\$0.93	\$0.84	\$0.09
Medical/ Dental Complex	0.0010	per square foot	\$0.56	\$0.50	\$0.06
Office Buildings	0.0002	per square foot	\$0.12	\$0.11	\$0.01
Parks/ Rec					
Country Club	0.3182	per person	\$176.98	\$159.09	\$17.89
Picnic Park	0.0455	per person	\$25.29	\$22.73	\$2.56
Pool	0.0455	per person	\$25.29	\$22.73	\$2.56
Tennis Courts, w/ toilet & shower	0.4545	per court	\$252.83	\$227.27	\$25.56
Plant Nursery	0.0004	per square foot	\$0.20	\$0.18	\$0.02
Printers	0.0006	per square foot	\$0.36	\$0.32	\$0.04
Public Agencies	0.0002	per square foot	\$0.12	\$0.11	\$0.01
Recreational vehicle R.V. Park	0.5454	per RV	\$303.39	\$272.72	\$30.67
Schools (excluding cafeteria)					
W/o showers	0.0682	per student	\$37.92	\$34.09	\$3.83
With showers	0.0909	per student	\$50.56	\$45.45	\$5.11
Theaters	0.0091	per seat	\$5.06	\$4.55	\$0.51
Veterinary Hospital	0.0015	per square foot	\$0.86	\$0.77	\$0.09
Warehouse/distribution	0.0001	per square foot	\$0.08	\$0.07	\$0.01
Regular (medium)					

Proposed Fees	EDU Ratio	Factor	Proposed Fee	Existing Fee	Difference (\$)
Banquet Facilities - intermittent use	0.0012	per square foot	\$0.68	\$0.61	\$0.07
Business with cafeteria	0.0027	per square foot	\$1.51	\$1.36	\$0.15
Cafeteria	0.0025	per square foot	\$1.37	\$1.23	\$0.14
Hotels/Motels with dining facilities	0.0027	per square foot	\$1.51	\$1.36	\$0.15
Restaurant, Fast Food	0.0027	per square foot	\$1.51	\$1.36	\$0.15
Restaurant, Full Service	0.0025	per square foot	\$1.37	\$1.23	\$0.14
School with cafeteria	0.0027	per square foot	\$1.51	\$1.36	\$0.15
Regular (high)					
Bakeries/ Donut Shops/ Ice Cream Shops	0.0028	per square foot	\$1.57	\$1.41	\$0.16
Car washes w/ steam cleaning	0.0018	per square foot	\$1.01	\$0.91	\$0.10
Markets with garbage disposals	0.0077	per square foot	\$4.29	\$3.86	\$0.43
Mortuaries	0.0009	per square foot	\$0.48	\$0.43	\$0.05
Industrial (other)					
Wastewater Flow		Gallons per day	\$2.45	\$2.27	\$0.18

Attachment 3: Draft Policy Regarding Imposition of New Fees for Projects in Process

For those projects which were already in process with the City's Community Development Department at the time of adoption of updates to the Capital Facilities Fee, Transportation Impact Fee, and Lower-Income Housing (referred to as the Affordable Housing Fee), such in-process projects shall not be required to pay the updated Capital Facility, Transportation and Affordable Housing fees which go into effect [INSERT EFFECTIVE DATE] but may pay the fee in effect on [INSERT ADOPTION DATE], with the determination of a project being in process generally defined as:

Planning Applications — Permit Streamlining Act

For planning applications related to projects subject to the Permit Streamlining Act, applications that have been "deemed complete" before [INSERT EFFECTIVE DATE], be subject to the fees in effect on [INSERT ADOPTION DATE].

Planning Applications — Legislative Changes

Planning applications not subject to the Permit Streamlining Act (i.e., including a legislative change) which are deemed complete or have made a "significant financial investment" with staff prior to [INSERT EFFECTIVE DATE] shall be subject to the fees in effect on [INSERT ADOPTION DATE] unless an alternate agreement (i.e., Development Agreement, Affordable Housing Agreement, Improvement Agreement, or similar) is negotiated by the applicant, staff, and the City Council, and includes adjustments to applicable fees."

"Substantial financial investment" would generally be interpreted to mean the application has been actively under review or in process 3 months or longer, or that milestones such as conducting of one or more public workshops with the Planning Commission or City Council, or issuance of a CEQA Notice of Preparation for an EIR or similar environmental document, have occurred.

Building Permit Applications

Substantially complete applications for building permit submitted prior to [INSERT EFFECTIVE DATE] shall be subject to the fees in effect on [INSERT ADOPTION DATE].

These examples of projects in process subject to the fees in effect on [INSERT ADOPTION DATE] are in addition to other provisions provided by California law, or existing agreements with the City. All fees shall be subject to allowable adjustments under applicable provisions of the Pleasanton Municipal Code.

Any disputes about the applicability of these provisions shall be subject to the reasonable determination of the Community Development Director (who shall issue their written determination within 15 business days of a written request from a property owner or developer), with the decision of the director subject to appeal to the City Manager.

Draft Nexus Studies, Development Impact Fees, Inclusionary Zoning Ordinance, Affordable Housing Fee, and Water and Sewer Connection Fee Update

Pleasanton City Council Study Session
November 19, 2024



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Agenda

- **Nexus Studies and Fee Program Overview**
- **Fee Updates**
 - Capital Facilities & Transportation Impacts Fees
 - Commercial Linkage Fee
 - Inclusionary Housing In-Lieu Fee
 - Water/Sewer Connection Fee
- **Policy Considerations & Feasibility**
- **Fee Program Alternatives and Recommendations**
 - **Fee Rates**
 - **Policy for Applicability of Fees to Projects in Process**
- **Questions, Discussion and Direction**



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Professional Services Team



Economic and Planning Systems (EPS)

Development Impact Fees, IZO, Affordable Housing Fee Update

- Jason Moody, Managing Principal
- Darin Smith, Managing Principal
- Megan Gregory, Associate



Fehr & Peers

Traffic / Transportation

- Julie Morgan, Principal



Raftelis Associates

Water and Sewer Connection Fee Update

- Brian Bass, Manager



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What are Development Impact Fees?

A one-time fee on new development to capture its “fair share” impact on City public infrastructure and housing needs.



Use of Funds: Public facilities and affordable housing needed to address growth (cannot fund existing deficiencies).



Who Pays & When? Developers pay fees, typically at time of building permit or filing of subdivision map.



Fee Amounts: Determined by “nexus” calculations; Generally proportional to project size (e.g., per unit or sq. ft.)



Approval: City Council approves based on policy considerations and subject to State law.



Housing Fees: Not subject to AB 1600, but best practice to document and create a reasonable basis for fee calculation, including feasibility.



Key Regulations
AB 1600
AB 602



3

Study Purpose



City needs to update its Capital Facility and Affordable Housing Fees because.....



City's capital facilities needs have changed



Updated Housing Element creates new housing policies / goals



State law and best practice suggest updates every 5 – 8 years



Fee amounts / categories should be coordinated to balance City priorities and ensure feasible outcomes



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Study and Fee Program Overview



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Approach and Methodology



- Evaluate City growth trends
- Interview City Departments about capital facility needs
- Evaluate City's inclusionary housing goal and policies
- Review the fee programs of nearby jurisdictions
- Evaluate impact of fees on real estate development feasibility
- Review of preliminary findings and receive direction at two City Council study sessions



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Study Results/Themes



- Population and employment growth will generate additional burdens on facilities and infrastructure
- A broader capital program + inflation have escalated maximum potential fee amounts
- Pleasanton's single family affordable housing fee is much more subsidized than its multifamily fee, and falls well below cost to construct
- Multifamily development feasibility is challenging for market rate projects
- Challenging to adopt all fees at the maximum level allowed by legislation and based on inclusionary rates, without threatening development feasibility



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Development Impact Fee Update



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Projected City Growth

Item	Existing	Buildout	Growth	
			Amount	% Change
Resident Population	76,459	96,400	19,941	26.1%
Employment	55,650	78,084	22,434	40.3%
Service Population	99,343	128,510	29,167	29.4%

The service population increase (29,167) represents **22.7%** of the service population at buildout. This percentage is used to allocate costs related to most of the impact fees, by informing the proportion of costs related to new growth.



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Capital Facilities and Transportation Impact Fee

CFF: New and expanded parks, open space, community and government facilities, etc.

TIF: New and expanded road and intersection improvements, bicycle and pedestrian facilities, traffic signals, etc.

	Capital Facilities Fee		Transportation Impact Fee		
	Current Amount	Maximum Amount ¹	Current Amount	Maximum Amount ¹	Total Max. Fee
Residential (per unit)					
Single-Family	\$20,483	\$29,677	\$11,642	\$20,565	\$50,243
Multi-Family	\$14,593	\$21,016	\$7,158	\$11,158	\$32,174
Non-Residential					
Office (sq.ft)	\$2.97	\$13.41	\$18.17	\$31.50	\$44.92
Commercial/Retail (sq.ft)	\$2.16	\$9.15	\$26.71	\$48.35	\$57.50
Industrial (sq.ft) ²	\$0.95 to \$2.38	\$4.02	\$10.99	\$17.94	\$21.96
Lodging (room)	\$1,173	\$671	\$7,675	\$12,908	\$13,579
Other Uses (trip)	N/A	N/A	\$11,642	\$21,449	\$21,449

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Residential Fee Per Square Foot: CFF and TIF

Unit Type	Fee per Square Foot
Single-Family	\$20.10 per square foot (Units 824-4,500 square feet)
	Minimum Fee (Units 824 square feet or less): \$16,567
	Maximum Fee: Units 4,500 square feet or more: \$90,437
Multi-Family	\$35.95 per square foot
	Minimum Fee (Units 417 square feet or less): \$14,982 per unit
	Maximum Fee (Units 1,600 square feet or more): \$57,517 per unit

*Minimum and Maximum Fee Cap reflects level where nexus between unit size and fee is no longer supportable/proportionate to impact



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Commercial Linkage Fee

- Fee charged to commercial projects to offset or mitigate the demand they generate for new **affordable** units
- Maximum supportable fee is well above limits of feasibility – thus typically set at a fraction of the maximum

Category	Existing Fee (per Sq. Ft.)	2024 Maximum (per Sq. Ft.)	2018 Maximum (per Sq. Ft.)
Commercial/ Retail	\$5.38	\$578.73	\$211.08
Office	\$8.98	\$142.42	\$82.56
Lodging	\$3.71	\$72.86	\$49.69
Industrial	\$14.91	\$143.39	\$82.56



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Inclusionary Requirements & Affordable Housing Fee

- City Council separate consideration of Inclusionary Zoning Ordinance (IZO) update
- Fee study and corresponding in-lieu rates based on recommended IZO rates and affordability:
 - 15% Inclusionary Rate for all housing types (ownership & rental)
 - Target incomes at 50% and 60% AMI for rental projects, and 120% for ownership projects
- Affordable Housing Fee:
 - Applies to residential projects <10 units
 - Larger projects for which the City may grant discretionary approval to pay fees in lieu of on-site construction
- Maximum justifiable Affordable Housing Fee amount based on actual cost to build the affordable units, per amended IZO



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Affordable Housing (In-Lieu) Fee

Unit Type	Current Fee Amount (per unit)	Current Fee Amount (per sq ft equivalent)*	Maximum Fee (per sq ft)
Single Family Detached	\$52,203	\$17.40	\$84.24
Townhome	\$51,077	\$25.54	\$42.10
Multi-Family (Condo)	\$51,077	\$63.84	\$54.87
Multi-Family (Rental)	\$51,077	\$63.84	\$69.19

* Assumes Single-Family Detached Unit is 3,000 sf, Townhome is 2,000 sf, and multi-family condos and apartments are 800 sf.



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Water Connection Fee

- One-time charge – funds new and expanded water infrastructure to meet the demands of new residents and employees
- Differs from Water Rates, which are ongoing user fees that fund on-going operation and maintenance costs

Meter Size / Capacity	Current Fee Amount	2024 Update Maximum Allowable
5/8" / 25	\$1,200	\$2,721.29
3/4" / 35	\$1,800	\$3,809.81
1" / 55	\$3,000	\$5,986.84
1.5" / 120	\$6,000	\$13,062.20



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Wastewater Connection Fees

- One-time charge – funds new and expanded wastewater infrastructure to meet the demands of new residents and employees
- Differs from ongoing sewer fees that fund on-going operation and maintenance costs

	Equivalent Dwelling Unit Ratio	Factor	Current Fee	2024 Update Maximum Allowable
Single Family Residential	1	Unit	\$500	\$556.24
Secondary Dwelling Unit	0.004	Sq Ft	\$2	\$2.22
Townhome / Duplex	1	Per unit	\$500	\$556.24
Condominium	0.75	Per unit	\$375	\$417.18
Apartment / Mobile Home	0.66	Per unit	\$330	\$367.12



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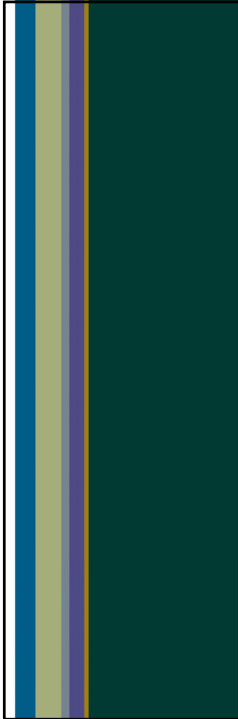
Summary of Development Impact and Housing Fees – Maximum Amounts

	Capital Facilities Fees*	Transportation Fee*	Commercial Linkage Fee	Inclusionary In-Lieu Fee	Total
Residential (per sq ft)					
Single Family Detached	\$11.87	\$8.23	-	\$84.25	\$104.35
Multifamily Rental	\$23.48	\$12.47	-	\$69.19	\$105.14
Nonresidential (per sq ft)					
Office	\$13.41	\$31.50	\$142.42	-	\$187.34
Retail	\$9.15	\$48.35	\$578.73	-	\$636.23
Industrial	\$4.02	\$17.94	\$143.39	-	\$165.35
Lodging	\$1.34	\$25.82	\$72.86	-	\$100.02

*Capital Facilities and Transportation Fees include a 2% administrative charge



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Policy Considerations and Recommendations



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Policy Considerations and Feasibility

- Nexus and Fee Studies support increases to almost all fees - study calculates maximum allowable fee amounts
- City Council may choose to set fees at or below the maximum amounts if desired to:
 - Promote desired investment
 - Maintain regional competitiveness
 - Meet housing and economic development goals
- Balance those goals with need to charge fees at adequate level to maintain and improve infrastructure to meet growth demands
- If Council wants to consider alternatives below the maximum, staff seeks direction on which fees, and by how much, they should be reduced



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Fee Alternatives: Framing Concepts

Residential Fee Alternatives

Guiding Principles

- Avoid impediments to housing production (State law, RHNA and Housing Element Policy Goals)
- Encourage on-site affordable housing to be built, vs. “fee out”

Alternatives Benchmarks

- Development feasibility and capacity to absorb fee increases
- Peer Cities and Regional Fee Averages

Commercial Fee Alternatives

Guiding Principles

- Ensure Pleasanton is regionally competitive as a place to invest
- Grow long-term property and sales tax revenues

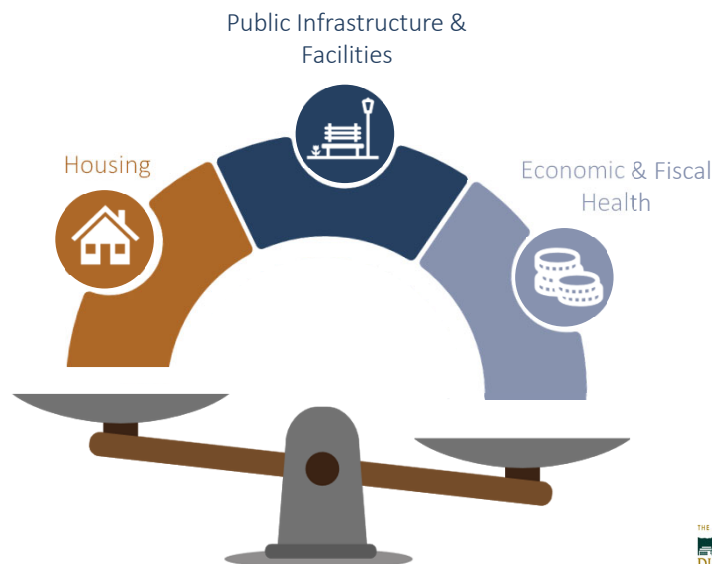
Alternatives Benchmarks

- Peer Cities and Regional Fee Averages



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Balancing Fee Program Trade-offs



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Alternatives and Recommendations



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Residential Single Family: Alternatives

Alternative 1:

- Adopt all fees at maximum level supported by the studies
- Results in maximum fee of \$124.44 sq. ft. or ~\$313,000 per unit

Alternative 2:

- Charge CFF and TIF at maximum level
- Reduce Affordable Housing Fee to match Townhome fee (\$42.10/sq. ft.) vs. \$84.25 sq. ft.
- Results in Maximum fee of \$62.20 sq. ft. or ~\$186,500 per unit

RECOMMENDATION: ADOPT ALTERNATIVE 2

- Sets fee within the feasible range, based on analysis of total development costs
- May encourage some projects to fee out – but very few large SFR developments remain to be built – negligible impact on production
- Supports small-scale and individual SFR developers of infill projects

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Residential - Single-Family Detached Fee Alternatives and Recommendation

	Alternative 1: Max Fee Amounts		Alternative 2: Reduce In-Lieu Housing Fee (Recommended)	
	Fee (sq.ft.)	Fee (unit)	Fee (sq ft)	Fee (unit)
Capital Facilities Fee	\$11.87	\$35,613	\$11.87	\$35,613
Transportation Fee	\$8.23	\$24,678	\$8.23	\$24,678
Affordable Housing Fee	\$84.25	\$252,750	\$42.10	\$125,300
Total Fee Burden	\$124.44	\$313,041	\$62.20	\$186,591

- Estimated Fee Burden "Capacity" - \$228,280
- Peer Jurisdictions Average Fee Burden - \$162,890



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Residential Townhomes: Alternative

- **Alternative 1:**
 - Adopt all fees at maximum level supported by the studies
 - Results in maximum fee of \$62.20 sq. ft. or ~\$124,000 per unit

RECOMMENDATION: ADOPT ALTERNATIVE 1

- Sets fee within the feasible range, based on analysis of total development costs
- Matches AH fee to cost to develop, thereby encouraging on-site production



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Residential – Townhomes: Fee Recommendation

	Recommendation: Adopt Maximum Fees	
	Fee (sq ft)	Estimated Fee (per unit, typ. 2,000 sq ft)
Capital Facilities Fee	\$11.87	\$23,742
Transportation Fee	\$8.23	\$16,452
Affordable Housing Fee	\$42.10	\$84,200
Total Fee Burden	\$62.20	\$124,394

- Estimated Fee Burden "Capacity" - \$118,096
- No alternatives are proposed; total fee burden is within estimated capacity for this unit type



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Residential Multi-Family: Alternatives

- **Alternative 1:**
 - Retain aggregate local fees at same level as today (\$92.00 per square foot)
- **Alternative 2:**
 - Reduce aggregate fees to match average of peer jurisdictions (\$78.00 per square foot, \$62,500 per unit)
 - 2A: Lower the Housing Fee to meet this target
 - 2B: Lower the CFF and TIF to meet this target
 - With 2A, consider 2-year provision to allow "fee out" of up to 30% of on-site inclusionary requirement per IZO

RECOMMENDATION: ADOPT ALTERNATIVE 2A AND 2-YEAR FEE OUT OPTION

- Multi-family development comprises the majority of Pleasanton's housing capacity, but is the most financially challenging today
- Provides short-term catalyst to encourage multi-family production
- Acknowledged potential effect on affordable production – but no production at all may be worse outcome

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Residential – Multifamily Alternatives

	Alternative 1: Retain Existing Aggregate Fee Level		Alternative 2: Lower Aggregate Fee to Regional Average			
			Alternative 2A: Reduce AHF, Maximize CFF and TIF (Recommended)		Alternative 2B: Reduce CFF and TIF, Maximize AHF	
	Fee (sq. ft.)	Fee (unit)	Fee (sq. ft.)	Fee (unit)	Fee (sq. ft.)	Fee (unit)
Capital Facilities Fee	\$23.48	\$18,785	\$23.48	\$18,785	\$5.86	\$4,685
Transportation Fee	\$12.47	\$9,973	\$12.47	\$9,973	\$3.11	\$2,488
Affordable Housing Fee	\$56.05	\$44,841	\$42.21	\$33,766	\$69.19	\$55,352
Total Fee Burden	\$92.00	\$73,600	\$78.16	\$62,525	\$78.16	\$62,525

- *Estimated Fee Burden “Capacity” - \$0*
- *Peer Jurisdictions Average Fee Burden - \$62,525*



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Non-Residential: Alternatives

- **Alternative 1:**
 - Increase CFF and TIF to maximum supportable (\$13.41/sq. ft. and \$31.50/sq. ft.)
 - Retain Commercial Linkage Fee at current amount (\$3.71/sq. ft.)
- **Alternative 2:**
 - Retain existing aggregate fee, inclusive of CFF, TIF and Commercial Linkage at current level (\$30.12/sq. ft.)
 - CFF and TIF each at \$13.4/sq. ft., CLF at \$3.29/sq. ft.
- **Alternative 3:**
 - Lower aggregate fee to peer cities average (\$22.78/sq. ft.)
 - Reduce CFF, TIF and CLF by 24% (CFF and TIF each at \$10.15/sq. ft., CLF at \$2.49/sq. ft.)

RECOMMENDATION: ADOPT ALTERNATIVE 3

- Reducing fees to peer cities' average helps Pleasanton be regionally competitive as a location for new investment that will generate long-term property and sales tax

Note: Figures cited are for “Office” category – other commercial categories would be similarly structured/proportionately adjusted

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Non-Residential Fees - Alternatives and Recommendation

	Alternative 1: Increase CFF and TIF to Max Allowable	Alternative 2: Match Existing Aggregate Fee	Alternative 3: Discount Fee to Match Peer Cities Average (Recommended)
	Fee (per sq ft)	Fee (per sq ft)	Fee (per sq ft)
Capital Facilities Fee	\$13.41	\$13.41	\$10.15
Transportation Fee	\$31.50	\$13.41	\$10.15
Affordable Housing Fee	\$3.71	\$3.29	\$2.49
Total Fee Burden	\$48.72	\$30.12	\$22.78

- Peer Jurisdictions Average Fee Burden per sq ft - \$22.78



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Draft Policy: Applicability of Updated Fees to Projects in Process

- Defines which projects subject to existing fee:
 - Projects not subject to legislative approval - if “deemed complete” by the effective date
 - Projects subject to legislative approval - if “deemed complete,” in process for > 3 months, or completed milestones reflecting significant financial investment by the fees’ effective date
 - Projects with a Building Permit application deemed substantially complete by the effective date
 - Policy does not supersede other vesting provisions of State law, or existing Development Agreements
 - Annual Cost Index increases still apply



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Summary of Alternatives and Recommendations

1. Sewer and Water Connection Fees – No alternatives proposed

- **Recommendation**: Adopt fees at maximum levels

2. Single Family Detached

- Alternative 1: Adopt maximum fee levels
- Alternative 2: Reduce Single Family Detached Affordable Housing In-Lieu fee amount to \$42.10 per square foot to match Townhomes
- **Recommendation**: Adopt Alternative 2

3. Residential Townhomes – No alternatives proposed

- **Recommendation**: Adopt CFF, TIF, and AHF at maximum levels



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Summary of Recommendations, ctd.

4. Residential – Multifamily Rental

- Alternative 1: Maintain existing aggregate fee level
- Alternative 2: Reduce aggregate fee level to the average of peer jurisdictions
 - Option 2A: Focus reductions on AH In-Lieu Fee, with secondary recommendation for 2 year “fee out” option for up to 30% of inclusionary units
 - Option 2B: Focus reductions on CFF and TIF
- **Recommendation**: Adopt Alternative Option 2A, with 2-year fee out option



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Summary of Recommendations, ctd.

5. Commercial

- Alternative 1: Increase CFF and TIF to maximum fee
- Alternative 2: Maintain existing aggregate fee level
- Alternative 3: Reduce aggregate fee level to the average of peer jurisdictions
- **Recommendation**: Adopt Alternative 3

6. Policy for Applicability of Updated Fees

- **Recommendation**: Adopt Policy as outlined in Attachment 3 to the staff report, which would provide exceptions for development projects in process



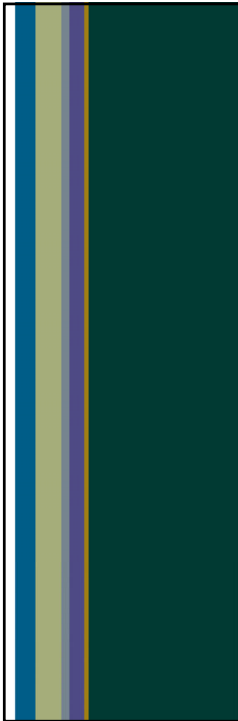
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Next Steps

- Based on Council direction, staff will update and prepare final drafts of studies, PMC and ODS Amendments for adoption in December
- Council will consider adopting the new fees in December
- Fees become effective 60 days after adoption
 - For example, if the second reading of ordinances is held on January 7, 2025, fees will be effective March 8, 2025



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Questions and Discussion



CITY COUNCIL AGENDA REPORT

November 19, 2024
Public Works - Utilities Division

TITLE: ACCEPT THE FINAL WATER SYSTEM MANAGEMENT PLAN DATED OCTOBER 2024

SUMMARY

The City has developed a Water System Management Plan (WSMP) that recommends a near-, mid-, and long-term Capital Improvement Program (CIP) and improvements to the operation and maintenance (O&M) program to determine funding needs that will ensure the sustainability of the water system. As a foundational planning document, the WSMP will be reviewed on a 2-year cycle to evaluate implementation progress and will be updated on a 6-year cycle to reflect any changes in key factors and needs. These regular updates are necessary to accommodate changes in system priorities and to update the City's rates and connection fees that support effective water system management.

The City Council approved a contract for Carollo Engineers (Carollo) in 2022 to prepare the WSMP. The effort focused on conducting and reviewing several technical evaluations on water supply and quality, water distribution system capacity, condition of facilities, system risk and resilience, and O&M best practices to inform the City's CIP and O&M program recommendations. The resulting CIP includes prioritized projects to be implemented over a 20-year timeframe.

The resulting long-term CIP includes prioritized projects to be implemented over the 20-year span with a cost estimate of \$262 million; however, as implementation will require additional City engineering staff and result in new O&M requirements, the total estimated cost impact ranges from \$283 to \$289 million. Additionally, O&M program improvements were recommended for compliance with future regulations and to be consistent with industry best practices; implementation and additional O&M staff over the 20-year span is \$19 million.

The WSMP will be used as the foundation for the City's upcoming water rate connection fee studies. The studies will utilize the results of the WSMP to calculate and recommend a water rate structure for the City, including user rates and connection fees that support the City's water system capital and operational needs. Different alternatives and scenarios, including the phasing of projects and the pros and cons of the delivery alternatives, will be evaluated during the water rate and connection fee studies. As part of these studies, options for financing, near versus long-term funding, risk to operations, and resource impacts to the City for each alternative will be evaluated.

RECOMMENDATION

Approve the 2024 Water System Management Plan dated 2024.

BACKGROUND

The City owns and operates a potable water system under a permit from the State Water

Resources Control Board's Division of Drinking Water (DDW). The City serves potable water to approximately 22,000 customers through a water distribution system comprising approximately 330 miles of piping, 19 storage tanks, and 14 booster stations. The City's water supply comes from wholesale purchases from the Zone 7 Water Agency (Zone 7) and a groundwater production quota (GPQ) of 3,500 ac/year (representing approximately 20 percent of the City's total water supply needs). The City is currently not utilizing its GPQ because all its groundwater wells contain measurable PFAS concentrations and are not equipped with treatment technology for PFAS removal treatment. Instead, the City is purchasing 100 percent of its water from Zone 7 at wholesale cost because Zone 7 has highly effective PFAS treatment for the drinking water it supplies.

The City has developed the attached Water System Management Plan (WSMP), provided as Attachment 1, to serve as a foundational planning document for the management of its water system. This initial WSMP's focus is to develop a near-, mid-, and long-term Capital Improvement Program (CIP) and recommend improvements to the operation and maintenance (O&M) program to determine funding needs that will ensure water system sustainability. The WSMP will be reviewed on a 2-year cycle to evaluate implementation progress and will be updated on a 6-year cycle to reflect any changes in key factors and needs. The next WSMP update will include evaluating the water system using the US Environmental Protection Agency's (EPA) Effective Utility Management (EUM) framework. The EUM focuses on attributes such as product quality, customer satisfaction, stakeholder understanding and support, financial viability, operational optimization, employee leadership and development, and enterprise resilience.

DISCUSSION

Carollo Engineers was contracted by the City to prepare the WSMP. Carollo conducted and reviewed several technical evaluations on topics including water supply, water distribution system capacity, water quality, water conservation, condition of facilities, overall system risk and resilience, energy and emergency power, supervisory control and data acquisition (SCADA), and O&M best practices. These efforts were used to inform the CIP and O&M program recommendations discussed in this section.

Capital Improvement Plan (CIP)

The CIP is a list of recommended projects that fall within the major categories listed below:

- Water Supply
- Water Distribution
- Rehabilitation and Replacement (R&R)
- Other (includes other projects such as SCADA, power, etc.).

Each recommended project has been prioritized based on the following system:

- **Priority Level A-** Projects required for health and safety; required by law, regulation, or contract; are currently under construction; and/or are funded by applicants or outside funding sources.
 - These projects include emergency backup generator replacements, near- and long-term improvements for water supply, projects that address pipeline deficiencies or improve fire system flow, and tank and booster station

rehabilitation or replacement.

- **Priority Level B-** Projects that provide measurable progress toward achieving the City's goals, but the City has a moderate level of control as to when these projects should be accomplished.
 - These projects include decommissioning Wells #5-8, lower priority fire water flow improvements, additional booster station rehabilitation projects, and customer meter replacements.
- **Priority Level C-** Projects anticipated to be needed but may still need to define scopes and schedules or meet the criteria for Priority Levels A and B.
 - These projects include future water supply treatment projects (i.e., disinfection), lower priority pipeline replacements, tank mixers, and other facility rehabilitation projects.

Class 5 planning level cost estimates per the Association for the Advancement of Cost Engineering (AACE) were prepared for each project. Class 5 estimates may represent an overestimate of cost by 100 percent or an underestimate of cost by 50 percent. The project cost estimates include administration, design, construction, and a contingency of 30 percent. All costs are tied to a May 2024 ENR Index for San Francisco.

The table below provides a cost summary of the recommended CIP based on project category and prioritization. The recommended long-term CIP has been developed to be implemented over a 20-year timeframe.

Priority	Implementation/ Construction Cost (Million)	Category (Million)			
		Supply	Distribution	R&R	Other
A	\$102.6	\$40.0	\$44.0	\$12.1	\$6.5
B	73.7	0.0	26.1	47.4	0.2
C	85.8	12.0	11.4	62.4	0.0
Total	\$262.1	\$52.0	\$81.5	\$121.9	\$6.7

Notably, implementation of the WSMP will require additional City engineering staff to manage projects. The number and timing of staff increases will ultimately depend on the project phasing strategy implemented by the City, but over a 20-year period is estimated to be within the range of \$8 million-\$12 million. Note that one engineering staff position was already approved in FY24/25 and is not included in this cost range.

Implementation of the WSMP will also result in O&M support requirements with the new infrastructure installed. Additionally, existing infrastructure will continue to age and require additional O&M until Repair & Replacement projects are completed. O&M needs will also depend on the project phasing strategy implemented by the City, but over a 20-year period is estimated to be within the range of \$12 million-\$18 million. When including combined engineering and O&M cost increases, the implementation of WSMP is estimated to have a funding need of \$283 million-\$289 million over 20 years.

O&M Program Improvements

The WSMP also identifies a list of recommended O&M program improvements to comply with future regulations and be consistent with industry best practices. The recommendations are

summarized in the table below.

Category	Programs	Cost (million) (assumes 20-year time frame)
Water Quality	- Lead and Copper Rule Compliance - Cross Connection Control Compliance - Nitrification Response Plan	\$0.5
Water Conservation	- Water Meter Testing - Water Conservation Compliance - Water Loss Compliance - Systematic Data Handling Error Audit	\$1.1
Rehabilitation & Replacement	- Asset Management - Corrosion Protection	\$0.8
O&M Best Practices	- Unidirectional Flushing - Staff Training - Water System Operations Manual Update	\$2.1
SCADA	- SCADA Standards - SCADA Preventive Maintenance - Backup Core Server Relocation - Remote Access Improvements - OT System Monitoring	\$2.6
Staffing	- Increase in operational staff to facilitate the above programs - Five full-time employees (FTE) - o Two FTE in FY24/25 (already approved and excluded from costs) - o Three FTE starting in FY26/27	\$12.0
Total		\$19.1

As outlined, the WSMP identifies the needed financial investment over the next 20 years; however, the current financial position of the water system enterprise fund is wholly insufficient to address these needs in any substantial way. As such, it is likely that several strategies (e.g., water rate and connection fee increases, grant funding, partnerships, etc.) will need to be utilized toward improving the City's water system.

Funding

Two primary funding sources for the water system are new customer connection fees and existing customer user rates. Approximately \$22.3 million of the total costs identified in the WSMP are associated with new customer connections. The City is currently conducting a water connection fee study that will utilize the results of the WSMP to calculate and recommend connection fee increases for City Council consideration. The remaining portion of the total costs identified in the WSMP are associated with existing customers and infrastructure.

The City has initiated a water rate study that will utilize the results of the WSMP as a foundation on which to calculate and recommend to the City Council a water rate structure

and user rate and connection fee increases to support the City's water system capital and operational needs. During this process, the City will evaluate strategies for implementing the WSMP based on different alternatives and scenarios, including the phasing of projects and the pros and cons of the delivery alternatives, options for financing (near versus long-term funding), risk to operations, and resource impacts to the City.

EQUITY AND SUSTAINABILITY

Approval of this action advances the City's Climate Action Plan 2.0 (CAP) - Water Resources - Reduce GHG emissions from water usage (including conveyance) and prepare community water resources for a changing climate which will result in cost savings, enhance water quality and availability, improve infrastructure, and increase resiliency.

OUTREACH

The City has created an e-newsletter series, the *Pleasanton Pipeline*, to share information about water initiatives, including those related to the WSMP. The series is shared via direct email and the City's social media platforms. The City also has created the Pleasanton Water Advisory Group (PWAG) to provide input and feedback on water initiatives. The PWAG consists of members who reflect a broad spectrum of community interests and perspectives. An overview of the WSMP development process and findings from the draft report were presented during the August and September PWAG meetings.

STRATEGIC PLAN ALIGNMENT

Accepting the Final Water System Management Plan advances the ONE Pleasanton strategic goal of *Investing in Our Environment* - Strategy 4 to complete the Water System Management Plan to reflect current and future operations, and identify system improvements and necessary maintenance.

FISCAL IMPACT

Development of the WSMP is funded by CIP 22190. Funding requirements to support the implementation of the WSMP will be determined as part of the upcoming water rate and connection fee studies. Staff will propose necessary budget adjustments based on these rate studies in future budget cycles for City Council consideration and approval.

Prepared by:



Ryan Smith, Assistant Dir. of Public Works - Utilities

Submitted by:



Siew-Chin Yeong, Director of Public Works

Approved by:



Gerry Beaudin, City Manager

Attachments:

1. Water System Management Plan, Carollo Engineers
2. WSMP October 2024 Presentation



Water System Management Plan



Water System Management Plan

October 2024





Water System Management Plan

Water System Management Plan

October 2024

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Abbreviations

10-Year CIP	10-Year Capital Improvement Program
AACE	Advancement of Cost Engineering
AC	asbestos cement
AWIA	American Water Infrastructure Act
BESS	battery energy storage systems
Carollo	Carollo Engineers
CI	cast iron
CIP	Capital Improvement Program
City	City of Pleasanton
CMMS	computerized maintenance management system
COF	consequence of failure
DDW	Department of Drinking Water
DER	Distributed Energy Resources
DI	ductile iron
EPA	Environmental Protection Agency
ERP	Emergency Response Plan
EUM	Effective Utility Management
fps	feet per second
ft	foot/feet
gpm	gallons per minute
hp	horsepower
kW	kilowatt(s)
LCRI	Lead and Copper Rule Improvements
MG	million gallons
mgd	million gallons per day
O&M	operations and maintenance
OT	operational technology
PFAS	polyfluoroalkyl substances
PGR	Pleasanton Generator Report
POF	probability of failure
PV	photovoltaic
PVC	polyvinyl chloride
R&R	rehabilitation and replacement
RCS	Residual Control System
ROW	right-of-way
RRA	Risk and Resilience Assessment
SCADA	supervisory control and data acquisition
TOU	time-of-use management

WDSCMP	Water Distribution System Capacity Master Plan
WQRR	Water Quality Regulatory Review
WSAS	Water Supply Alternatives Study
WSMP	Water System Management Plan
WTP	water treatment plant
WY	West Yost

SECTION 1 BACKGROUND AND PURPOSE OF THE WATER SYSTEM MANAGEMENT PLAN

The City of Pleasanton (City) is in the eastern San Francisco Bay Area region, South of Interstate 580, and East of Interstate 680 in Alameda County. The City owns and operates a potable water system that serves residential customers as well as commercial and industrial users within its City limits. The City has initiated the development of a Water System Management Plan (WSMP), that will be a living document to guide management of its water system.

1.1 Purpose of the WSMP

1.1.1 Initial WSMP

The main purpose of the WSMP is to define near-term and long-term spending and programmatic priorities as a basis for water rate and connection fee requirements. This WSMP focuses on capacity, operational, and rehabilitation and repair need to define costs and programmatic priorities designed to move the City's water utility to a sustainable operational framework. The two main outcomes of the initial WSMP, and future WSMP updates, is to define two critical operational elements.

1. Near, Mid, and Long-Term Capital Improvement Program (CIP).
2. List of recommended operations and maintenance (O&M) program improvements.

Both elements should be reviewed and updated on a 2-year-, and 6-year cycle respectively to account for changes in system priorities, as well as updates to the City's rates and connections fees.

1.1.2 Future WSMP Updates

Future updates should also include evaluations of the City's water utility structure and organizations using the United States Environmental Protection Agency's (EPA) Effective Utility Management (EUM) framework. The EUM was developed through a collaboration of ten regulatory and public utility partners to define a framework definition of effective utility operations, and prioritization. The EUM focuses on the ten EUM attributes listed below:

1. Product Quality.
2. Customer Satisfaction.
3. Stakeholder Understanding and Support.
4. Financial Viability.
5. Operational Optimization.
6. Employee Leadership and Development.
7. Enterprise Resilience.

- 8. Infrastructure Strategy and Performance.
- 9. Community Sustainability.
- 10. Water Resource Sustainability.

1.2 WSMP Updates

The WSMP will be reviewed and updated based on two-and six-year cycles.

2-Year WSMP Review Cycle: The WSMP should be reviewed on a 2-Year review cycle where project completion, project prioritization, and current funding are compared against the plan established in the initial WSMP. The 2-Year cycle will provide the City with an opportunity to evaluate progress towards the capital project completion and the implementation of new O&M programs. Additionally, the 2-year WSMP review provides an opportunity to consider if any new technical evaluations are needed to address issues not identified in the current WSMP so they can be initiated with results to be included in the 6-Year WSMP Update (described below).

6-Year WSMP Update: Every six years the City will undergo an update of the WSMP that is adopted by City Council. The first update in this six-year cycle will include an evaluation of the water utility using the EUM Primer (Appendix A). The EUM primer will evaluate and rate the water utility on the 10 attributes of utility management and develop recommendations for organization enhancements.

The review and updates are scheduled to coordinate with the City’s CIP and Operations budgeting process. This cycle is illustrated in Figure 1 below:

	FY24/25		FY25/26		FY26/27		FY27/28		FY28/29		FY29/30		FY30/31		FY31/32		FY32/33	
	July-Dec 2024	Jan-Jun 2025	July-Dec 2025	Jan-Jun 2026	July-Dec 2026	Jan-Jun 2027	July-Dec 2027	Jan-Jun 2028	July-Dec 2028	Jan-Jun 2029	July-Dec 2029	Jan-Jun 2030	July-Dec 2030	Jan-Jun 2031	July-Dec 2031	Jan-Jun 2032	July-Dec 2032	Jan-Jun 2033
WSMP Update Adoption		Δ											Δ					
WSMP Reviews					Δ				Δ								Δ	
Ops & CIP Budget Adoption		Δ				Δ				Δ				Δ				Δ

Figure 1 WSMP and CIP Budget Adoption Cycle

1.3 Existing Water Distribution System

The City's water distribution system includes water supply facilities, distribution system pipelines, pump stations, and water storage tanks. The City's existing water system is illustrated in Figure 2.

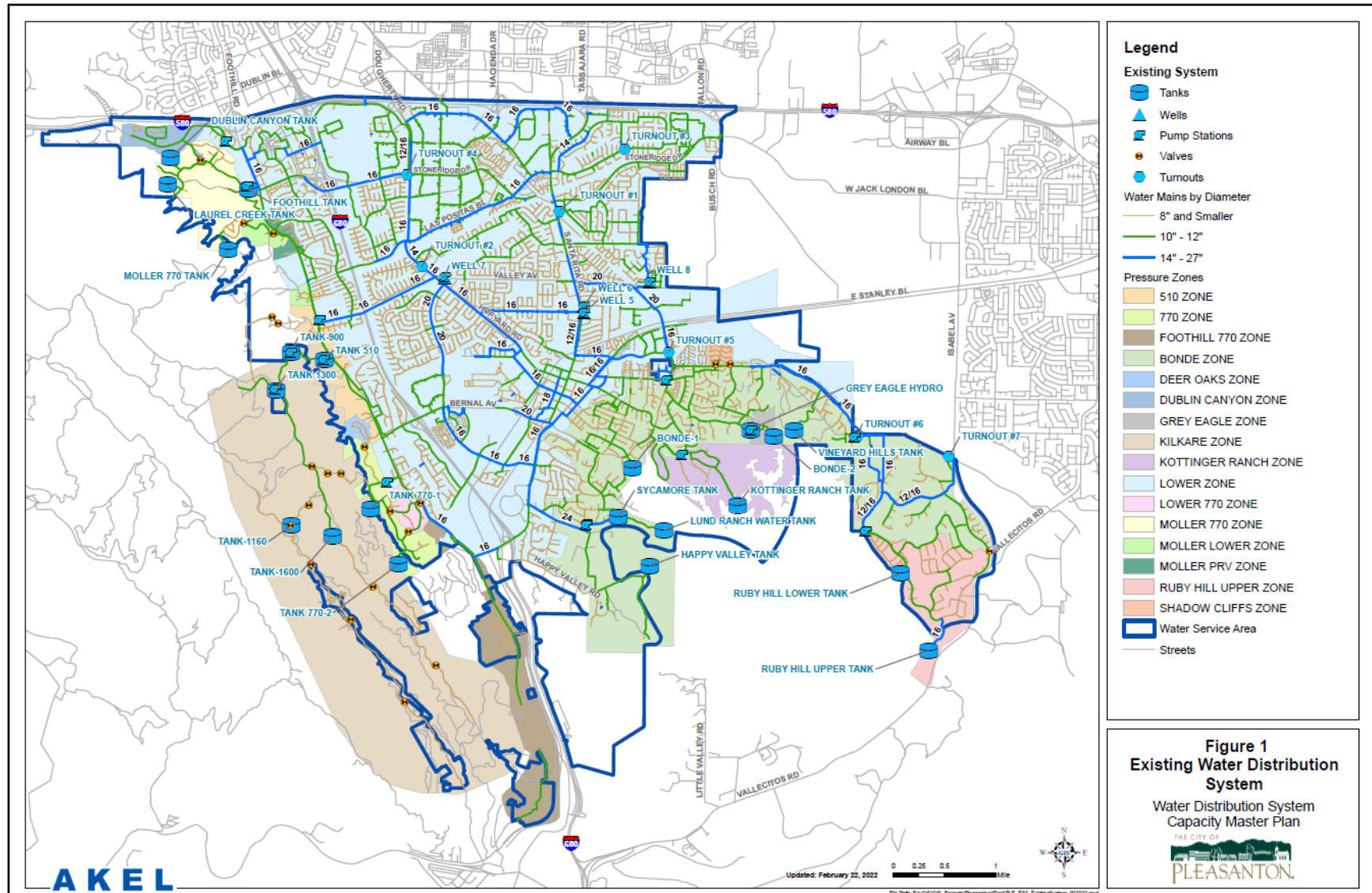


Figure 2 Existing Water Distribution System

1.3.1 Water Supply Facilities

The City's water supply comes from two sources: City owned groundwater supply wells and turnout connections to the Zone 7 Water Agency (Zone 7). The City has an allocation of 3,500 ac-ft of groundwater. However, the City is not currently utilizing all of that allocation due to Wells, 5, 6 and 8 having measurable amounts of PFAS contamination. In addition, Well 7 became inoperable in the 1990s due to turbidity and structural settlement of the building. All water sources are disinfected and fluoridated before delivery to customers.

The Turnouts from Zone 7 are summarized in Table 1.

Table 1 Water Supply - Zone 7 Turnouts

Turnouts	Type	Status
Turnout 1	Flow Control	Active
Turnout 2	Flow Control	Active
Turnout 3	Flow Control	Active
Turnout 4	Flow Control (Boosted in 2025)	Active
Turnout 5	Flow Control	Active
Turnout 6	Boosted	Active
Turnout 7	Boosted	Active

Water supply from Zone 7 comes from three primary sources: State Water Project supply via the South Bay Aqueduct, water from local watersheds via Lake Del Valle, and groundwater within the Livermore-Valley Groundwater Basin. Surface water sources are treated at both the Paterson Pass and Del Valle Water Treatment Plants (WTPs).

1.3.2 Water Distribution Pipelines

The City has approximately 339 miles of water system pipelines ranging from 2 to 27 inches in diameter. The City's pipeline materials vary from asbestos cement (AC), cast iron (CI), ductile iron (DI), polyvinyl chloride (PVC), steel, and welded steel. The breakdown of pipeline diameters, materials and age can be found in the Water Distribution System Capacity Master Plan (WDSCMP Akel, October 2024)

1.3.3 Water Booster Stations

The City's water booster stations are summarized in Table 2. For further details on the booster stations refer to the WDSCMP.

Table 2 Booster Station Inventory

Pump Station	Source Pressure Zone	Destination Pressure Zone
Longview (Foothill 1)	Lower	770
Foothill 2	Lower	510
Dublin Canyon	Lower	Dublin Canyon
Laurel Creek	Lower	Moller 770
Vineyard	Lower	Bonde

Pump Station	Source Pressure Zone	Destination Pressure Zone
North Sycamore	Lower	Bonde
Vineyard Hills	Zone 7	Bonde
McCloud (Inactive)	Lower	Bonde
Ruby Hill	Zone 7	Bonde
Gray Eagle	Bonde	Hydropneumatic
Kottinger Ranch	Bonde	Kottinger
Santos Ranch 510	510	Kilkare 900
Kilkare 900	Kilkare 900	Kilkare 1300
Kilkare 1300	Kilkare 1300	Kilkare 1600

1.3.4 Water Storage Tanks

The City has 19 storage tanks ranging in size from 0.25 to 8 million gallons (MG). A summary of the City's water storage tanks can be found in the WDSCMP.

SECTION 2 WATER SYSTEM PROGRAM EVALUATIONS AS PART OF THE WSMP

The City conducted a number of evaluations as part of the WSMP to help define the near and long-term needs. The evaluations covered a suite of topics including capacity evaluations for existing and currently planned long term conditions, overall water system condition, supervisory control and data acquisition (SCADA) and power, as well as water quality and existing and future regulations. The specific evaluations included the following:

1. **Water Quality Regulatory Review:** Carollo conducted a review of the existing and potential future federal and state of California water quality regulations. The report details water quality regulations that the City is subject to as of 2023 including but not limited to the lead and copper rule, PFAS, new requirements for the Consumer Confidence Report (CCR), and the requirements for water quality of new groundwater sources. The City is currently in compliance but will need to be diligent related to tracking the City's water quality relative to these programs. The report also details the potential for new regulations regarding M/DBPR, PFAS, and Cr(VI) MCLS. The Water Quality Regulatory Review is included in Appendix B.
2. **Water Conservation Regulatory Review:** Carollo conducted a review of existing and proposed water conservations regulations as well as including a review of the new California Water Loss regulations. The main action items related to this report is the implementation of the water loss regulations and the need to implement a leak detection program. For upcoming water conservation regulations, the City is required to complete Commercial, Industrial, and Institutional (CII) Performance Measures. The water use objective includes calculations for each budget (residential indoor use, residential outdoor use, CII landscapes with dedicated irrigation meters (DIMs) or equivalent technology, real water losses, variances if applicable, temporary provisions if applicable, and bonus incentive for potable reuse if applicable). Additional data is needed to calculate what the water use objective will be,

considering the tightening of the efficiency standards (ex. standard for CII landscapes with DIMs is 0.80 starting 2020, 0.63 starting 2035, and 0.45 starting 2040). It should be noted that the state's update of the water conservation regulations are ongoing, and the City will need to track progress related to water conservation continually. The information documented in the WSMP may not be the most current status of the state's requirements. The Water Conservation Regulatory Review is included as Appendix C

3. **Condition Assessment Report:** Carollo conducted field condition assessments of all of the City's above ground water facilities over the course of multiple days. The results of the assessment were used to develop a prioritized list of rehabilitation-based capital projects. Carollo also conducted a desktop analysis of the distribution system pipelines and those results were used to develop the pipeline rehabilitation recommendations. The highest priority projects were identified based on risk. The Condition Assessment Report is included as Appendix D.
4. **Operations, Maintenance, and Management of the Water Distribution System:** Carollo conducted an evaluation of the City's Operations and Maintenance (O&M) practices and developed a list of recommended O&M programs to implement. Recommendations include but are not limited to, unidirectional flushing, water meter testing program, and others. The Operations, Maintenance, and Management, of the Water Distribution System Technical Memorandum is included in Appendix E
5. **SCADA Master Plan:** West Yost (WY) completed a planning study focused on evaluating improvements to the City's SCADA system including equipment, preventive maintenance, and cyber security. The report documents multiple projects and programs to improve and harden the SCADA system. The SCADA Master Plan also identified specific RTU upgrades. However, RTU upgrades are assumed to be included in the pump station rehabilitation and replacement improvement projects and thus is not specifically called out as a standalone project. If the City observes in the future that RTU replacement needs occur faster than implementation of pump station CIP projects, the City may want to consider implementing a dedicated project for RTU replacements. The SCADA Master Plan is included as Appendix F.
6. **Energy Master Plan:** West Yost also completed an analysis looking at the Distributed Energy Resources (DERs), microgrids, time-of-use management (TOU), as well as process control strategies to evaluate energy optimization. The analysis looks at maximum allowable downtime (MAD) to evaluate and develop mitigation measures related to system resilience. The Energy Master Plan is included as Appendix G.

The findings from these evaluations were used to inform the capital and O&M program recommendations.

SECTION 3 WATER SYSTEM PROGRAM EVALUATIONS OUTSIDE OF THE WSMP

There were four additional evaluations conducted outside of the WSMP where the findings were used to inform project recommendations and prioritization. The evaluations included the following:

1. **American Water Infrastructure Act (AWIA) of 2018, Risk and Resilience Assessment:** West Yost, Final Report April 2021. AWIA Section 2013 requires communities with greater than 3,300 people to develop a Risk and Resilience Assessment (RRA) and an Emergency Response Plan (ERP). The RRA and ERP identifies critical water infrastructure and develops a plan to mitigate potential disruptions to water service in the event of any number of issues.
2. **Water Distribution System Capacity Master Plan (WDSCMP):** Akel Engineering Group, Inc, Final October 2024. The WDSCMP evaluated the system's ability to provide adequate water supply and pressure for existing and future conditions during peak demand times. The WDSCMP identifies pipeline, storage, and pumping improvements required in the near and long term.
3. **Water Supply Alternatives Study (WSAS):** Brown and Caldwell, Final Report November 2023. The WSAS evaluated the City's options for long term water supply and developed a recommended approach for moving forward with required supply projects. The supply analysis was to develop a recommended approach to recover use of the City's Groundwater Pumping Quota that has been lost due to PFAS contamination. The report recommended the construction of new supply wells outside of the existing PFAS plume.
4. **Pleasanton Generator Report (PGR):** TJC and Associates, Final Report November 2023. The purpose of the PGR was to analyze and document the required functionality, design criteria, and execution approach for the integration of backup power systems at the City of Pleasanton Utilities Division potable water pump stations as well as critical sewer and storm stations. The report identified the size and location of new backup power supply through the City for the water, sewer, and storm drainage systems. On October 1, 2024, TJC and Associates provided a presentation of the results of the report to City staff. This presentation had slightly higher cost estimates from that contained in the report and serve as the basis for that included in this WSMP. A copy of the presentation is included in Appendix H.

All four of these efforts were used to inform the City's capital and O&M program recommendations.

SECTION 4 FUTURE EVALUATION EFFORTS

Additional evaluation efforts will be conducted by the City to inform future WSMP updates. Additional efforts can include but may not be limited to:

1. **Recycled Water Master Plan.** The goals of the recycled water master plan are to develop a system hydraulic model to better assess operational performance and aid decision making for possible system expansion; develop processes to expand cost effective service opportunities; and assess opportunities to work with DERWA to develop mutually beneficial outcomes
2. **2025 Urban Water Management Plan (UWMP).** The UWMP is a state mandated document that evaluates existing supply vs. proposed demands. The City must update the UWMP every five years.
3. **Asset Management Plan.** The City is currently in the process of developing a City-wide asset management program. The water utility will need to develop its approach for asset management that integrates with the City-wide effort.

SECTION 5 LONG-TERM CAPITAL IMPROVEMENT PROGRAM

The Long-Term Capital Improvement Program (CIP) is a prioritized list of recommended projects within multiple categories. The main categories include:

1. **Water Supply:** Water Supply requirements generally fall within two categories, volumetric/available daily rates, and water quality. This includes the City's recent action to proceed with developing an alternative water supply to replace the City's polyfluoroalkyl substances (PFAS) contaminated sources.
 - a. California State standards target is that an agency's water supply is adequate to meet maximum day demand with the largest water supply source out of service. Peak hour demands are met through water in storage reservoirs.
 - b. The California Department of Drinking Water (DDW) controls water quality standards related to regulated constituents of concern as mandated by the City's distribution system permit.
2. **Distribution:** Distribution system performance is based on City standards as well as additional criteria established by the water system management team through the WDSCMP.
3. **Rehabilitation and Replacement (R&R):** R&R projects fall into two categories, above ground facilities (pump stations, turnouts, tanks, etc.) and below ground (pipelines).
4. **Other:** Projects include those developed for SCADA, power, or other systems for both capital and O&M project and program recommendations.

5.1 Project Prioritization

Project recommendations were prioritized based on a system of categorization.

- **Priority Level A:** These projects are ranked the highest if they are required for health and safety; required by law, regulation, or contract; are under construction; and/or are funded by applicants or outside funding source.
- **Priority Level B:** These projects are those that provide measurable progress toward achieving the City's goals, but the City has a moderate level of control as to when these projects should be accomplished.
- **Priority Level C:** Projects not meeting the criteria for priority level A or B are ranked as priority level C. These are projects that are anticipated to be needed, but may not yet have defined scopes, and schedules.

5.2 Priority A Project Descriptions

5.2.1 Water Supply Projects

WS-1 Near Term Improvements for Water Supply Change

The project entails constructing distribution improvements as described in the WDSCMP to facilitate the City (in the near-term) receiving one hundred percent of its water supply from Zone 7 purchases that are delivered through the seven turnouts.

1. S-1. Construct 3,250 feet of 24-inch pipeline (the existing 12-inch to be abandoned) in Stoneridge Road between Hopyard Road and Johnson Drive.
2. S-2. Construct 1,600 feet of 18-inch pipeline in Bernal Avenue between Nevada Court and Vineyard Avenue.
3. S-3. Construct 4,650 feet of 20-inch pipeline in Sunol Boulevard between Bernal Avenue and Sycamore Road.
4. BS-1. Booster Station at Turnout 4 at Hopyard Road and Stoneridge Drive with a capacity of 5,200 gallons per minute.
5. I-2. Construct 160 feet of 18-inch pipeline in Stoneridge Drive from Turnout #4 to Hopyard Road
6. I-3. Replace 210 feet of existing 10-inch pipeline with a new 16-inch pipeline in Vineyard Avenue between the Vineyard Booster Station and Bernal Avenue.

WS-2 Long Term Improvements for Water Supply Change

Project entails constructing improvements to recover the use of the City's Groundwater Pump Quota. The City is considering a City owned option versus a regional option with Zone 7 as defined below.

City Owned Option:

1. New City groundwater wells W-1, and W-2 as defined in the WDSCMP.
2. Pipeline projects F-1 through F-5, as defined in the WDSCMP:

- a. F-1 includes the replacement of 3,250 linear feet of existing 12-inch main on Stoneridge Drive with a new 24-inch diameter main.
- b. F-2 includes the replacement of 310 linear feet of existing 12-inch main on Foothill Road with a new 24-inch diameter main.
- c. F-3 includes 3,100 linear feet of new 12-inch diameter main on Valley Avenue from Pleasanton Avenue to Sunol Boulevard.
- d. F-4 includes 975 linear feet of new 12-inch diameter main on Oak Vista Way from Cotton Mill Way to Valley Avenue.
- e. F-5 includes 2,300 linear feet of new 16-inch diameter main on Hansen Drive between Del Prado Well to Valley Avenue.

Regional Zone 7 Options:

If the City decides to go with the regional supply project, W-1 and W-2 would be replaced with regional wells constructed and operated by Zone 7. Pipeline projects F-1 and F-2 would still be required. However, pipeline projects F-3 through F-5 would not be required and instead additional turnout and distribution improvements would be needed to receive the groundwater supply from Zone 7 via turnouts.

5.2.2 Distribution System Capacity Projects

DS-1 Existing Pipeline Deficiencies Improvements (I-1, I-4 through I-10 from Akel Report)

Descriptions from the WDSCMP Report. Does not include Projects I-2 and I-3, which are included in project WS-1.

1. I-1. Replace 200 feet of the existing 8-inch pipeline in Payne Road with a new 12-inch pipeline between Denker Drive and Payne Court.
2. I-4. Replace 310 feet of existing 6-inch pipeline with a new 8-inch pipeline in Hopkins Court between Hopkins Way and the end of Hopkins Way cul-de-sac.
3. I-5. Replace 410 feet of existing 6-inch pipeline with a new 8-inch pipeline in San Antonio Street between San Gabriel Court and the end of San Antonino Street cul-de-sac.
4. I-6. Replace 200 feet of existing 8-inch pipeline with a new 12-inch pipeline in Sycamore Creek Way between Dalton Creek Way and 200 feet east of Dalton Creek Way.
5. I-7. Replace 140 feet of existing 10- and 12-inch pipeline with a new 16-inch pipeline at the Sycamore Booster Station (suction and discharge pipelines).
6. I-8. Replace 200 feet of existing 8- and 10-inch pipeline with a new 12-inch pipeline at the Foothill Booster Station (suction and discharge pipelines).
7. I-9. Replace 2,225 feet of existing 6-inch pipeline with a new 10-inch pipeline in Sinbad Creek Trail between 410 feet west of Ridgeline Trail and Tank 1160.
8. I-10. Replace 200 feet of existing 8- and 10-inch pipeline with a new 12-inch pipeline in Pleasant Hill Road between Stoneridge and Baldwin Way extension.

Other distribution projects in the WDSCMP include the following:

1. **DS-4 Gray Eagle Connection to Kottinger Pressure Zone (FF-229 through FF-231):** Pipeline to move water from the Gray Eagle pressure zone to the Kottinger Pressure zone as described in the WDSCMP.
2. **DS-5 Lemoine Bypass Pipeline Project:** This project constructs piping improvements that reduced water age near the Lemoine development in the Moller 770 pressure zone. Refer to the WDSCMP for more details.

5.2.3 Distribution System Fire Flow Projects

The WDSCMP also identified fire flow improvements. The WDSCMP categorized fire flow capacity deficiencies above 30 percent deficient as Priority A. The Priority A fire flow improvements are documented in the WDSCMP.

1. **DS-2:** Priority A Fire Flow Deficiencies (Defined in the WDSCMP).
2. **DS-3:** Killcare – Sunol Priority A Fire Flow Deficiencies (Defined in the WDSCMP).

5.2.4 Rehabilitation and Replacement Projects

The rehabilitation and replacement (R&R) projects have been developed based on the condition assessment effort. The facility condition assessment technical memorandum is included as Appendix D. Based on the findings of the condition assessment as well as the criticality evaluation that was conducted as part of the AWIA project, the following capital projects were developed and prioritized. The descriptions below include major drivers for rehabilitation, but it is intended that the entire facilities are rehabbed as part of each project to cost effectively extend their useful life.

1. **RR-1 Tank 1300:** Interior tank corrosion
2. **RR-2 McCloud Tank and Pump Station:** Decommissioning and demolition
3. **RR-3 Foothill Pump Station:** Rehabilitation includes electrical and instrumentation replacements and upgrades, pump and valve replacements, security and road improvements.
4. **RR-4 Tank Inspection Program:** Costs associated with the internal inspection of the City's storage tanks and reservoirs.
5. **RR-5 Vineyard Pump Station:** Rehabilitation includes electrical and instrumentation replacements and upgrades, pump and valve replacements. Project should include a preliminary design to evaluate breaking the City's largest pressure zone (Mega Zone) into three separate pressure zones. If so, the Vineyard Pump Station capacity will need to be increased as discussed in the WDSCMP.
6. **RR-6 Kottinger Pump Station:** Rehabilitation includes electrical and instrumentation upgrades, valve replacements and upgrades, lighting improvements, and crane improvements.
7. **RR-7 Grey Eagle:** Grey Eagle is assumed to be decommissioned since it will no longer be needed after construction of project DS-4. However, if the Grey Eagle connection to Kottinger Pressure Zone project does not occur in a timely manner, then rehabilitation of the pump station will be needed.

5.2.5 Other Projects

SP-1 Network Architecture Improvements: The SCADA Master Plan recommended conducting a phased approach to updating the City's network architecture. Reinforcing the network can be accomplished by rearchitecting the existing radio network, installing fiber connections between communication sites, utilizing cellular technology, or utilizing a hybrid of both cellular and radio technologies. The phased approach would include a network communications evaluation, design of the new system, and implementation.

SP-2 Generator Upgrades/Replacement: The Pleasanton Generator Report (PGR) detailed the recommendations related to the installation of backup power generators at water, sewer, and storm drain pumping facilities. The list of projects is included in Appendix H.

5.3 Priority B Project Descriptions

5.3.1 Distribution System Fire Flow Projects

The WDSCMP categorized fire flow capacity deficiencies between 15 percent and 30 percent as Priority B improvements. The fire flow improvements are documented in the WDSCMP.

1. **DS-6** Priority B Fire Flow Deficiencies: (Defined in the WDSCMP).
There were three tank projects identified in the WDSCMP.
2. **DS-7** Increase total storage at the 510 tanks site by 0.25 million gallons (MG) to improve storage for operational, emergency, and fire flow conditions.
3. **DS-8** Increase total storage at the 770 tank site by 0.15 MG to improve storage for operational, emergency, and fire flow conditions.
4. **DS-9** Construct a new 4.5 MG tank in the Lower Zone to account for additional demands from new growth.

5.3.2 Rehabilitation and Replacement Projects

1. **RR-8** Customer Meter Replacement: Customer Meter Replacement: Project is to replace customer meters as they reach the end of their useful lives.
2. **RR-9** Laural Creek Pump Station: Electrical and instrumentation upgrades, pump upgrades, and security upgrades.
3. **RR-10** Ruby Hills Pump Station: Electrical and instrumentation replacements, valve replacements, and pump replacements.
4. **RR-11** Well 7 Decommissioning: Decommission and abandon well site.
5. **RR-12** Well 5 and Well 6: Decommission and abandon well sites.
6. **RR-13** Well 8: Decommission and abandon well site.
7. **RR-15** Pipeline Rehabilitation Backlog: The cost for the rehabilitation or replacement of the identified backlog (approximately 4.8 miles/year) .

5.3.3 Other Projects

5.3.3.1 DER Piloting Projects

SP-3 DER Piloting Projects: Distributed Energy Resources projects (DER) include a range of options related to energy management at above ground facilities. The Energy Master Plan (Appendix G) identified four potential sites for piloting of DER projects. The City is planning to move forward with DER system piloting at the Tassajara Tank site and Turnout No. 3. For the Tassajara site the piloting options include roof mounted solar panels, ground mounted solar arrays, and a solar canopy. For Turnout No. 3 the options include the potential for roof mounted panels, and a solar canopy.

5.4 Priority C Project Descriptions

5.4.1 Water Supply Projects

WS-3 Long Term Groundwater Supply Treatment: This project is a placeholder for additional costs related to groundwater treatment to address increasingly stringent water quality regulations in the future and/or to support sustainability of the groundwater basin.

WS-4 Permanent Residual Control System (RCS) Installation: This project includes moving the existing RCS equipment inside a building (not container type structure) and evaluating switching to bulk chemical from self-generation process at both the Foothill and Sycamore reservoirs. The RCS system has shown to improve the chlorine residual in the system and has allowed the City to minimize the draining and manual cycling of the water storage tanks. The City would like to make the RCS system improvements at both the Foothill and Sycamore reservoirs. Carollo conducted an evaluation of the performance of the RCS system. The evaluation is documented in Appendix I.

5.4.2 Distribution Projects

DS-10 Priority C Fire Flow Improvements. The WDSCMP categorized fire flow capacity deficiencies less than 15% as Priority C improvements. The fire flow improvements are documented in the WDSCMP.

DS-11 Upper Zone Tank Mixers. Distribution system water quality analysis has identified the potential need for tank mixers in the upper zones to mitigate the reduction in chlorine residual. Preliminary estimates included five mixers in the upper zone reservoirs. The evaluation of distribution system nitrification are included in the Nitrification Evaluation Project Memorandum (Appendix I).

5.4.3 Rehabilitation and Replacement Projects

RR-14 Other Facility Rehabilitation: Priority A and B projects for facility rehabilitation was developed based on the grouping of asset replacement and rehabilitation recommendations into capital projects based on facilities. There are many other assets identified in the Condition Assessment report that were not grouped into capital projects. Those asset replacement costs are captured in this project description as a placeholder for the additional funds needed in the long term.

RR-16 Pipeline Rehabilitation: Cost for the rehabilitation or replacement of the underground pipelines (approximately 3 miles/year) to extend the overall useful life of the City's water system piping. Identification of the specifics of these projects will be completed later.

SECTION 6 COST ESTIMATING ASSUMPTIONS

6.1 Planning Level Costs and Markups

Cost markups were applied to develop Class 5 planning level estimates per the Association for the Advancement of Cost Engineering (AACE). The resulting AACE class 5 estimates may represent an overestimate of cost by 100 percent or an underestimate of cost by 50 percent. The markup categories for R&R project are in Table 3. The markups for all other projects are included in Table 4.

Table 3 Indirect Cost Factors – Rehabilitation and Replacement

Markup Category	Percentage of Direct Cost Total
Installation	70 percent
Direct Cost Multiple⁽¹⁾	1.70
Owner's Costs	30 percent
Subtotal Multiple⁽²⁾	2.21
Design/Construction Contingency	30 percent
Total Estimated Construction Cost Multiplier⁽³⁾	2.87

Notes:

- (1) Direct Cost Multiple: $1 \times 1.70 = 1.70$.
- (2) Subtotal Multiple: $1.70 \times 1.30 = 2.21$.
- (3) Total Estimated Construction Cost Multiplier: $2.21 \times 1.30 = 2.87$.
- (4) ENR Index for San Francisco, May 2024, 15418

Table 4 Indirect Cost Factors – Capacity Projects

Markup Category	Percentage of Direct Cost Total
Baseline Construction	1.0
Owner's Costs	30 percent
Subtotal Multiple⁽²⁾	1.3
Design/Construction Contingency	30 percent
Total Estimated Construction Cost Multiplier⁽³⁾	1.69

Notes:

- (1) Baseline Construction is the cost for a contractor to build the project
- (2) Subtotal Multiple: $1.0 \times 1.30 = 1.30$
- (3) Total Estimated Construction Cost Multiplier: $1.30 \times 1.30 = 1.69$
- (4) ENR Index for San Francisco, May 2024, 15418

The tables above demonstrate how to calculate the total estimated construction cost. Note that if the recommendation is to decommission the asset, then the material cost is \$0; however, the installation cost is still based on the cost range for said asset class.

The construction cost also accounts for the owner's costs. These are the amounts included in the total program budget to cover the owner's expenses for engineering fees, and legal fees. These costs may also include property/easement/right-of-way (ROW) acquisition, bid advertising, etc., and can range from 15 to 40 percent of the total construction cost. For this project, we are assuming 30 percent.

SECTION 7 LONG TERM CIP COSTS

7.1 Long Term CIP Summary

The Long-Term CIP costs are included in Table 5. The City phasing and prioritization process involves developing implementation strategies that consider needed increases to City engineering staff to manage projects (not included in Table 5), O&M impacts/risks, and funding. A project memorandum that takes an initial look at these implementation strategies is included in Appendix J. Further development will occur as part of the upcoming water rate study.

Table 5 Capital Improvement Plan Summary

Project Type	Total Costs (\$Millions)
Water Supply Projects	\$ 52.00
Priority A Projects	\$ 40.00
WS -1 Near Term Improvements for Water Supply Change ³	\$ 13.50
WS-2 Long Term Improvements for Water Supply Change ⁴	\$ 26.50
Priority C Projects	\$ 12.00
WS-3 Future Water Supply Treatment	\$ 10.00
WS-4 RCS Permanent Installation	\$ 2.00
Distribution Capacity	\$ 81.50
Priority A Projects	\$ 44.06
DS-1 Existing Pipeline Deficiencies Improvements (I-1, I-4 through I-10 from Akel Report)	\$ 1.46
DS -2 Priority A Fire Flow (>30% Def)	\$ 16.71
DS-3 Killcare - Sunol Fire Flow	\$ 23.78
DS-4 Gray Eagle Connection to Kottinger Pressure Zone	\$ 1.86
DS -5 Lemoine Bypass Pipeline Project	\$ 0.25
Priority B Projects	\$ 26.06
DS-6 Priority B Fire Flow	\$ 9.43
DS-7 Tank 510 Site (Additional 0.25 MG)	\$ 2.14
DS-8 Tank 770 Site (Additional 0.15 MG)	\$ 1.68
DS-9 New 4.5 MG Tanks	\$ 12.81
Priority C Projects	\$ 11.38
DS -10 Priority C Fire Flow	\$ 9.88
DS - 11 Upper Zone Tank Mixers	\$ 1.50
Rehabilitation and Replacement (Above Ground Facilities)	\$ 50.59
Priority A Projects	\$ 12.04
RR-1 Tank 1300 Rehab	\$ 2.54

Project Type	Total Costs (\$Millions)
RR-2 McCloud Tank/PS Decommission	\$ 1.24
RR- 3 Foothill PS Rehab	\$ 1.32
RR - 4 Tank Inspections	\$ 1.62
RR- 5 Vineyard PS Rehab	\$ 2.13
RR- 6 Kottinger PS Rehab	\$ 1.90
RR- 7 Decommission of Grey Eagle PS	\$ 1.29
Priority B Projects	\$ 15.75
RR - 8 Customer Meter Replacement	\$ 9.30
RR- 9 Laurel Creek PS Rehab	\$ 1.68
RR - 10 Ruby Hill PS Rehab	\$ 2.04
RR- 11 Decommission Well No. 7	\$ 0.81
RR- 12 Decommission Well 5 and 6	\$ 0.71
RR- 13 Decommission Well No. 8	\$ 1.21
Priority C Projects	\$ 22.80
RR- 14 Other Facility Rehabilitation	\$ 22.80
Rehabilitation and Replacement (Below Ground Facilities)	\$ 71.28
Priority B Projects	\$ 31.68
RR - 15 Pipeline Rehabilitation Backlog (4.8-miles/year)	\$ 31.68
Priority C Projects	\$ 39.60
RR - 16 Pipeline Rehabilitation (3-miles/year)	\$ 39.60
Other Projects	\$ 6.73
Priority A Projects	\$ 6.53
SP - 1 Network Architecture (SCADA)	\$ 1.01
SP - 2 Generator Projects ⁵	\$ 5.52
Priority B Projects	\$ 0.20
SP - 3 DER Projects (Tassajara and TO3)	\$ 0.20
Project Total	\$ 262.10

Notes:

- (1) Projects are in 2024 dollars.
- (2) Costs are total project delivery costs. Increase in City engineering staff to manage is not included.
- (3) Project includes S-1, S-2, S-3, BS-1, I-2, and I-3 from Akel Report. Costs provided by City supersede Akel Report."
- (4) City is considering one of two options: Project includes W-1, W-2, F-1, F-2, F-3, F-4, F-5 from Akel Report. Alternatively, City is evaluating a Regional Groundwater Facility project with Zone 7 with related distribution changes. Costs provided by City supersede the Akel report."
- (5) Total costs for all generators including water, sewer, and storm is \$9.39 million. "Costs show in this table is just for water".

Table 6 Capital Improvement Plan Summary by Project Type

Priority	Total Cost (\$Million)	CIP Cost (\$Million)			
		Water Supply	Distribution Capacity	Rehabilitation and Replacement	Other
Priority A	\$ 102.63	\$ 40.00	\$ 44.06	\$ 12.04	\$ 6.53
Priority B	\$ 73.69	\$	\$ 26.06	\$ 47.43	\$ 0.20
Priority C	\$ 85.78	\$ 12.00	\$ 11.38	\$ 62.40	\$
Total Costs	\$ 262.10	\$ 52.00	\$ 81.50	\$ 121.87	\$ 6.73

SECTION 8 O&M PROGRAM IMPROVEMENTS

O&M project and program recommendations and priorities were developed as part of the WSMP effort. The recommendations were compiled based on a number of evaluation efforts. The recommendations are based on regulatory drivers, best practice approaches and O&M preventive maintenance projects. The projects have been grouped according to the evaluation effort used to determine the need.

8.1 O&M Project and Program Recommendations

8.1.1 Water Quality Regulatory Review

Carollo conducted an evaluation of the current and future water quality regulations. The Water Quality Regulatory Review (WQRR) technical memorandum is included in Appendix B. The recommendations from the WQRR include the following:

WQ-1 Lead and Copper Rule Program Tracking: Under the Lead and Copper Rule, the City will need to complete its initial service line inventory by October 16, 2024. By October 16, 2027, the City will need to:

- Develop and submit an LSL replacement plan.
- Revised sampling plan that captures updated sample tiers.
- Start sampling in schools and childcare facilities.
- Comply with revised Action level.
- Comply with updated public notification.

Actions required by the City will be based on findings from the Phase 1 survey currently being conducted by the City.

WQ-2 Cross Connection Control Plan: O&M funds allocated to update the City's cross connection control plan in compliance with new regulations.

WQ-3 Nitrification Response Plan: O&M funds allocated to update the City's nitrification response plan to incorporate changes to the water system since installation of the residual control system and for better documentation of procedures related to monitoring and control of disinfection byproducts in areas of water system where free chlorination occurs.

8.1.2 Water Conservation and Water Loss

Carollo also developed a Water Conservation and Water Loss technical memorandum. Part of the new California water loss regulations revolves around data accuracy, leak detection, and water loss reduction through mitigation of water system leaks. The project recommendations from this memo include:

- **WC-1 Water Meter Testing Program:** The City should implement a water meter testing program to build accuracy in water usage data. The City can contract this service or train staff to conduct the meter testing program.
- **WC-2 Water Conservation Program:** This project includes funding for unknown changes and modifications to the current water conservation framework for California. Many of the current regulations are in draft form and things are changing annually.
- **WC-3 Water Loss Program:** The water loss regulations require full system leak detection every three years until compliance with the water loss standards. Leak Detection includes a complete system survey of all the City's pipelines before the compliance date of January 2028.
- **WC-4 Systematic Data Handling Error Audit:** This project included the evaluation of the City's water meter data collection and handling program. This program will determine if errors in data collection are occurring and will develop programs to mitigate the issues.

8.1.3 Repair and Replacement Assessment

The condition assessment program identified additional evaluation needs associated with water system assets.

- **RR-4 Tank Inspection Program:** Costs associated with the internal inspection of the City's storage tanks and reservoirs. This project was included in the long-term CIP as a project.
- **RR-17 Asset Management:** The City is currently developing a City-wide asset management program. This project is to fund for the development of the water utility elements of the asset management program and to coordinate with the City-wide efforts.
- **RR-18 Corrosion Protection:** The City should implement a program to establish a corrosion protection strategy for water distribution piping and O&M program for steel tanks (i.e. monitoring and maintenance of cathodic protection systems).

8.1.4 O&M Review

Carollo conducted an O&M review based on the City's existing California Division of Drinking Water (DDW), and water utility best practices. Details on the O&M review are included in the Operations, Maintenance, and Management, of the Water Distribution System Technical Memorandum in Appendix E. The project and program recommendations include the following:

- **OM-1 Unidirectional Flushing Program:** Develop a single unidirectional flushing program. Valve exercising and hydrant maintenance to be integrated with flushing program.
- **OM-2 Utility Training Program:** Incorporate/implement utility training program recommendations prepared by DKF into overall Public Works training program and continue to develop elements including SOPs and training materials. Costs shown are water related only (does not include sewer and storm related tasks).

- **OM-3 Water System Operations Manual:** The City should update its Water System Operations Manual to reflect current conditions and practices.

8.1.5 SCADA Master Plan

The following projects and programs were developed as part of the SCADA Master Plan. Additional details for all these recommendations are included in the SCADA Master Plan located in Appendix F.

- **SP-4 SCADA Standards Development:** The City currently does not have an official set of comprehensive SCADA standards. Development of SCADA standards is a vital component for any SCADA system. The City should formalize standards that can be provided to internal or external resources. SCADA standards encompass items such as instrumentation standards, PLC/OITs, PLC cabinet hardware and layouts, SCADA software, SCADA hardware, and SCADA programming.
- **SP-5 SCADA Preventive Maintenance Program:** The City should develop a formalized preventative maintenance program for critical electrical, instrumentation, and controls assets, and re-evaluate third-party maintenance contracts to include these activities.
- **SP-6 Backup Core Server Relocation:** The City should diversify and relocate its core SCADA server to the virtual environment and eliminate the risk of the current server hardware access locations.
- **SP-7 Remote Access Improvements:** The City should implement remote SCADA access solutions to offer granular access control, enabling customized control per protocol, per user activity, and per seat, with continuous monitoring and enforcement for the duration of every session.
- **SP-8 Operational Technology (OT) System Monitoring Implementation:** The City should investigate implementing an OT focused cybersecurity monitoring solution that provides OT-specific asset visibility and inventory, vulnerability management, threat detection and investigation tools. The implementation of such a monitoring tool would considerably improve overall monitoring coverage and additionally assist the City in being compliant with new EPA cybersecurity requirements released in March of 2023.

8.1.6 O&M Recommendations Summary

The recommendations included in Section 8.1 are summarized in Table 7

Table 7 O&M Program

Project Type	Cost
WQ – 1 Lead and Copper Rule Program Tracking	\$250,000 for initial implementation
WQ - 2 Cross Connection Control Plan	\$250,000 for initial implementation plan
WQ - 3 Nitrification Response Plan	\$50,000
WC- 1 Water Meter Testing Program	\$100,000 for initial implementation followed by annual costs of \$10,000.
WC- 2 Water Conservation Program	\$250,000 for initial implementation
WC - 3 Water Loss	\$550,000 for initial leak detection program (pipe repairs assumed to be included in CIP)
WC – 4 Systematic Data Handling Error Audit	\$50,000
RR-17 Asset Management Program	\$250,000 for initial implementation followed by annual costs of \$10,000.
RR - 4 Tank Inspection Program	Costs included in Long-Term CIP
RR - 18 Corrosion Protection	\$200,000 initial, then \$10,000 annually
OM – 1 Unidirectional Flushing Program	\$75,000 for initial study, then followed by annual costs of \$50,000 (major valve replacements assumed to be included in CIP)
OM – 2 Utility Training Program	\$50,000 annually
OM – 3 Water System Operations and Maintenance Manual	\$150,000 one-time
SP - 4 SCADA Standards Development:	\$169,000
SP – 5 SCADA Preventive Maintenance Program	\$100,000 initial with 50,000 per year after
SP – 6 Backup Core Server Relocation	\$211,000
SP – 7 Remote Access Improvements	\$371,000
SP- 8 OT System Monitoring Implementation	\$850,000
Full Time Employees	\$12.00 million over a 20-year period. ⁽²⁾

Notes:

(1) Projects are in 2024 dollars.

(2) Five Operator FTEs to facilitate programs.

-2 FTEs starting in FY24/25 which has already been approved and included in baseline operating expenses (not included here).

-Additional 3 FTEs starting in FY 26/27 which is included in this line item.

APPENDIX A

EUM PRIMER

Effective Utility Management,
a Primer for Water Sector Utilities
is available at:

[https://www.epa.gov/system/files/
documents/2024-08/eum-primer.pdf](https://www.epa.gov/system/files/documents/2024-08/eum-primer.pdf)

APPENDIX B

WATER QUALITY REGULATORY REVIEW



Water System Management Plan

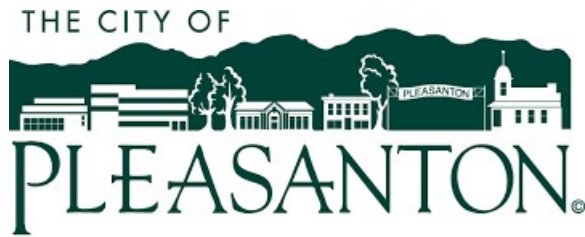


TECHNICAL MEMORANDUM

Water Quality Regulatory Review

Final DRAFT / September 2024





Water System Management Plan

TECHNICAL MEMORANDUM

Regulatory Review

DRAFT / September 2024

This document is released for the purpose of information exchange review and planning only under the authority of Timothy J. Loper, April 19, 2023, State of California, PE 70847.

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Abbreviations

AL	action level
AWIA	American Water Infrastructure Act
Carollo	Carollo Engineers
CCL	Contaminant Candidate List
CCR	Consumer Confidence Reports
CCT	corrosion control treatment
CFU	colony forming units
City	City of Pleasanton
D/DBPR	Disinfectant and Disinfection By-Product Rules
DDW	California State Water Resources Control Board Division of Drinking Water
DVWTP	Del Valley Water Treatment Plant
EPA or USEPA	United States Environmental Protection Agency
GWR	groundwater rule
HA	health advisory
HAA5	haloacetic acids
IESWTR	Interim Enhanced Surface Water Treatment Rule
µg/L	micrograms per liter
µm	micrometer(s)
LCR	Lead and Copper Rule
LCRI	Lead and Copper Rule Improvements
LCRR	Lead and Copper Rule Revisions
LRAA	location running annual average
LSL	lead service linePQL
LT1	Long Term 1 Enhanced Surface Water Treatment Rule
LT2ESWTR	Long-Term 2 Enhanced Surface Water Treatment Rule
MCLs	maximum contaminant levels
MCLGs	maximum contaminant level goals
M/DBPs	Microbial / Disinfection Byproducts Rules
mL	milliliter(s)
Mocho DMWTP	Mocho Demineralization WTP (Mocho DMWTP)
mrem	millirem (milli-roentgen equivalent man)
NA	not applicable
NDWAC	National Drinking Water Advisory Council
ng/L	nanogram per liter
NL	notification levels
NPDWR	National Primary Drinking Water Regulations
NSDWR	National Secondary Drinking Water Regulations
NTU	nephelometric turbidity unit

OEHHA	California Office of Environmental Health Hazard Assessment
PAH	polycyclic aromatic hydrocarbon
pCl/L	picocuries per liter
PFAS	per- and polyfluorinated alkyl substances
PFBS	perfluorobutane sulfonate
PFHxS	perfluorohexane sulfonic acid
PFOA	perfluorooctanoic acid
PFOS	perfluorooctanoic acid
PHGs	public health goals
PQL	practical quantitation level
ppm	parts per million
PPWTP	Patterson Pass Water Treatment Plant
RRA	running annual average
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SWTR	Surface Water Treatment Rule
SWRCB	State Water Resources Control Board Division
TCR	Total Coliform Rule
TT	treatment technique
TTHM	total trihalomethane
UCMR	Unregulated Contaminant Monitoring Rule
UV	ultraviolet
WQP	water quality parameter
WSMP	water system management plan
WTP	water treatment plant

SECTION 1 INTRODUCTION

This technical memorandum reviews current and upcoming water quality regulations that could impact the City’s water system program during the span of the initial water system management plan (WSMP) (i.e., 5 years).

SECTION 2 SYSTEM CHARACTERISTICS

The City's drinking water supply is a combination of treated water purchased from Zone 7 and groundwater wells own and operated by the City. Sources of supply are included in Table 1. A map of the City's distribution system is shown in Figure 1. The figure shows the location of the City's turnouts where Zone 7 water is delivered, City owned wells, storage tanks, and pump stations.

Table 1 City of Pleasanton Water Sources

Source	Water Type	Supplier
Patterson Pass WTP (PPWTP)	surface water	Zone 7
Del Valle WTP (DVWTP)	surface water	Zone 7
Mocho Groundwater Demineralization Plant (MGDP)	groundwater	Zone 7
Mocho Wellfield	groundwater	Zone 7
Hopyard Wellfield	groundwater	Zone 7
Chain of Lakes Wellfield	groundwater	Zone 7
Stoneridge Wellfield	groundwater	Zone 7
Wells 5/6	groundwater	Pleasanton
Well 8	groundwater	Pleasanton

Zone 7 water typically comprises approximately 75 to 80 percent of the City’s annual water supply, with the remaining water supply coming from the City's 3,500 AF/year groundwater pumping allotment. Zone 7 water can be a blend of treated surface water and groundwater. The proportion of surface and groundwater provided by Zone 7 varies, as outlined in a Nitrification Evaluation for the City (Carollo, 2019). The City’s groundwater is disinfected and fluoridated prior to distribution. Chloramines are used to maintain the distributions system disinfection residual.

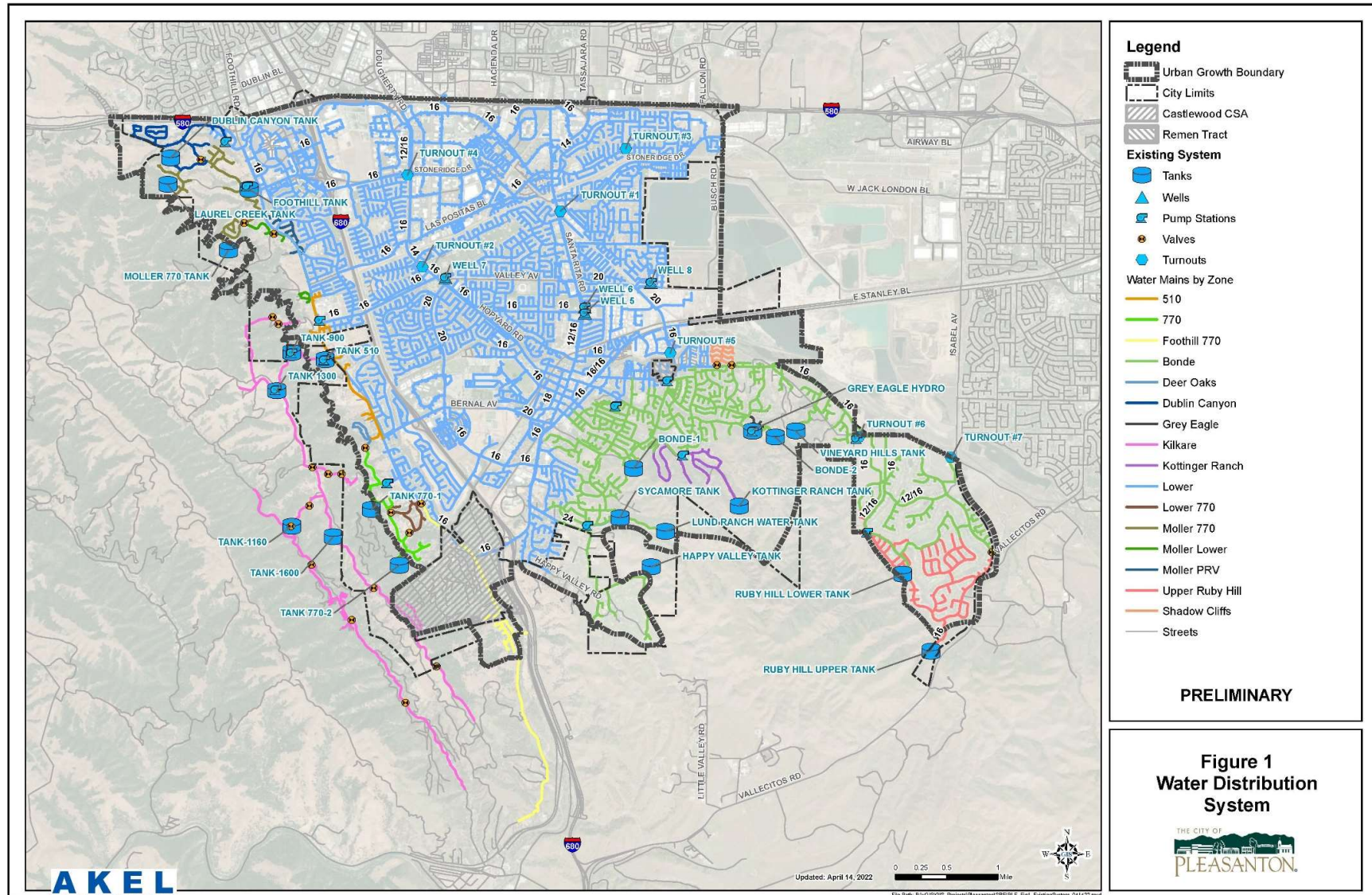


Figure 1 City of Pleasanton Distribution System

SECTION 3 CURRENT DRINKING WATER REGULATIONS

Drinking water quality in the United States is governed by legislation enacted by the federal and state governments. Statutes, more commonly known as laws, direct the appropriate government agency to develop and publish regulations or rules to implement the requirements of the law. Standards specify the amount or concentration of a particular constituent that is legally allowed in drinking water. At the federal level, the United States Environmental Protection Agency (EPA) is primarily responsible for developing and enforcing drinking water regulations, whereas state health departments typically regulate drinking water quality at the state level.

Any drinking water regulations promulgated by a state are required to include standards that are at least as stringent as those imposed by comparable federal regulations; states may implement regulations in addition to those mandated by federal statutes or standards that are more restrictive than federal ones. The State of California has adopted and codified these rules, along with several state-specific requirements. The State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) administers and enforces these rules. The following subsections present an overview of federal and state regulations, followed by a discussion of current regulations that warrant consideration for continued City compliance with all drinking water regulations.

3.1 National Primary and Secondary Drinking Water Regulations

The Safe Drinking Water Act (SDWA) of 1974 and its amendments (1986 and 1996) provide a regulatory framework that specifies how National Primary Drinking Water Regulations (NPDWR) are developed, promulgated, and implemented. Elements of this regulatory framework require that EPA periodically review existing NPDWRs for continued protection of public health, evaluate potential risks associated with unregulated contaminants that are known to occur in drinking water supplies, and monitor the occurrence of contaminants in drinking water supplies.

The NPDWRs established by the EPA are legally enforceable primary standards applicable to all potable water systems and intended to protect the public from consuming water containing contaminants that present a risk to human health. The regulations set maximum contaminant levels (MCLs), maximum contaminant level goals (MCLGs), and treatment technique requirements for a total of 94 contaminants. As shown in Figure 2, the number of contaminants regulated has increased dramatically from the original 22 listed in 1975 and 1976.

The USEPA has also established National Secondary Drinking Water Regulations (NSDWRs), adopted by California's SWRCB, that set non-mandatory water quality standards for 15 contaminants. Secondary regulations are not legally enforceable and function as guidelines for water utilities to provide aesthetically pleasing drinking water and avoid cosmetic effects such as tooth discoloration. Taste and odor, for example, are aesthetic issues, as opposed to health issues, and secondary drinking water regulations are therefore applicable. The secondary standards set secondary MCLs for a total of 15 compounds that do not present a health risk at such levels.

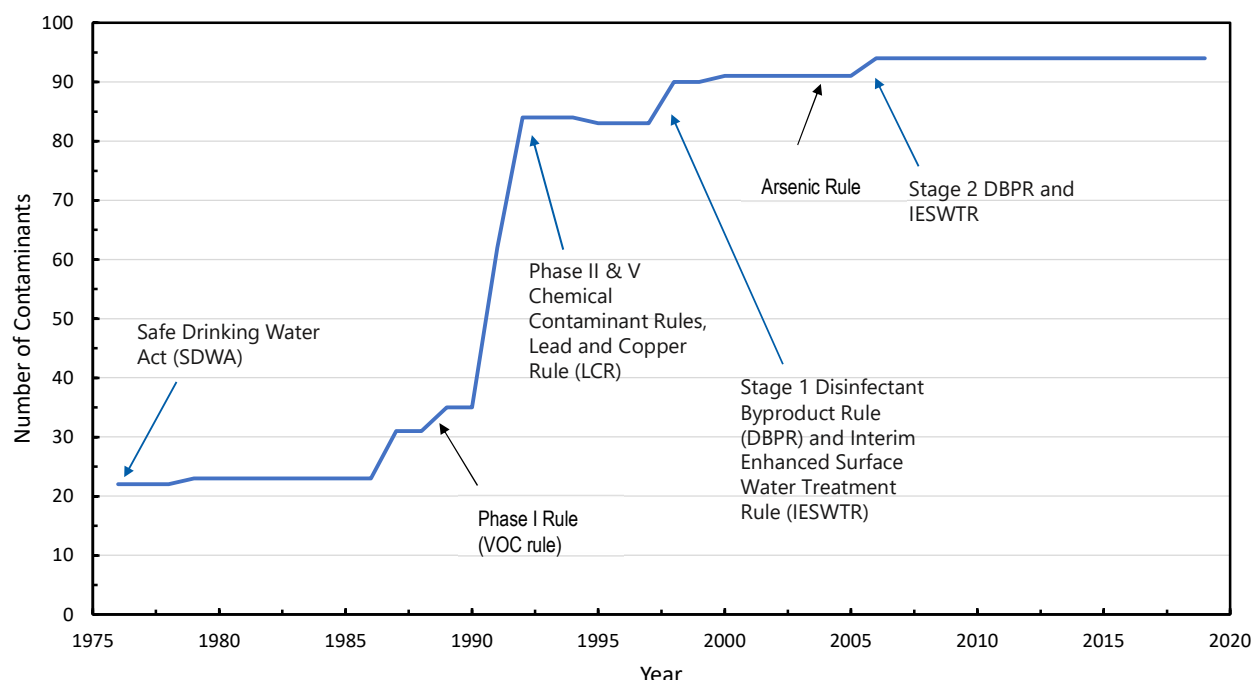


Figure 2 Water Quality Regulations and Drinking Water Standards

The national primary and secondary drinking water standards are listed in Appendix A. Some regulations are based on compliance at the entry point to the distribution system, whereas others are based on compliance within the distribution system (e.g., chlorine residuals, disinfection by-products (DBPs), and at household taps (e.g., lead and copper). Zone 7 is required to meet NPDWRs in its groundwater and surface water supplies for contaminants with compliance points at the entry point to the distribution system. The City is required to meet NPDWRs for its groundwater supplies for contaminants with compliance points at the entry point to the distribution system. The City is also required to meet NPDWRs for contaminants that are regulated within the distribution system, and at household taps. The City has forty-eight (48) distribution system sample points that are used to monitor water quality for compliance with the Total Coliform Rule (TCR), Stage 1 and 2 Disinfectant and Disinfection By-Product Rules (D/DBPR), and for nitrification monitoring and control.

3.2 California Drinking Water Regulations

The State of California has established several drinking water standards that are additive to the NPDWRs, including for perchlorate, nickel, and strontium. Appendix B lists both the Federal and California MCLs. Contaminants that are regulated in California, but not federally, are highlighted in yellow. Contaminants for which California has established more stringent standards are highlighted in blue.

Appendix B also lists the public health goals (PHGs) corresponding to the different regulated contaminants. PHGs are established by the California Office of Environmental Health Hazard Assessment (OEHHA). These are concentrations of drinking water contaminants at or below which no significant public health risk is presented from consumption of the water over a lifetime, based on current risk assessment principles, practices, and methods. OEHHA establishes PHGs pursuant to Health & Safety Code §116365(c) for contaminants with MCLs, and for those for which MCLs will be adopted. PHGs are analogous to

MCLGs, with the exception that California requires that water systems provide information on contaminants that exceed the PHG in their annual Consumer Confidence Reports. Certain public water systems must provide a report to their customers about health risks from a contaminant that exceeds its PHG and about the cost of treatment to meet the PHG and hold a public hearing on the report.

3.3 Health Advisory and Notification Levels

In recent years, the USEPA has issued health advisory (HA) levels for emerging contaminants such as cyanotoxins and per- and polyfluorinated alkyl substances (PFAS). While HAs are not enforceable, they can prompt state and/or local action. For example, the USEPA established a combined 70 nanogram per liter (ng/L) HAs for PFOS plus PFOA on May 25, 2016.

The California State Water Resources Control Board Division of Drinking Water (DDW) has established health-based notification levels (NLs) for chemicals in drinking water that lack MCLs. There are currently 32 chemicals with NLs, including chlorate, manganese, three nitrosamines, and four PFAS. The chemicals with NLs, and the corresponding NL, are listed on DDW's website: [Drinking Water Notification Levels and Response Levels: An Overview](#). Certain requirements and recommendations apply when chemicals are found at concentrations above their NLs. DDW has also established response levels (see DDW Website link above) corresponding for chemicals with NLs. Water systems are required to treat, take out of service or notify public if continuing to supply source water where a contaminant is detected at a concentration above the response level. As an example, the response level for NDMA is 30 times the NL, whereas the response level for PFOA and PFOS is currently 100 times the cancer risk. Relevant requirements that the City must meet for PFAS are discussed below.

3.4 City Compliance with Current Regulations, Health Advisory and Notification Levels

The City meets all current federal and state drinking water standards. A review of the Safe Drinking Water Information System (SDWIS) indicated that the City has not been in violation of any drinking water standard since late 1995 when the City experienced a compliance violation related to the TCR. However, there are several regulations that warrant consideration for the City's continued compliance, either in anticipation of new regulations, or changes to the City's supplies:

- Lead and Copper Rule
- Groundwater Rule
- Stage 1 and 2 D/DBPR
- Per- and Polyfluoroalkyl Substances
- American Water Infrastructure Act (AWIA) requirements for Consumer Confidence Reports (CCR)

This section summarizes these rules and their implications for the City.

3.4.1 Lead and Copper Rule Revisions (LCRR)

The final Lead and Copper Rule Revisions (LCRR) were published in the Federal Register on January 15, 2021 (86 FR 4198), with the rules placed in effect beginning on December 16, 2021. The final rule lists a

compliance date of October 16, 2024. Notably, the USEPA is also developing Lead and Copper Rule Improvements (LCRI) that could further impact requirements for public water system compliance.

The LCRR includes revisions in the following key areas:

- Identifying areas most impacted.
- Strengthening treatment requirements.
- Systematically replacing lead service lines.
- Increasing sample reliability.
- Improving risk communication.
- Protecting children in schools and childcare facilities.

Table 2 summarizes rule requirements within each of the six key areas. The requirements that are anticipated to most significantly impact the City include: development of a lead service line (LSL) inventory, potential action in the event of an individual lead concentration above 15 µg/L, potential revisions to the lead and copper compliance sampling locations, notification requirements until all service line materials are confirmed, and sampling requirements for schools and childcare facilities.

The City developed an inventory of the publicly-owned service lines to meet state requirements. Of the 22,229 service lines inventoried, none were identified as lead, and none were identified as unknown. The City will need to update the inventory to include a review of records and potential field inspections to characterize the material for the privately-owned portion of the service line.

The City is on a reduced triennial sampling schedule for lead and copper. Ninetieth (90th) percentile lead concentrations have been below the 5 microgram per liter (µg/L) practical quantitation level (PQL) for the past three triennial sampling events. In the most recent 2019 compliance sampling event, 1 of 58 samples had lead above 15 µg/L. Following the October 16, 2024 compliance deadline, individual samples with lead above 15 µg/L will be subject to “find-and-fix” requirements. Initial proactive recommended steps are to evaluate where in the distribution system the individual sample above 15 µg/L from 2019 is located and the likely source of lead serving that area.

Table 2 [Summary for Lead Copper Rule Revisions](#)

Focus Area	Rule Requirement
Identifying areas most impacted	▪ Complete an LSL inventory. ▪ Systems without LSLs must demonstrate their absence.
Strengthening treatment requirements	▪ 10 µg/L trigger level (TL) in addition to the current 15 µg/L Action level (AL). ▪ If the TL is exceeded based on 90th percentile lead concentrations, systems must re-optimize corrosion control treatment (CCT) or conduct a study if CCT is not currently in place. ▪ Calcium hardness adjustment is no longer a lead CCT option and phosphate inhibitors must be orthophosphate. ▪ Calcium, conductivity, and temperature analyses are no longer required as part of the water quality parameter (WQP) sampling. ▪ If an individual tap sample exceeds 15 µg/L, systems must collect a follow-up sample, conduct WQP monitoring at or near the site (0.5-mile radius, similar pressure zone), and perform a corrective action. This is termed a “find-and-fix” approach.

Focus Area	Rule Requirement
Systematically replacing lead service lines	- Systems with lead above the TL must develop a goal for LSL replacement; 3% LSL replaced per year with systems above the AL. - No partial LSLs can be conducted. - Utilities must replace their portion of an LSL within 45 days if the customer replaces their portion.
Increasing sample reliability	- Prioritize sample collection from sites served by LSLs. - For sites with LSLs, the 5th liter should be collected. - Collect samples in wide-mouth bottles with no cleaning, flushing, etc. prior to sample collection.
Improving risk communication	- Utilities must notify individual tap sample consumers within 3 days of a 15 µg/L sample detection. - Utilities must inform customers served by an LSL or lead status unknown service line. - CCR must provide updated health effects language and information regarding LSL replacement programs. - Utilities must notify system-wide customers of lead AL exceedance within 24 hours. - Systems must improve public access to lead information, including LSL locations, and respond to requests for LSL information, deliver educational materials to customers during water-related work that could disturb LSLs, and provide increased information to health care providers.
Protecting children in schools and childcare facilities	- Develop a list of schools and childcare facilities by the 2024 compliance deadline. - Test 20% of licensed childcare facilities and elementary schools each year. - Provide testing to secondary schools on request. - Provide information and communicate results to users of the facility, parents, Primacy Agency, and the local or state health department.

3.4.2 Groundwater Rule

The groundwater rule (GWR) applies to public water systems that use groundwater as a source of drinking water. This rule was put in place to minimize public health risk associated with potential occurrence of microbial pathogens (e.g., virus) in groundwater supplies. The GWR requires that public water systems using groundwater complete the following steps (USEPA, 2022):

1. Perform routine sanitary surveys to identify any significant deficiencies.
2. Monitor systems that identified a positive sample during regular Total Coliform monitoring or assessment monitoring targeted at high-risk systems. This is triggered if the drinking water is not treated to remove 4-log of viruses.
3. Implement corrective action for any system with a significant deficiency or source water fecal contamination.
4. Monitor compliance with 4-log inactivation or removal of viruses by treatment technique.

The City has already completed steps for compliance with the GWR for existing wells. However, if the City were to construct any new wells (e.g., following demolition of Wells 5 and 6), the City would need to complete steps for continued compliance with the GWR. New groundwater sources would require monitoring after construction if they can't prove 4-log inactivation or removal of viruses.

3.4.3 Stage 1 and 2 D/DBPR

The Stage 1 and 2 D/DBPR Rules provide protection from DBPs. These are part of the EPA's suite of Microbial and Disinfection Byproducts Rules (M/DBPs). Disinfectants can combine with naturally occurring materials found in the water and form DBPs that can pose risks to public health.

The Stage 1 D/DBPR was finalized in December 1998 and became effective on January 1, 2002. All public water systems serving populations greater than 500 and using a primary disinfectant other than ultraviolet (UV) light are subject to the Stage 1 D/DBPR.

The Stage 1 D/DBPR reduced the total trihalomethane (TTHM) MCL to 80 µg/L and established MCLs for a group of haloacetic acids (HAA5) at 60 µg/L, bromate, and chlorite. Under the Stage 1 D/DBPR, compliance with the TTHM and HAA5 MCLs was established based on the running annual averages (RAAs) across all monitoring sites.

The Stage 2 D/DBPR was finalized in December of 2005 and became effective on January 4, 2006. Compliance monitoring for the Stage 2 D/DBPR was phased in from April 2012 to October 2013. This rule was established to strengthen the requirements of the Stage 1 D/DBPR by reducing occurrences of DBP concentration spikes in distribution systems. The MCLs for TTHM and HAA5 remained the same; however, the method used to calculate MCL compliance was altered. Under the Stage 2 D/DBPR, TTHM and HAA5 MCLs must be met as locational running annual averages (LRAAs) - the average concentration at each individual monitoring location, rather than RAAs of the system as a whole. Furthermore, monitoring samples must be collected at distribution system locations with high DBP concentrations as determined by an Initial Distribution System Evaluation, and during peak months of TTHM and HAA5 occurrence. LRAAs are calculated by collecting quarterly samples at each monitoring location and taking the average of the most recent sample and the three preceding samples.

Table 3 summarizes the TTHM and HAA5 compliance concentrations in City distribution system samples collected since 2013, based on data reported in the City's annual water quality reports. The highest LRAA TTHM concentration was within 1 µg/L of the MCL in 2013. TTHM LRAA concentrations have been lower in all subsequent years, and generally below 80 percent of the MCL. However, the maximum TTHM concentrations each year can exceed the MCL, indicating the City will need to plan for any changes in source water quality (e.g., wildfire impacted supplies) or treatment on DBP formation and implement any mitigation strategies required for continued compliance. HAA5 LRAA concentrations are well below 60 percent of the MCL and maximum HAA5 concentrations are also below the MCL.

Zone 7 recently implemented ozone at their surface water treatment plants. In 2021, the maximum running annual average bromate concentration in the treated surface water was 8 µg/L, 80 percent of the MCL. The City should closely track bromate compliance data from Zone 7 to confirm that they are providing water that meets the MCL.

The Stage 2 D/DBPR requires that systems consult with the State regulatory agency to determine if changes in DBP sample locations are needed in response to a source water or treatment modification. If the City adjusts the water supply strategy to solely rely on Zone 7, the City should meet with DDW to discuss whether any changes to the Stage 2 D/DBPR monitoring plan are required.

Table 3 Summary of TTHM and HAA5 Concentrations

Year	Highest Locational Running Annual Average			
	TTHM (µg/L)	TTHM Range	HAA5 (µg/L)	HAA5 Range
2013	79	ND-117	32	ND-56
2014	67	ND-94	30	ND-43
2015	51	ND-52	19	ND-24
2016	40	ND-54	20	ND-21
2017	55	ND-62	27	ND-40
2018	45	ND-59	18	ND-27
2019	52	ND-97.6	16	ND-29.2
2020	66	ND-68	20	ND-24

3.4.4 Per- and Polyfluoroalkyl Substances (PFAS)

The USEPA released lifetime HA levels for several PFAS compounds in 2022 while the agency simultaneously worked on establishing a federal drinking water regulation. Table 4 lists the federal HAs.

California SWRCB has established NLs and RLs for four PFAS, which are also listed in Table 4. Zone 7 and the City (Wells 5, 6, and 8) are included in the latest order from DDW requiring monitoring for PFAS.

Table 4 PFAS Federal and State Health Advisory Levels (USEPA, 2022; CA SWRCB, 2023).

Chemical	USEPA Lifetime HAs (ng/L)	CA SWRCB NLs (ng/L)	CA SWRCB RLs (ng/L)
Perfluorooctanoic acid (PFOA)	0.004	5.1	10
Perfluorooctanoic acid (PFOS)	0.02	6.5	40
GenX Chemicals	10	--	--
PFHxS and potassium perfluorobutane sulfonate (PFBS)	2,000	500	20
PFHxS	NA	3	5000

Zone 7 has some groundwater wells that have tested above the response level for PFOS and PFHxS. For Mocho wells, Zone 7 is treating at its Mocho Groundwater Demineralization Facility and/or blending so that delivered drinking water is below Response Levels. Stoneridge well and Chain-of-Lake wells have been taken offline and are currently under construction for added PFAS treatment. All other wells and surface water treatment plants have not detected PFAS.

For the City, Well 8 has tested above the response level for PFOS and PFHxS and as a result has been put in Standby Service with DDW and has not operated since 2019.

September 2022, the City Council authorized a Water Supply Alternatives Study to evaluate water supply alternatives for the portion of water supply currently sourced by the City's local groundwater wells. These alternatives include continuing to utilize the City's local groundwater (by adding PFAS treatment or constructing new wells) or purchasing water in lieu of local groundwater pumping. These alternatives will be evaluated against multiple criteria including cost, water supply reliability, regulatory compliance, operational complexity, administration, and implementation feasibility to determine the preferred alternative. The results of this effort are scheduled to be available at the end of 2023.

On March 14, 2023, the USEPA released its proposed regulation for PFAS in drinking water. The draft NPDWR proposes a MCL of 4 ng/L for PFOA and PFOS. Four additional PFAS (GenX, PFBS, PFNA, and PFHxS) are also included under the draft regulation. The EPA proposes the use of a Hazard Index, a tool to evaluate public health risks based on exposure to chemical mixtures. Although hazard indices have been used in other government programs, like the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the EPA has not previously used this on drinking water standards. The Hazard Index for the PFAS mixture is 1.0 (unitless Hazard Index). MCLGs for each PFAS are 0 ppt for PFOA and PFOS and 1 (unitless Hazard Index) for the PFAS mixture.

The proposed regulation will undergo a public comment period for the next 60 days. Then, the USEPA will review the provided feedback and finalize the regulation. The City will be required to provide PFAS treatment for Well 5, 6, and 8 to keep wells operational under the proposed regulations.

3.4.5 Consumer Confidence Reports

On March 28, 2023, the USEPA released a proposed rulemaking to strengthen the CCR. The draft rulemaking would change several aspects of the CCR including more electronic delivery options and increased risk communication. Most notably, the CCR would require reports to be issued twice a year, instead of annually, and states will be required to submit compliance monitoring data to the USEPA (USEPA, 2023).

The proposed regulation will undergo a public comment period for the next 60 days. Then, the USEPA will review the provided feedback and finalize the regulation. The City will need to comply with the finalized CCR rulemaking once it has been established.

SECTION 4 POTENTIAL FUTURE REGULATIONS

The 1986 Amendments to the SDWA established requirements for the USEPA to publish a list of chemical and microbial contaminants (the Contaminant Candidate List, CCL) every five years to review for potential regulation. Every five years, the USEPA is required to identify five of the contaminants from that list for regulation determination. The regulatory determination could either be a decision to regulate, or decision not to regulate, in which case the contaminant is removed from future CCLs. The Unregulated Contaminant Monitoring Rule (UCMR), also set forth in the 1986 SDWA Amendments, requires that the USEPA publish a list every five years of contaminants designated for occurrence monitoring to support assessment of whether regulation would provide meaningful health risk reduction. Figure 3 illustrates the CCL and UCMR process.

The third principal component of the 1986 SDWA Amendments establishing the process for USEPA to continually assess the need for drinking water regulations to protect public health is the Six Year Review process. The US EPA is required to review existing NPDWRs every six years to evaluate the efficacy of rule revisions based on new information on occurrence or public health risks.

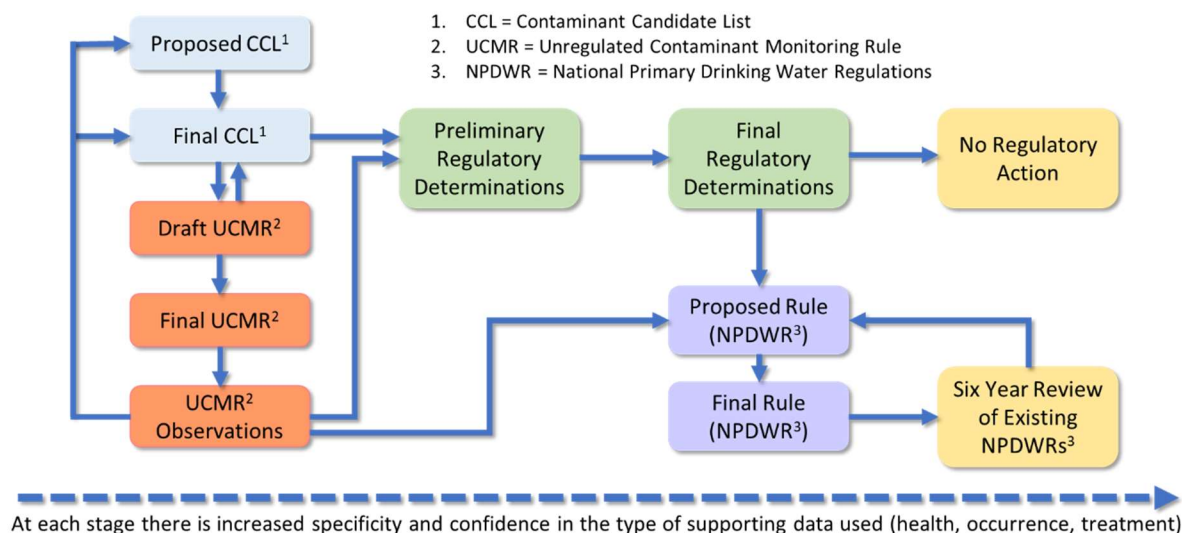


Figure 3 USEPA Process for Establishing New Drinking Water Regulations (AWWA, 2015)

Table 5 summarizes the contaminants included in each CCL and resulting regulatory determinations. To date, five CCLs have been reviewed and prepared. USEPA began the process of developing CCL 6 in February 2023 by requesting nomination of chemicals, microbes, or other materials for consideration. As a result of the first four CCL processes, the USEPA has determined not to regulate 29 different chemical contaminants and 1 microbial contaminant. The USEPA made a decision to regulate perchlorate¹ as an outcome of CCL2, strontium as an outcome of CCL3, and PFOS and PFOA as an outcome of CCL4.

Table 5 Contaminant Candidate List History

	Year Published	Contaminants Included	Proposed Regulations	Regulatory Determinations
CCL1	1998	10 microbial 50 chemical	8 chemicals (including manganese) and 1 microorganism (<i>Acanthamoeba</i>)	Not to advance regulation of 8 chemicals (including manganese) and 1 microorganism (<i>Acanthamoeba</i>)
CCL2	2005	9 microbial 42 chemical	12 chemicals	- Not to advance regulation of 11 chemicals - More information needed on perchlorate
CCL3	2009	12 microbial 104 chemicals	5 chemicals	- Preliminary determination to regulate strontium - Not to regulate 4 chemicals
CCL4	2016	12 microbial 97 chemicals	8 chemicals	- Preliminary determinations to regulate PFOS & PFOA - Not to regulate 6 chemicals

¹ The USEPA published a proposed NPDWR for perchlorate on June 26, 2019, but requested public comment on whether the proposed MCLG of 56 µg/L should instead be 18 µg/L, 90 µg/L, or that USEPA should withdraw the 2011 decision to regulate based on more recent occurrence and health effects data.

	Year Published	Contaminants Included	Proposed Regulations	Regulatory Determinations
CCL5	2022	12 microbial 66 chemicals and 3 chemical groups	Proposed regulations for CCL5 have not been made at this time	Regulatory determination has not been made for CCL5 at this time.

The data collected through the UCMR program is stored in the National Drinking Water Contaminant Occurrence Database (NCOD) to facilitate analysis and review. To date, there have been four UCMR datasets published by EPA. Water systems have begun to monitor for UCMR5 contaminants, which includes twenty-nine PFAS and lithium. Table 6 summarizes the five UCMR, their monitoring schedule, and the type of contaminants included in the list.

Table 6 Unregulated Contaminant Monitoring Rule History

	Monitoring Schedule	Contaminants Included
UCMR1	2001 – 2005	12 chemicals on List 1⁽¹⁾ 14 chemicals on List 2⁽²⁾
UCMR2	2007 – 2011	10 chemicals on List 1⁽¹⁾ 15 chemicals on List 2⁽³⁾
UCMR3	2012 – 2016	21 chemicals on List 1⁽¹⁾ 7 hormones on List 2⁽³⁾ 2 viruses on List 3⁽⁴⁾ pre-screening
UCMR4	2018 – 2020	10 cyanotoxins on List 1⁽¹⁾ 20 chemicals on List 1⁽¹⁾
UCMR5	2023 – 2025	30 chemicals on List⁽⁵⁾

Notes:

- (1) All public water systems serving more than 10,000 people performed assessment monitoring for List 1 contaminants, along with a representative selection of 800 public water systems serving less than 10,000 people.
- (2) A selection of 120 systems serving more than 10,000 people and 180 systems (a subset of the 800 List 1 systems) serving less than 10,000 people were assigned to monitor for List 2 contaminants.
- (3) All public water systems serving more than 100,000 people, along with 320 public water systems serving 10,000 to 100,000 people and 480 public water systems serving less than 10,000 people, performed screening surveys for List 2 contaminants.
- (4) A representative selection of 800 undisinfected groundwater serving public water systems serving 1,000 or fewer people participated in monitoring for two viruses and related pathogen indicators.
- (5) All public water systems serving more than 33,000 people, along with a representative selection of 800 public water systems serving less than 10,000 people, would perform monitoring for listed contaminants.

Table 7 lists regulatory actions anticipated to occur within the next 1 to 5 years. Most potential regulatory actions come from the CA SWRCB DDW except for the microbial / disinfection byproduct rule. Each anticipated regulation is discussed in more detail in this section.

Table 7 List of Recent and Anticipated Near-Term Regulatory Actions

Regulation	Recent Action	Anticipated Near-Term Actions
Microbial / Disinfection Byproducts (M-DBP) Rule	M/DBPRs were identified for potential revision as a result of the third Six Year Review	NDWAC working group is developing recommended revisions to the M/DBPRs for the USEPA to consider
Arsenic Rule	DDW regulation for arsenic is under review.	Proposed revisions to the arsenic MCL expected in 2023.
Hexavalent Chromium (CR(VI))	Draft regulations for CR(VI) are being prepared.	Proposed regulation is anticipated in 2023.

Regulation	Recent Action	Anticipated Near-Term Actions
Manganese (Mn)	DDW revised notification and response levels for Mn.	Additional notifications to customers are required.
Microplastics	SWRCB released guidance on testing and reporting for microplastics.	Test and reporting of microplastic levels will potentially lead to a new regulation.

4.1 Microbial / Disinfection Byproducts (M/DBP) Rule

The EPA identified eight contaminants covered by the M/DBPRs as candidates for regulatory revision as part of the six-year review process. The eight candidates are: Chlorate, *Cryptosporidium*, HAA5, heterotrophic bacteria, *Giardia lamblia*, *Legionella*, TTHMs, and viruses. These contaminants are included in several M/DBP rules:

- Stage 1 and Stage 2 D/DBPR
- Surface Water Treatment Rule
- Interim Enhanced Surface Water Treatment Rule (IESWTR)
- Long Term 1 Enhanced Surface Water Treatment Rule (LT1)

The National Drinking Water Advisory Council (NDWAC), a federal advisory committee that provides the EPA with advice and recommendations related to drinking water, created a working group to discuss and collect public feedback on the M/DBP revisions (USEPA, 2023). As of March 2023, the working group has met seven times since May 2022 to discuss how to improve the existing regulations. In addition, the EPA is conducting analyses to further evaluate the eight contaminants. Unregulated DBPs, like chlorate and nitrosamines, are also being evaluated in this effort (USEPA, 2023).

The USEPA's decision on the M-DBP rule may adjust how the City treats contaminants captured under the rule. Potential revisions could include, but are not limited to:

- A numeric value for the minimum disinfectant residual
- Revised MCLs for HAAs to encompass brominated species (e.g., an MCL for HAA9 or HAA6Br)
- Chlorate MCL
- *Legionella* monitoring

Nitrification can result in a disinfectant residual loss. The City's Nitrification Evaluation (Carollo, 2019) provided recommendations to monitor parameters for early warning of a nitrification event and identified potential control measures. Nitrification control will be an important aspect of complying with any revised numeric disinfectant residual level.

Based on a review of the City's UCMR4 data, maximum HAA6Br and HAA9 concentrations are low (22 and 29 µg/L, respectively). Despite elevated bromate concentrations in some supplies (see Carollo, 2019), a revised HAA MCL that encompasses brominated species is not anticipated to result in compliance hurdles for the City.

Chlorate concentrations in UCMR3 distribution system samples collected from areas receiving treated surface water were higher than the 210 µg/L health reference level. If USEPA regulates chlorate, methods to minimize chlorate in Zone 7 surface water supplies may be needed.

4.2 Arsenic Rule

The current MCL for arsenic is 10 µg/L, which was set by the USEPA in 2006. However, OEHHA's PHG is 0.004 µg/L (SWRCB, 2023). Although the USEPA is not currently reviewing the federal set arsenic regulation, the California DDW is currently reviewing its MCL to see if it technically and economically feasible to reduce the MCL, so the standard is closer to the PHG goal.

Recent data from the City shows that arsenic levels in Wells 5, 6, and 8 are undetectable. However, the City should continue to monitor arsenic water quality data in the groundwater wells.

4.3 Hexavalent Chromium (Cr(VI))

Hexavalent chromium is regulated under the California MCL for total chromium at 0.05 mg/L whereas the federal MCL is 0.1 mg/L. The State of California used to have a specific Cr(VI) of 10 µg/L, but this regulation was invalidated by the Superior Court of Sacramento in 2017. The court found that the MCL was invalid because there was no determination of economic feasibility in the regulatory process. The court ordered SWRCB to write a new regulation for Cr(VI) (SWRCB, 2022).

The City met the state MCL for Cr(VI) when it was in effect from 2011 to 2017. Recorded levels of Cr(VI) ranged from 3.6-5.5 µg/L in Wells 5, 6, and 8. If the new regulation results in a Cr(VI) MCL of 10 µg/L, resulting impacts to the City would be limited to monitoring requirements. However, if the MCL is lowered, the City would need to evaluate treatment or blending options.

4.4 Manganese

The City is currently required to notify and respond to Mn levels of 500 µg/L and 5,000 µg/L respectively. Additionally, a secondary MCL exists at 50 µg/L, which is based off aesthetic concerns (SWRCB, 2023). In February 2023, the DDW proposed new notification and responses levels for Mn of 20 µg/L and 200 µg/L (SWRCB, 2023). The City does not have detectable levels of Mn in their groundwater wells, so no adjustments are needed to the City's current treatment for Mn.

4.5 Microplastics

In August 2022, the SWRCB released a handbook which established methods for testing and reporting of microplastics in drinking water. This provides the foundation for Phase 1 of the CA Microplastics Monitoring Program. This is a four-year program for selected surface waters occurring in two phases. The first phase includes collecting four raw water samples per year for two years: two samples in rainy season and two samples during dry season. DDW will present a public workshop for systems required to monitor to be held in May 2023. Phase Monitoring is anticipated to occur 2024 to 2026. Phase 2, hinging on the result of Phase 1 is likely to include treated water sampling.

Groundwater sources are anticipated to be less impacted by microplastics than surface water systems. As a result, the impacts of this future regulation are anticipated to be outside of the planning horizon of this document for the City's wells.

Zone 7's surface water supplies will need to monitor, and depending on results, may need to implement improvements.

SECTION 5 CONCLUSIONS AND RECOMMENDATIONS

The City meets all current federal and state primary drinking water standards, with no violations since 1995, close to three decades ago. Several current regulations will require that the City complete steps for continued compliance:

- LCRR. The City will need to complete its LSL inventory (for privately owned portions) and update its lead and copper sampling protocol (i.e., locations to reflect revised tiering structure, use of wide-mouthed bottles, etc.) by October 16, 2024. Additionally, the City will need to comply with the requirements for sampling in schools and childcare facilities, and update communication materials to meet the rule requirements for public education. Based on historical lead and copper compliance data, the City is not anticipated to be impacted by the new 10 µg/L trigger level, but could be subject to find-and-fix requirements for any individual sample results above 15 µg/L.
- PFAS. The City will need to comply with the CA SWRCB NLs and response levels for PFAS. Once the USEPA PFAS regulations are finalized, Zone 7 and the City will need to comply with those MCLs / hazard index. For now, the City should inform customers if PFAS levels meet or exceed the notification requirements and continue to monitor and confirm ability to operate Wells 5 and 6 below response levels. Zone 7 is installing treatment to remove PFAS from its contaminated groundwater supplies. The City will need to install treatment to meet CA SWRCB response levels and the USEPA propose MCLs if it elects to continue use of any of its wells.
- CCR. The City will need to comply with the CCR rulemaking once it has been finalized.
- GWR. The City will need to complete steps for continued compliance if any new wells are constructed.
- Upcoming UCMR 5 Testing
- In the future, if the City modifies its source water and/or treatment (i.e. install new wells, add PFAS treatment, add new Zone 7 turnouts) it should consult with DDW to determine if adjustments to DBP monitoring are required.
- Distribution system water quality data should be carefully tracked for continued compliance. For example, TTHM concentrations have approached the MCL. The City should continue to monitor and manage DBPs in the distribution system. As the City continues to improve disinfectant residuals in the distribution system to help manage nitrification, the nitrification monitoring plan should be updated to reflect modifications and changing conditions.

As a consecutive system, the City will also need to remain vigilant in verifying Zone 7's continued compliance with all regulations.

Potential future federal and state regulations could lead to additional requirements or steps for compliance:

- M/DBPR revisions. Potential revisions to the M/DBPRs that have been discussed within the NDWAC working group that could impact the City include changes to the minimum disinfectant residual, a chlorate MCL, and any requirements for opportunistic pathogen monitoring. Despite bromide occurrence in some supplies at higher concentrations (see Nitrification Evaluation, Carollo, 2019), the brominated HAA concentrations in City distribution system samples collected for UCMR4 were below 30 µg/L. The City is not anticipated to be impacted by an HAA9 or HAA6Br MCL.

- PFAS. Once the USEPA PFAS regulations are finalized, Zone 7 and the City will need to comply with those MCLs.
- Cr(VI) MCL. The City will need to comply with the Cr(VI) state standard if and when it is established. Since Cr(VI) concentrations are low in the City's supplies, compliance will most likely be limited to monitoring and reporting.

SECTION 6 REFERENCES

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APPENDIX A

NATIONAL PRIMARY DRINKING WATER REGULATIONS

The national primary and secondary drinking water standards are presented in Table A1 and A2 respectively. All 94 contaminants regulated under the NPDWR are presented in Error! Reference source not found.A1, and the 15 contaminants regulated under the National Secondary Drinking Water Regulations (NSDWR) are presented in A2. Table 1A1 lists the regulation that resulted in the corresponding standard for a given contaminant. The regulations include MCLs or treatment technique (TT) requirements for inorganic and organic chemical contaminants, and microorganisms. The corresponding MCLG is also listed.

Table A1 National Primary Drinking Water Standards (as of 4/2023)

Contaminant	Regulation	MCL or TT(1) (ppm) ⁽²⁾	MCLG (ppm) ⁽²⁾
Organic Chemicals			
Acrylamide	Chemical Contaminant Rule (Phase II)	(TT)	Zero
Alachlor	Chemical Contaminant Rule (Phase II)	0.002	Zero
Atrazine	Chemical Contaminant Rule (Phase II)	0.003	0.003
Benzene	VOC Rule (Phase I)	0.005	Zero
Benzo(a)pyrene (PAHs)	Chemical Contaminant Rule (Phase V)	0.0002	Zero
Carbofuran	Chemical Contaminant Rule (Phase II)	0.04	0.04
Carbon tetrachloride	VOC Rule (Phase I)	0.005	Zero
Chlordane	Chemical Contaminant Rule (Phase II)	0.002	Zero
Chlorobenzene	Chemical Contaminant Rule (Phase II)	0.1	0.1
2,4-D	Chemical Contaminant Rule (Phase II)	0.07	0.07
Dalapon	Chemical Contaminant Rule (Phase V)	0.2	0.2
1,2-Dibromo-3-chloropropane (DBCP)	Chemical Contaminant Rule (Phase II)	0.0002	Zero
o-Dichlorobenzene	Chemical Contaminant Rule (Phase II)	0.6	0.6
p-Dichlorobenzene	VOC Rule (Phase I)	0.075	0.075
1,2-Dichloroethane	VOC Rule (Phase I)	0.005	Zero
1,1-Dichloroethylene	VOC Rule (Phase I)	0.007	0.007
cis-1,2-Dichloroethylene	Chemical Contaminant Rule (Phase II)	0.07	0.07
trans-1,2-Dichloroethylene	Chemical Contaminant Rule (Phase II)	0.1	0.1
Dichloromethane	Chemical Contaminant Rule (Phase V)	0.005	Zero
1,2-Dichloropropane	Chemical Contaminant Rule (Phase II)	0.005	Zero
Di(2-ethylhexyl) adipate	Chemical Contaminant Rule (Phase V)	0.4	0.4
Di(2-ethylhexyl) phthalate	Chemical Contaminant Rule (Phase V)	0.006	Zero
Dinoseb	Chemical Contaminant Rule (Phase V)	0.007	0.007
Dioxin (2,3,7,8-TCDD)	Chemical Contaminant Rule (Phase V)	0.00000003	Zero
Diquat	Chemical Contaminant Rule (Phase V)	0.02	0.02

Contaminant	Regulation	MCL or TT(1) (ppm) ⁽²⁾	MCLG (ppm) ⁽²⁾
Endothall	Chemical Contaminant Rule (Phase V)	0.1	0.1
Endrin	Chemical Contaminant Rule (Phase V)	0.002	0.002
Epichlorohydrin	Chemical Contaminant Rule (Phase II)	(TT)	Zero
Ethylbenzene	Chemical Contaminant Rule (Phase II)	0.7	0.7
Ethylene dibromide	Chemical Contaminant Rule (Phase II)	0.00005	Zero
Glyphosate	Chemical Contaminant Rule (Phase V)	0.7	0.7
Heptachlor	Chemical Contaminant Rule (Phase II)	0.0004	Zero
Heptachlor epoxide	Chemical Contaminant Rule (Phase II)	0.0002	Zero
Hexachlorobenzene	Chemical Contaminant Rule (Phase V)	0.001	Zero
Hexachlorocyclopentadiene	Chemical Contaminant Rule (Phase V)	0.05	0.05
Lindane	Chemical Contaminant Rule (Phase II)	0.0002	0.0002
Methoxychlor	Chemical Contaminant Rule (Phase II)	0.04	0.04
Oxamyl (Vydate)	Chemical Contaminant Rule (Phase V)	0.2	0.2
Pentachlorophenol	Chemical Contaminant Rule (Phase II)	0.001	Zero
Picloram	Chemical Contaminant Rule (Phase V)	0.5	0.5
Polychlorinated biphenyls (PCBs)	Chemical Contaminant Rule (Phase II)	0.0005	Zero
Simazine	Chemical Contaminant Rule (Phase V)	0.004	0.004
Styrene	Chemical Contaminant Rule (Phase II)	0.1	0.1
Tetrachloroethylene	Chemical Contaminant Rule (Phase II)	0.005	Zero
Toluene	Chemical Contaminant Rule (Phase II)	1	1
Toxaphene	Chemical Contaminant Rule (Phase II)	0.003	Zero
2,4,5-TP (Silvex)	Chemical Contaminant Rule (Phase II)	0.05	0.05
1,2,4-Trichlorobenzene	Chemical Contaminant Rule (Phase V)	0.07	0.07
1,1,1-Trichloroethane	VOC Rule (Phase I)	0.2	0.2
1,1,2-Trichloroethane	Chemical Contaminant Rule (Phase V)	0.005	0.003
Trichloroethene	VOC Rule (Phase I)	0.005	Zero
Vinyl chloride	VOC Rule (Phase I)	0.002	Zero
Xylenes (total)	Chemical Contaminant Rule (Phase II)	10	10
Inorganic Substances			
Antimony	Chemical Contaminant Rule (Phase V)	0.006	0.006
Arsenic	Arsenic Rule	0.010	Zero
Asbestos (fibers/L > 10 µm)	Chemical Contaminant Rule (Phase II)	7 million fibers/L	7 million fibers/L
Barium	Chemical Contaminant Rule (Phase II)	2	2
Beryllium	Chemical Contaminant Rule (Phase V)	0.004	0.004
Cadmium	Chemical Contaminant Rule (Phase II)	0.005	0.005

Contaminant	Regulation	MCL or TT(1) (ppm) ⁽²⁾	MCLG (ppm) ⁽²⁾
Chromium (total)	Chemical Contaminant Rule (Phase II)	0.1	0.1
Copper	LCR and LCRR	(TT) AL=1.3	1.3
Cyanide	Chemical Contaminant Rule (Phase V)	0.2 (as free cyanide)	0.2
Fluoride	NPDWR	4	4
Lead	LCR and LCRR	(TT) AL = 0.015	Zero
Mercury (inorganic)	Chemical Contaminant Rule (Phase II)	0.002	0.002
Nitrate (as N)	Chemical Contaminant Rule (Phase II)	10	10
Nitrite (as N)	Chemical Contaminant Rule (Phase II)	1	1
Selenium	Chemical Contaminant Rule (Phase II)	0.05	0.05
Thallium	Chemical Contaminant Rule (Phase V)	0.002	0.0005
Radionuclides			
Gross Alpha	Radionuclides Rule	15 pCi/L	Zero
Beta and photon radioactivity	Radionuclides Rule	4 mrem/yr	Zero
Radium-226 + Radium-228	Radionuclides Rule	5 pCi/L	Zero
Uranium	Radionuclides Rule	0.030	Zero
Microorganisms			
<i>Cryptosporidium</i>	LT2ESWTR	(TT) oocyst/100L	Zero
Fecal coliforms and <i>E. coli</i>	RTCR	MCL ⁽³⁾	Zero
<i>Giardia lamblia</i>	SWTR	(TT) cyst/100L	Zero
Heterotrophic plate count (HPC)	SWTR	(TT) CFU/mL	NA
<i>Legionella</i>	SWTR	(TT) #/mL	Zero
Total coliforms	RTCR	5.0 percent ⁽⁴⁾ #/mL	Zero
Turbidity	SWTR	0.3 NTU ⁽⁵⁾	NA
Viruses	SWTR and GWR	(TT) #/mL	Zero
Disinfectant Byproducts			
Bromate	Stage 1 DBPR	0.010	Zero
Chlorite	Stage 1 DBPR	1	0.8
Haloacetic Acids (HAA5 ⁽⁶⁾)	Stage 2 DBPR	0.060 ⁽⁷⁾	NA ⁽⁸⁾
Trihalomethanes (total)	Stage 2 DBPR	0.080 ⁽⁷⁾	NA ⁽⁸⁾
Bromodichloromethane	Stage 1 DBPR	-	Zero
Bromoform	Stage 1 DBPR	-	Zero
Chloroform	Stage 2 DBPR	-	0.07
Dibromochloromethane	Stage 1 DBPR	-	0.06
Dichloroacetic acid	Stage 1 DBPR	-	Zero
Monochloroacetic acid	Stage 2 DBPR	-	0.07
Trichloroacetic acid	Stage 2 DBPR	-	0.02

Contaminant	Regulation	MCL or TT(1) (ppm) ⁽²⁾	MCLG (ppm) ⁽²⁾
Disinfectant Residuals			
Chloramines (as Cl ₂)	Stage 1 DBPR	4 ⁽⁹⁾	4 ⁽¹⁰⁾
Chlorine (as Cl ₂)	Stage 1 DBPR	4 ⁽⁹⁾	4 ⁽¹⁰⁾
Chlorine dioxide (as ClO ₂)	Stage 1 DBPR	0.8 ⁽⁹⁾	0.8 ⁽¹⁰⁾

Notes:

- (6) Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.
- (7) Units are ppm unless otherwise noted.
- (8) Routine samples containing fecal coliform or *E. coli* triggers a repeat sampling event. If the repeat sample is fecal coliform-positive, an acute MCL violation occurs. If the repeat sample is negative, another repeat sampling is triggered. If the repeat sample is fecal coliform-positive, an acute MCL violation occurs.
- (9) No more than 5 percent of samples total coliform-positive in a month. Every sample that is coliform-positive must be analyzed for fecal coliforms and *E. coli*. If two consecutive samples are total coliform-positive and one is fecal coliform-positive, an acute MCL violation occurs.
- (10) Performance standard: no more than 5 percent of monthly samples may exceed 0.3 NTU.
- (11) Sum of concentrations of five haloacetic acid species (monochloroacetic acid, dichloroacetic acid, trichloroacetic acid, monobromoacetic acid, dibromoacetic acid).
- (12) Measured as locational running annual average at each monitoring site.
- (13) The group itself does not have an MCLG, but some individual contaminants have an MCLG as shown in the table (bromodichloromethane, bromoform, chloroform, dibromochloromethane, dichloroacetic acid, monochloroacetic acid, trichloroacetic acid).
- (14) Maximum Residual Disinfectant Level.
- (15) Maximum Residual Disinfectant Level Goal.

Abbreviations: µm = micrometer(s); AL = action level; CFU = colony forming units; LCR = lead and copper rule; LT2ESWTR = Long-Term 2 Enhanced Surface Water Treatment Rule; mL = milliliter(s); mrem = millirem (milli-roentgen equivalent man); NA = not applicable; NTU = nephelometric turbidity unit; PAH = polycyclic aromatic hydrocarbon; pCi/L = picocuries per liter; ppm = parts per million; SWTR = Surface Water Treatment Rule.

Table A2 National Secondary Drinking Water Standards (as of 1/7/2021)

Contaminant	Secondary Maximum Contaminant Level (SMCL) (ppm) ⁽¹⁾
Aluminum	0.05 - 0.2
Chloride	250
Color	15 Color Units
Copper	1
Corrosivity	Non-corrosive
Fluoride	2
Foaming Agents	0.5
Iron	0.3
Manganese	0.05
Odor	3 Threshold Odor Units
pH	6.5 – 8.5 standard units
Silver	0.10
Sulfate	250
Total Dissolved Solids	500
Zinc	5

Notes:

- (1) Units are parts per million (ppm) unless otherwise noted.

APPENDIX B

CALIFORNIA DRINKING WATER REGULATIONS

MCLs, DLRs, PHGs, for Regulated Drinking Water Contaminants

(Units are in milligrams per liter (mg/L), unless otherwise noted.)

Last Update: January 3, 2023

The following tables includes California's maximum contaminant levels (MCLs), detection limits for purposes of reporting (DLRs), public health goals (PHGs) from the Office of Environmental Health Hazard Assessment (OEHHA). For comparison, Federal MCLs and Maximum Contaminant Level Goals (MCLGs) (USEPA) are also displayed.

Inorganic Chemicals Table, Chemicals with MCLs in 22 CCR §64431

State Regulated Inorganic Chemical Contaminant	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Aluminum	1	0.05	0.6	2001	--	--
Antimony	0.006	0.006	0.001	2016	0.006	0.006
Arsenic	0.010	0.002	0.000004	2004	0.010	zero
Asbestos (MFL = million fibers per liter; for fibers >10 microns long)	7 MFL	0.2 MFL	7 MFL	2003	7 MFL	7 MFL
Barium	1	0.1	2	2003	2	2
Beryllium	0.004	0.001	0.001	2003	0.004	0.004
Cadmium	0.005	0.001	0.00004	2006	0.005	0.005
Chromium, Total - OEHHA withdrew the 0.0025-mg/L PHG	0.05	0.01	withdrawn Nov. 2001	1999	0.1	0.1

State Regulated Inorganic Chemical Contaminant	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Chromium, Hexavalent - 0.01-mg/L MCL & 0.001-mg/L DLR repealed September 2017	--	--	0.00002	2011	--	--
Cyanide	0.15	0.1	0.15	1997	0.2	0.2
Fluoride	2	0.1	1	1997	4.0	4.0
Mercury (inorganic)	0.002	0.001	0.0012	1999 (rev2005)*	0.002	0.002
Nickel	0.1	0.01	0.012	2001	--	--
Nitrate (as nitrogen, N)	10 as N	0.4	45 as NO ₃ (=10 as N)	2018	10	10
Nitrite (as N)	1 as N	0.4	1 as N	2018	1	1
Nitrate + Nitrite (as N)	10 as N	--	10 as N	2018	--	--
Perchlorate	0.006	0.002	0.001	2015	--	--
Selenium	0.05	0.005	0.03	2010	0.05	0.05
Thallium	0.002	0.001	0.0001	1999 (rev2004)	0.002	0.0005

Copper and Lead Table, 22 CCR §64672.3

Values referred to as MCLs for lead and copper are not actually MCLs; instead, they are called “Action Levels” under the lead and copper rule.

State Regulated Copper and Lead Contaminant	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Copper	1.3	0.05	0.3	2008	1.3	1.3
Lead	0.015	0.005	0.0002	2009	0.015	zero

Radiological Table, Radionuclides with MCLs in 22 CCR §64441 and §64443

[units are picocuries per liter (pCi/L), unless otherwise state; n/a = not applicable]

State Regulated Radionuclides Contaminant	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical	15	3	none	n/a	15	zero
Gross beta particle activity - OEHHA concluded in 2003 that a PHG was not practical	4 mrem/yr	4	none	n/a	4 mrem/yr	zero
Radium-226	--	1	0.05	2006		
Radium-228	--	1	0.019	2006		
Radium-226 + Radium-228	5	--	--	--	5	zero

State Regulated Radionuclides Contaminant	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Strontium-90	8	2	0.35	2006	--	--
Tritium	"20,000"	"1,000"	400	2006	--	--
Uranium	20	1	0.43	2001	30 µg/L	zero

Organic Chemicals Table, Chemicals with MCLs in 22 CCR §64444

Volatile Organic Chemicals (VOCs)

State Regulated Volatile Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Benzene	0.001	0.0005	0.00015	2001	0.005	zero
Carbon tetrachloride	0.0005	0.0005	0.0001	2000	0.005	zero
1,2-Dichlorobenzene	0.6	0.0005	0.6	1997 (rev2009)	0.6	0.6
1,4-Dichlorobenzene (p-DCB)	0.005	0.0005	0.006	1997	0.075	0.075
1,1-Dichloroethane (1,1-DCA)	0.005	0.0005	0.003	2003	--	--
1,2-Dichloroethane (1,2-DCA)	0.0005	0.0005	0.0004	1999 (rev2005)	0.005	zero
1,1-Dichloroethylene (1,1-DCE)	0.006	0.0005	0.01	1999	0.007	0.007

State Regulated Volatile Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
cis-1,2-Dichloroethylene	0.006	0.0005	0.013	2018	0.07	0.07
trans-1,2-Dichloroethylene	0.01	0.0005	0.05	2018	0.1	0.1
Dichloromethane (Methylene chloride)	0.005	0.0005	0.004	2000	0.005	zero
1,2-Dichloropropane	0.005	0.0005	0.0005	1999	0.005	zero
1,3-Dichloropropene	0.0005	0.0005	0.0002	1999 (rev2006)	--	--
Ethylbenzene	0.3	0.0005	0.3	1997	0.7	0.7
Methyl tertiary butyl ether (MTBE)	0.013	0.003	0.013	1999	--	--
Monochlorobenzene	0.07	0.0005	0.07	2014	0.1	0.1
Styrene	0.1	0.0005	0.0005	2010	0.1	0.1
1,1,2,2-Tetrachloroethane	0.001	0.0005	0.0001	2003	0.1	0.1
Tetrachloroethylene (PCE)	0.005	0.0005	0.00006	2001	0.005	zero
Toluene	0.15	0.0005	0.15	1999	1	1
1,2,4-Trichlorobenzene	0.005	0.0005	0.005	1999	0.07	0.07

State Regulated Volatile Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
1,1,1-Trichloroethane (1,1,1-TCA)	0.200	0.0005	1	2006	0.2	0.2
1,1,2-Trichloroethane (1,1,2-TCA)	0.005	0.0005	0.0003	2006	0.005	0.003
Trichloroethylene (TCE)	0.005	0.0005	0.0017	2009	0.005	zero
Trichlorofluoromethane (Freon 11)	0.15	0.005	1.3	2014	--	--
"1,1,2-Trichloro-1,2,2-Trifluoroethane (Freon 113)"	1.2	0.01	4	1997 (rev2011)	--	--
Vinyl chloride	0.0005	0.0005	0.00005	2000	0.002	zero
Xylenes	1.750	0.0005	1.8	1997	10	10

Non-Volatile Synthetic Organic Chemicals (SOCs)

State Regulated Non-Volatile Synthetic Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Alachlor	0.002	0.001	0.004	1997	0.002	zero
Atrazine	0.001	0.0005	0.00015	1999	0.003	0.003
Bentazon	0.018	0.002	0.2	1999 (rev2009)	--	--

State Regulated Non-Volatile Synthetic Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Benzo(a)pyrene	0.0002	0.0001	0.000007	2010	0.0002	zero
Carbofuran	0.018	0.005	0.0007	2016	0.04	0.04
Chlordane	0.0001	0.0001	0.00003	1997 (rev2006)	0.002	zero
Dalapon	0.2	0.01	0.79	1997 (rev2009)	0.2	0.2
1,2-Dibromo-3- chloropropane (DBCP)	0.0002	0.00001	0.000003	2020	0.0002	zero
2,4- Dichlorophenoxyaceti c acid (2,4-D)	0.07	0.01	0.02	2009	0.07	0.07
Di(2- ethylhexyl)adipate	0.4	0.005	0.2	2003	0.4	0.4
Di(2- ethylhexyl)phthalate (DEHP)	0.004	0.003	0.012	1997	0.006	zero
Dinoseb	0.007	0.002	0.014	1997 (rev2010)	0.007	0.007
Diquat	0.02	0.004	0.006	2016	0.02	0.02
Endothal	0.1	0.045	0.094	2014	0.1	0.1

State Regulated Non-Volatile Synthetic Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Endrin	0.002	0.0001	0.0003	2016	0.002	0.002
Ethylene dibromide (EDB)	0.00005	0.00002	0.00001	2003	0.0000 5	zero
Glyphosate	0.7	0.025	0.9	2007	0.7	0.7
Heptachlor	0.00001	0.00001	0.000008	1999	0.0004	zero
Heptachlor epoxide	0.00001	0.00001	0.000006	1999	0.0002	zero
Hexachlorobenzene	0.001	0.0005	0.00003	2003	0.001	zero
Hexachlorocyclopent adiene	0.05	0.001	0.002	2014	0.05	0.05
Lindane	0.0002	0.0002	0.000032	1999 (rev2005)	0.0002	0.0002
Methoxychlor	0.03	0.01	0.00009	2010	0.04	0.04
Molinate	0.02	0.002	0.001	2008	--	--
Oxamyl	0.05	0.02	0.026	2009	0.2	0.2
Pentachlorophenol	0.001	0.0002	0.0003	2009	0.001	zero
Picloram	0.5	0.001	0.166	2016	0.5	0.5

State Regulated Non-Volatile Synthetic Organic Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Polychlorinated biphenyls (PCBs)	0.0005	0.0005	0.00009	2007	0.0005	zero
Simazine	0.004	0.001	0.004	2001	0.004	0.004
Thiobencarb	0.07	0.001	0.042	2016	--	--
Toxaphene	0.003	0.001	0.00003	2003	0.003	zero
1,2,3-Trichloropropane	0.000005	0.000005	0.0000007	2009	--	--
2,3,7,8-TCDD (dioxin)	3x10 ⁻⁸	5x10 ⁻⁹	5x10 ⁻¹¹	2010	3x10 ⁻⁸	zero
2,4,5-TP (Silvex)	0.05	0.001	0.003	2014	0.05	0.05

Disinfection Byproducts Table, Chemicals with MCLs in 22 CCR §64533

State Regulated Disinfection Byproducts Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Total Trihalomethanes	0.080	--	--	--	0.080	--
Bromodichloromethane	--	0.0010	0.00006	2020	--	zero
Bromoform	--	0.0010	0.0005	2020	--	zero

State Regulated Disinfection Byproducts Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
Chloroform	--	0.0010	0.0004	2020	--	0.07
Dibromochloromethane	--	0.0010	0.0001	2020	--	0.06
Haloacetic Acids (five) (HAA5)	0.060	--	--	--	0.060	--
Monochloroacetic Acid	--	0.0020	0.053	2022	--	0.07
Dichloroacetic Acid	--	0.0010	0.0002	2022	--	zero
Trichloroacetic Acid	--	0.0010	0.0001	2022	--	0.02
Monobromoacetic Acid	--	0.0010	0.025	2022	--	--
Dibromoacetic Acid	--	0.0010	0.00003	2022	--	--
Bromate	0.010	0.0050**	0.0001	2009	0.01	zero
Chlorite	1.0	0.020	0.05	2009	1	0.8

Chemicals with PHGs established in response to DDW requests. These are not currently regulated drinking water contaminants.

State Regulated Disinfection Byproducts Contaminants	State MCL	State DLR	State PHG	State Date of PHG	Federal MCL	Federal MCLG
N-Nitrosodimethylamine (NDMA)	--	--	0.000003	2006	--	--

*OEHHA's review of this chemical during the year indicated (rev20XX) resulted in no change in the PHG.

**The DLR for Bromate is 0.0010 mg/L for analysis performed using EPA Method 317.0 Revision 2.0, 321.8, or 326.0.

APPENDIX C

CURRENT AND FUTURE WATER CONSERVATION REGULATIONS MEMO

CITY OF PLEASANTON

Water System Management Plan

Project No.: 201264
Date: September 18, 2023
Prepared By: Brianna Barton, Tim Loper
Reviewed By: Nicola Fontaine
Subject: Current and Future State of California Water Conservation Regulations

The purpose of this Project Memorandum is to summarize current and future State of California water conservation regulations to help inform the City of Pleasanton (City) in planning and budgeting for the future.

Current State Water Conservation Emergency Regulations

The State Water Resources Control Board (State Water Board) has two emergency regulations in effect that prohibit certain wasteful water use practices statewide and encourage Californians to use water wisely. Local water suppliers may adopt stricter water conservation measures than the State Water Board. Refer to Appendix A for a summary of the current State water conservation emergency regulations.

The California Water Code (CWC) requires urban water suppliers within the state to prepare and adopt an Urban Water Management Plan (UWMP), including a Water Shortage Contingency Plan (WSCP), every five years for submission to the Department of Water Resources (DWR). The purpose of the UWMP is to maintain efficient use of urban water supplies, continue to promote conservation programs and policies, ensure that sufficient water supplies are available for future beneficial use, and provide a mechanism for response during water drought conditions. The goal of the WSCP is to have a procedure for managing and mitigating shortages, allowing the supplier to respond in an efficient and timely manner.

The Annual Water Supply and Demand Assessment Report, also known as the Annual Water Shortage Assessment Report, Annual Shortage Report, Water Shortage Report, or Shortage Assessment Report, is due to DWR on or before July 1 of each year as required by the CWC. The annual water supply and demand assessment is a recurring process for determining the supply reliability each year and to prepare suppliers with tools to deal with anticipated water shortages.

Refer to

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/regs/emergency_regulation.html for additional information about current State water conservation emergency regulations.

Future State Water Conservation Regulations

In 2018, the California State Legislature passed Senate Bill 606 and Assembly Bill 1668 directing the State Water Board to establish a new foundation for long-term improvements in water conservation and

drought planning to adapt to climate change. In response, *Making Conservation a California Way of Life*¹ is the regulatory framework proposed by State Water Board staff. The proposed regulation would require urban retail water suppliers (suppliers) to calculate and adhere to urban water use objectives (objectives), implement commercial, industrial, and institutional (CII) performance measures, and submit annual progress reports.

The proposed regulation is expected to save a significant amount of water and would help to realize California's Water Supply Strategy² goal to reduce annual water demand by at least 500,000 acre-feet by 2030. The proposed regulation will also lessen the need for the emergency water use reduction targets that were important in recent droughts (such as the Water Conservation Emergency Regulations adopted in May 2022 to implement Governor's Executive Order N-7-22³ which required suppliers to implement Level 2 actions [up to 20 percent shortage]).

The objective would be calculated as the sum of standard-based budgets for efficient water use (residential indoor use, residential outdoor use, CII landscapes with dedicated irrigation meters (DIMs) or equivalent technology, real water losses), variances (if applicable), temporary provisions (if applicable), and bonus incentive for potable recycled water use (if applicable). Suppliers would need to meet the overall objective, not each individual budget. The one exception is the budget for water loss which was set by a separate regulation. Individual households and businesses would not be subject to the proposed regulation. Refer to Appendix B for a summary of the objective components.

Per the proposed regulation, each supplier shall submit the supplier's calculated objective along with relevant and supporting data no later than January 1, 2025, and by January 1 every year thereafter. The calculation shall be based on the supplier's water use conditions for the previous state fiscal year.

The proposed regulation provides suppliers with flexibility to implement locally appropriate solutions. To meet annual objectives, suppliers may use a wide variety of tools to encourage customers to use water wisely, indoors and outdoors. Examples include education and outreach, leak detection, rate reform, incentives to plant "climate ready" landscapes, and rebates to replace old and inefficient fixtures and appliances.

Costs to the supplier include development of water reduction strategies, implementation of water use efficiency measures, annual calculation of the objective, preparation of annual progress reports, and lost revenues due to the water use reductions. Additional costs could include wastewater operations and maintenance or wastewater infrastructure improvements due to decreased influent volumes or increased influent concentrations.

Benefits include reduced water purchases or reduced water production, avoided stormwater measures, and energy cost savings. Additional benefits may include protecting human health and water resources, supporting practices that keep trees healthy, mitigating and adapting to climate change, accelerating nature-based solutions, diverting organic waste from landfills, building healthy soils, and advancing equity.

¹ <https://www.waterboards.ca.gov/conservation/regs/docs/2023/proposed-reg-text-081723.pdf>

² <https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Water-Resilience/CA-Water-Supply-Strategy.pdf>

³ <https://www.gov.ca.gov/wp-content/uploads/2022/03/March-2022-Drought-EO.pdf>

The State Water Board has predicted that statewide benefits will outweigh costs but that most of the costs will be incurred in earlier years while most of the benefits will be accrued in later years. Suppliers and wastewater agencies are expected to pass on costs and benefits of the proposed regulation to customers by adjusting their rates to customers over time.

The State Water Board has made a Water Use Objective Exploration Tool⁴ available to help suppliers learn how the proposed regulation may affect urban water use. The tool includes 2017-2021 water use data for suppliers, as well as residential landscape area measurement and annual evapotranspiration and precipitation data provided by DWR. Refer to Appendix C for the tool results for the City of Pleasanton which shows that the City may not need to initially make any reductions to current water use in order to comply with the calculated objective (objective-based total).

Demands excluded from the objective include "other" uses, CII indoor use, CII landscape without DIMs, and apparent water losses which are caused by revenue meter under-registration, water theft and billing errors. Although CII indoor use and CII landscape without DIMs are excluded from the objective, they are subject to CII performance measures included in the proposed regulation. Refer to Appendix D for a summary of the CII performance measures.

The regular rulemaking process for the proposed regulation to *Making Conservation a California Way of Life* is underway. The notice of proposed rulemaking was released on August 18, 2023, and the first public comment period is open through October 17, 2023. The State Water Board will host a public hearing on the proposed regulation on October 4, 2023, starting at 9:30AM. To watch the meeting, join <https://video.calepa.ca.gov/>. The hearing will include an overview of the proposed regulation, the regulatory timeline and process, presentations from interested parties, and opportunity for public comment. The State Water Board will consider adopting the proposed regulation in 2024.

Refer to https://www.waterboards.ca.gov/conservation/regs/water_efficiency_legislation.html for additional information about the proposed *Making Conservation a California Way of Life* regulation.

California Water Loss Regulations

The State of California has adopted new regulations focused on water loss for urban water retailers as directed by California Water Code Section 10608.34. The regulations include a formulaic approach to the calculation of urban water retailers water loss standards and the percent reduction targets. The reduction targets are calculated based on a complex set of rules and economic factors as well as agency specific default factors. The economic model incorporates a multitude of inputs into its calculations. The inputs come from City submitted Annual Water Loss Audits, additional data submitted by the City, and factors provided by the State Water Board. The economic model inputs are summarized in Table 1.

⁴ https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/water-use-explorer/

Table 1 – Economic Model Inputs

Annual Water Audits	City Provided “Default” Data	Board Provided Data
• Average Baseline Real Loss • Average Length of Mains • Average Number of Service Connections • Average variable production cost of water • Average operating pressure	• Rate of Rise of Leakage • Infrastructure Condition Factor (ICF) • Annual Background Leakage • Annual Reported Leakage • Annual Unreported Leakage • Average Leak Detection Survey Frequency • Unit Average Cost of Leak Detection • Leak Detection Efficiency Average • Unit Leak Repair Costs • Marginal Avoided Cost of Water • Average Annual Rise in Price of Water*	Real discount rate (3.5%) Time period for lifecycle benefit-cost ratio

*Average annual rise in price of water updates must at least as high as the real discount rate (3.5%) and be developed and certified by a licensed professional engineer.

The City can update the default factors based on a prescriptive approach provided in the regulation documentation. The economic model is the basis for the development of the benefit cost ratio. The benefit cost ratio is the calculation of the relative value of leak detection and the amount of leakage that can be reduced with a positive net benefit.

Published Water Loss Standards

Based on data provided by the City in its annual water loss audits, and the output of the economic model the State has published water loss reduction standards and reduction goals. The standards and goals can be found on the California State Water Board Website⁵. There is significant detail related to the calculation of the City's standards and goals contained in the regulation documentation.

Specific Standards and required reductions for the City of Pleasanton are summarized in Table 2. The City's current baseline real loss is 30.9 gallons per service connection per day (gpscd). The current standard is 18.8 gpscd, which equates to a 39 percent reduction goal.

Table 2 – Pleasanton Real Loss Reduction Goals

Baseline Real Loss (gpscd)¹	Real Loss Standard (gpscd)	Required Real Loss Reduction from Baseline (%)	30-Year Benefit Cost Ratio	5-Year Benefit Cost Ratio
30.9	18.8	39	6.4	3.7

⁵ https://www.waterboards.ca.gov/conservation/water_loss_control.html#water-loss-model

1. gpscd = gallons per service connection per day

Compliance Guidelines and Schedule

The State's compliance timeline is included in Figure 1. The City's needs to meet compliance guidelines by January 1, 2028.

Figure 1 – State Water Board Water Loss Compliance Timeline



Compliance can be achieved in two ways. The City will need to calculate its real water loss in the annual audits for years 2024, 2025, 2026, and 2027. Real losses are calculated based on the average of three of the four previous years, the highest year can be thrown out. The City will be in compliance by reducing the real loss from the 30.9 gpscd to 18.8 gpscd. If that goal is met, the City would need to maintain a real loss rate that is within 5 gpscd measure every three years to maintain compliance. If the City can't meet the real loss reduction targets, there is a second compliance pathway. The second compliance pathway is summarized in Table 3 below.

Table 3 – Alternative Compliance Pathway

Compliance Action	Notes
1. Alternative compliance pathways obtainable if real loss goal is greater than or equal to 30% of baseline.	Currently the City's goal is 39%
2. Show a 30% reduction in real losses over the baseline	This is equivalent to a 77% reduction of the current baseline loss.
3. Water Loss Audit Data Validity Score of 3 or demonstration of improved data quality.	Consideration will be given to data validity score reductions related to water audits prepared using different versions of the water auditing software.
4. Completed one full cycle of leak detection survey	Would require a complete system survey in a three year period between 2025 and January. 1

	2028
5. City has submitted a written request to follow the secondary compliance request by January 1, 2028.	Need to include: 1. Reason why City was unable to meet standard. 2. List of leakage prevention activities the City has engaged in to limit water loss. 3. Demonstrate how the City is being a good steward of the water code WRT Div 6, 2.25, Chapter 9. (Sustainable water use and demand reduction: Urban Water Use Objectives and Water Use Reporting) 4. A plan for how it will meet its real water loss standard no later than January 1, 2031.

The alternative compliance pathway requires significant effort to achieve, even if the City can't reach the current standard. With the alternative compliance pathway, the City will still needs to meet its standard by 2031. Essentially the City would have six years to reach the 39% reduction goals.

Water Loss Questionnaires

As part of the regulations, urban water suppliers will be required to submit responses to three questionnaires related to the City's water loss tracking and data management activities. The list of questionnaires and the submission deadlines are listed in Table 4. The City has missed the deadlines for the Data Quality and Pressure Management deadlines. The details related to the questionnaires can be found in the documentation included in Appendix E.

Table 4 – Water Loss Questionnaires

Questionnaire	Submission Deadline
Data Quality	December 31, 2023
Pressure Management	December 31, 2023
Asset Management	July 2024, with Update in July 2027

Water Loss Recommendations

Real water loss, as documented by the State of California can occur in three forms.

- Reported leakage that occurs in the form of visible failures over the ground. ·
- Unreported leakage that is not visible above ground but detectable by surveying the distribution system through specialized leak detection equipment. ·
- Background leakage that is too small to be detected with leak detection equipment but can be reduced by replacing or rehabilitating infrastructure or managing operational pressure.

These forms of real loss can be mitigated through the following methods.

1. Active leak detection and repair
2. Timely repair of leaks after identification
3. Pressure management that reduces high pressures or spikes in pressure that strain the distribution system
4. Systematic asset management and replacement through prioritization of mains and appurtenances with the highest rates of leakage.

As required by the regulations The City will need to implement a leak detection program. Pressure management is currently part of the State's questionnaire and needs to be further investigated. The City is currently developing a City wide asset management plan that will ultimately integrate the water utility. At this point the most important thing is for the City to make sure they move towards compliance. Implementing a full system leak detection program over the next three years will be critical to finding and fixing leaks, but also will allow the City to achieve the alternate compliance pathway in 2028.

Leak Detection

As part of the economic model the State conducted a study of leak detection vendors including costs. Carollo has also been working with other vendors for other agencies across the Country. The cost for leak detection can be estimated to be approximately \$750/mile. At 295 miles the cost for system wide leak detection could range between \$225,000 and \$300,000 for vendor costs. Including contingencies the total costs could be \$370,000 to \$500,000. For budgetary planning purposes, the City should allocate \$500,000 as a CIP costs.

Appendix A

Summary of Current State Water Conservation Emergency Regulations

- The decorative grass watering (non-functional turf irrigation) ban for commercial, institutional, and common areas of homeowners' associations remains in effect (effective since June 2022). The Emergency Regulation to Ban Decorative Grass Watering is set to expire in June 2024, unless the State Water Board takes further action. The State Water Board may continue to enforce these prohibitions and may consider readopting them.
 - » *"Non-functional turf" or "decorative grass" refers to ground cover surface of mowed grass that is ornamental and not otherwise used for human recreation purposes.*
- For all Californians, prohibition on wasteful water uses remains in effect (effective since January 2022). The Emergency Regulation to Prohibit Wasteful Water Uses is set to expire in December 2023, unless the State Water Board takes further action. The State Water Board may continue to enforce these prohibitions and may consider readopting them. The prohibited water uses include:
 - » *Hosing off sidewalks, driveways, and other hardscapes.*
 - » *Washing automobiles with hoses not equipped with a shut-off nozzle.*
 - » *Using non-recirculated water in a fountain or other decorative water feature.*
 - » *Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation.*
 - » *Irrigating ornamental turf on public street medians.*

Appendix B

Summary of Urban Water Use Objective Components

- Standard-based budgets for efficient water use:
 - » *Residential indoor use.*
 - The residential indoor use budget is calculated as the residential indoor standard multiplied by the number of people in the supplier's service area multiplied by the number of days in the year.
 - » *Residential outdoor use.*
 - The residential outdoor use budget is calculated as the residential outdoor standard (landscape efficiency factor) multiplied by the net evapotranspiration (reference evapotranspiration minus effective precipitation) multiplied by the residential landscape area multiplied by a unit conversion factor. Suppliers may add the volume of water associated with newly constructed residential landscapes to its residential outdoor use budget.
 - Residential landscape area includes residential "Irrigable Irrigated" area plus approved "Irrigable Not Irrigated area." "Irrigable Irrigated Area" refers to area presumed to be maintained and managed through active irrigation. "Irrigable Not Irrigated" refers to area that is not currently being irrigated, but was irrigated in the past, or may be managed with irrigation in the future.
 - Through June 30, 2027, a supplier may include in its residential landscape area up to twenty percent of the supplier's "Irrigable Not Irrigated" area, if the supplier's actual urban water use for the reporting year is greater than the calculated objective without inclusion of "Irrigable Not Irrigated" area.
 - A supplier may, for each reporting year, use and report an alternative data source for residential landscape area, if it demonstrates to the State Water Board that the data is equivalent, or superior, in quality and accuracy to the provided data.
 - "Residential special landscape area" means residential areas dedicated solely to edible plants and residential areas irrigated with recycled water. If a supplier delivers water to residential special landscape areas, the supplier may calculate its residential outdoor use budget accounting for the residential special landscape area and standard.
 - » *CII landscapes with DIMs.*
 - Through June 30, 2028, a supplier's budget for CII landscapes with DIMs shall be the supplier's actual deliveries associated with landscape irrigation.
 - Beginning July 1, 2028, the CII landscapes with DIMs is calculated as the standard (landscape efficiency factor) multiplied by the irrigated area of CII landscapes with DIMs multiplied by the net evapotranspiration multiplied by a unit conversion factor. A supplier may add the volume of water associated with newly constructed landscapes to its CII landscapes with DIMs budget.
 - CII landscapes with DIMs that are special landscape areas includes slopes designed and constructed with live vegetation as an integral component of stability, ponds or lakes receiving supplemental water for purposes of sustaining wildlife, recreation, or other public benefit, plant collections, botanical gardens, and arboretums, public swimming pools and similar recreational water features, and cemeteries built before 2015. If a supplier delivers water to CII landscapes with DIMs that are special landscape areas, the supplier may calculate its CII landscapes with DIMs budget accounting for the special landscape area and standard.
 - » *Real water losses.*
 - Distribution system water losses ("real" losses) are the physical water losses from the water distribution system and the supplier's storage facilities, up to the point of customer consumption.
 - The real water loss budget is calculated as the system-specific standard (gallons per connection per day or gallons per mile per day) multiplied by the number of connections served by the supplier (or number of miles) multiplied by the number of days in the year.

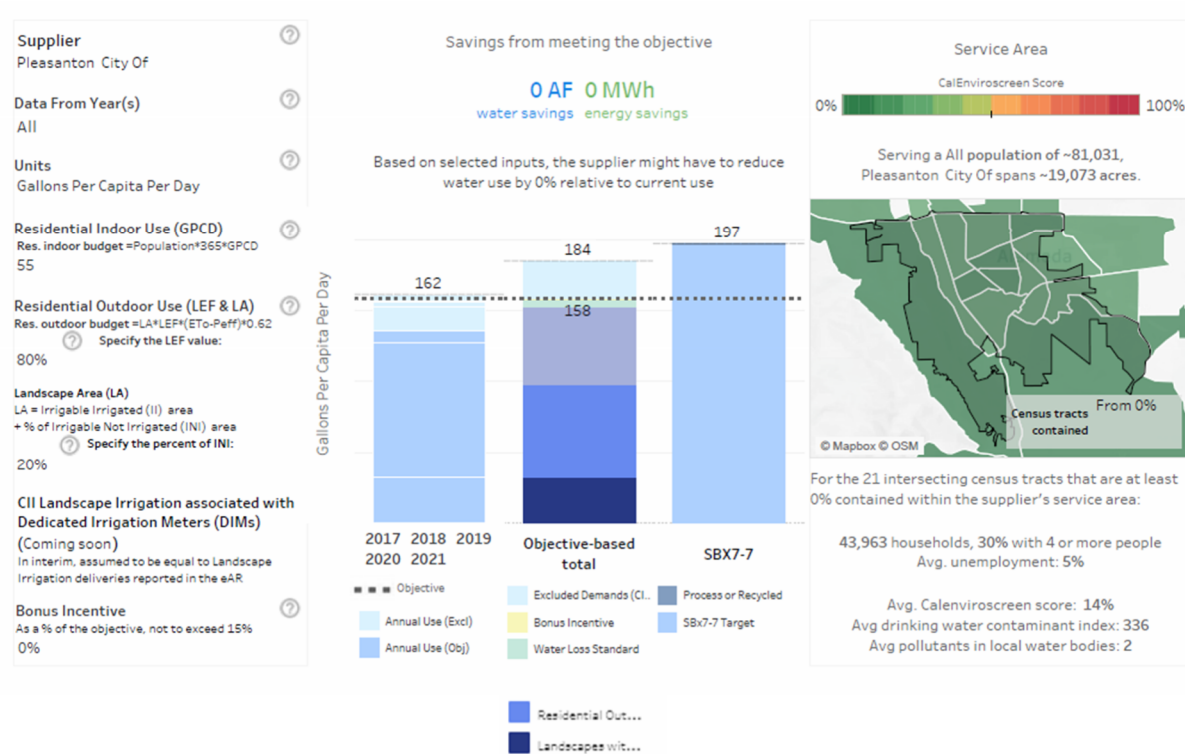
- Suppliers must comply with individual volumetric loss standards over a three-year period beginning on January 1, 2028. Prior to this, the supplier's water loss budget may, alternatively, be equal to its previous year's real water losses reported in its annual water loss audit.
- Variances (if applicable).
 - » *"Variance" means an additional volume of water that a supplier may request to add to its objective for a unique use that has a material effect on a supplier's objective.*
 - » *Examples include:*
 - Residential indoor use: Significant fluctuations in seasonal population or significant use of evaporative coolers.
 - Residential outdoor use: Populations of horses and other livestock, water for dust control on horse corrals or other animal exercise arenas, water for irrigating agricultural landscapes that are within residential areas but have not been classified as irrigable irrigated, water used to respond to emergency events not including drought, water for landscapes irrigated with recycled water containing high levels of total dissolved solids (TDS), and water to supplement ponds and lakes to sustain wildlife as required by existing regulations or local ordinances.
 - CII landscapes with DIMs or equivalent technology: Water used to respond to emergency events not including drought, water for landscapes irrigated with recycled water containing high levels of TDS, and water to supplement ponds and lakes to sustain wildlife as required by existing regulations or local ordinances.
 - » *Most of the time, the associated water use, for any individual variance, must represent 5 percent or more of the sum of the budgets associated with the standards (residential indoor and outdoor use, CII landscapes with DIMs, and real water losses).*
 - » *Requests for variances must be submitted to the State Water Board annually by October 1. Requests must include information showing how the request is warranted and protects beneficial water uses, demonstrating that the amount of water requested was delivered by the supplier for the requested use, and verifying that the approval of the request would not jeopardize the ability to comply with existing permit requirements within the supplier's service area.*
- Temporary provisions (if applicable).
 - » *"Temporary provision" means an additional volume of water that a supplier may request to add to its objective for a limited time for a specified beneficial use that would require less water over time.*
 - » *Examples include:*
 - Residential indoor use: To respond to negative impacts to wastewater collection, treatment, and reuse systems.
 - Residential outdoor use: Water for existing pools, spas, and similar water features, water for the planting of new, climate-ready trees, and water for the establishment of qualifying landscapes. Qualifying landscapes are those that require temporary irrigation and are associated with low-impact development, ecological restoration, and mined-land reclamation projects.
 - CII landscapes with DIMs or equivalent technology: Water for the planting of new, climate-ready trees and water for the establishment of qualifying landscapes.
 - » *Requests for temporary provisions must be submitted to the State Water Board annually by October 1 and must include the same information as requests for variances.*
 - The request for temporary provision for residential indoor use must also show to the satisfaction of the State Water Board that meeting the objective would require adhering to the applicable residential indoor standard and that meeting the budget for efficient residential indoor use is causing challenges within wastewater collection, treatment, and reuse systems.

- The request for temporary provision for residential outdoor use must also include a description of efforts to prioritize water for existing trees, including, but not limited to rebate, direct install, and educational programs focused on transitioning from turf- to tree-centric irrigation systems that promote deep and healthy root growth. Tree-centric irrigation systems include but are not limited to soaker hoses, deep drip watering stakes, drip tubing, and emitters.
- Bonus incentive for potable recycled water use (if applicable).
 - » *If a supplier delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water, the supplier may add to its objective a bonus incentive.*
 - For existing facilities, may be up to 15 percent of objective.
 - For all other facilities, may be up to 10 percent of objective.

Refer to the proposed text of regulations (<https://www.waterboards.ca.gov/conservation/regs/docs/2023/proposed-reg-text-081723.pdf>) for additional information including methods to calculate standard-based budgets, variances, temporary provisions, and bonus incentives and reporting requirements.

Appendix C

Water Use Objective Exploration Tool Results



Source: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/water-use-explorer/.

Appendix D

Summary of Commercial, Industrial, and Institutional (CII) Performance Measures

- Classification system.
 - » *Supplier shall classify at least twenty percent of its CII customers by 2026, at least sixty percent by 2028, and one hundred percent by 2030. After 2030, the supplier shall maintain at least a 95 percent classification rate.*
- Dedicated Irrigation Meters (DIMs) or “in-lieu” tech for qualifying landscapes.
 - » *Supplier shall identify all CII large landscapes that have mixed-use meters and shall either install DIMs or employ in-lieu water technologies for these large landscapes with at least twenty percent compliance by 2026, at least sixty percent compliance by 2028, and one hundred percent compliance by 2030. After 2030, the supplier shall ensure at least 95 percent of large landscapes either have a DIM installed or are employing in-lieu water technologies.*
- Best Management Practices for qualifying customers.
 - » *Supplier shall identify all disclosable buildings in their service area by January 1, 2025. Disclosable Building refers to a covered Building of any property type that has more than 50,000 square feet of gross floor area. Supplier shall provide meter and water use information to the owners or Owner's Agents of disclosable buildings for at least twenty percent of disclosable buildings by 2026, at least sixty percent by 2028, and one hundred percent by 2030.*
 - » *Supplier shall design and implement a conservation program including best management practices for customers at or above the 80th percentile for water use, excluding process water, by January 1, 2025. Suppliers shall make annual progress in meeting requirements with at least twenty percent compliance by 2026, at least sixty percent compliance by 2028, and one hundred percent compliance by 2030. After 2030, the supplier shall ensure at least 95 percent compliance.*
 - » *Supplier shall ban the irrigation of non-functional turf with potable water on all CII landscapes in its service area, including homeowners' associations, common interest developments, community service organizations, and other similar entities, by July 1, 2025. A supplier is not required to ban the irrigation of non-functional turf on CII landscapes in its service area that is necessary to ensure the health of trees and other perennial non-turf plantings or that is necessary to address an immediate health and safety need. A supplier may approve a request for continued irrigation of non-functional turf where the user certifies that the turf is a low water use plant with a plant factor of 0.3 or less, and demonstrates the actual use is less than 40 percent of reference evapotranspiration.*

Refer to the proposed text of regulations (<https://www.waterboards.ca.gov/conservation/regs/docs/2023/proposed-reg-text-081723.pdf>) for additional information and reporting requirements.

Appendix E – Water Loss Questionnaires

Asset Management Questionnaire

Urban retail water suppliers are required to complete this system-level questionnaire administered by the State Water Resource Control Board (California Code of Regulations, title 23, division 3, chapter 3.5, section 983). If a supplier has multiple systems, it must complete this questionnaire once for each system.

This system-level questionnaire asks for information on asset management practices.

* Required

Water System Information

The Water Board will reach out through the email provided if response clarifications are needed.

1. Name of the urban retail water supplier that owns the system for which you are completing this survey. *

2. Water system name *

If a supplier only owns one system, the supplier name and system name may be the same.

3. Water system number (Starts with CA with seven numerical digits; for example, CA1234567) *

Only one system (and system number) should be associated with this survey. Please complete this survey separately for each system owned by the supplier.

4. Submitter's name *

5. Submitter's email address *

Used for follow-up communication. Please be prepared to respond to emails.

Asset Management

Systematic, priority-based pipe replacement and other forms of asset management provide leakage reduction. Asset management is one of the four industry-established approaches for water loss control.

Though capital investment for asset management is planned based on several potential benefits and factors, several suppliers rely on asset management for their system to reduce water loss, and asset management remains a recommended and established approach for water loss control.

The questions below referencing distribution infrastructure are targeting main lines, service laterals and appurtenances such as valves, meters, air vac assemblies, hydrants, etc. The questions are not intended to capture asset management approaches for sources, storage, or treatment facilities.

6. Does your agency maintain records of breaks on different sections of main and other distribution infrastructure? *

- ☐ Yes, the agency maintains break history records.
- ☐ No, the agency plans to begin maintaining break history records by a certain year.
- ☐ No, the agency does not plan to maintain break history records in the next 10 years.

7. By what year are you planning to begin maintaining break history records? *

Number must be between 2024 ~ 2035

8. Which data fields pertaining to the distribution infrastructure components (for example, pipe sections, valves, meters, etc.) does your agency include in the break history record? *

- ☐ Geographical location
- ☐ Material or type as applicable
- ☐ Size
- ☐ Age
- ☐ Average operational pressure
- ☐ Maximum operational pressure
- ☐ Soil conditions
- ☐ Installation conditions
- ☐ Type of break (for example, longitudinal, circular, etc.)
- ☐ Time passed between reporting of break and repair
- ☐ Other

9. Please provide any other additional information regarding the maintenance of records of breaks on mains and other distribution infrastructure. *

10. Does your agency have an approach to identify and prioritize the replacement, rehabilitation, or protection of water distribution infrastructure components that break or leak frequently based on break history or consequence of failure? *

- ☐ Yes, the agency uses a prioritization approach for asset management.
- ☐ No, the agency plans to have a prioritization approach for asset management by a certain year.
- ☐ No, the agency does not plan to have a prioritization approach for asset management in the next 10 years.

11. By what year are you planning to have a prioritization approach for asset management? *

Number must be between 2024 ~ 2035

...

12. On which system and environmental factors is your agency's asset management approach based? *

Answer only for the leak reduction portion of your asset management plan, if available.

- ☐ Break/failure/leak history of distribution infrastructure component
- ☐ Distribution infrastructure component material
- ☐ Distribution infrastructure component age
- ☐ Distribution infrastructure component size
- ☐ Maximum operating pressure
- ☐ Average operating pressure
- ☐ Occurrence of pressure transients
- ☐ Local soil conditions
- ☐ Other

13. Please provide any other additional information regarding this system's use of prioritization approaches in asset management. *

This content is neither created nor endorsed by Microsoft. The data you submit will be sent to the form owner.

 Microsoft Forms

Data Quality Questionnaire

This is a document summarizing the questions asked in the data quality questionnaire. To submit the questionnaire, please respond here <https://forms.office.com/g/apdgLcBGcu>

Water System Information

1. Name of the urban retail water supplier that owns the system for which you are completing this survey.
2. Water system name.
3. Water system number.
4. Submitter's name.
5. Submitter's e-mail address.

Program for Volumetric Flow Testing of Production Meters

6. What percent of production meters have been flow tested in the past 5 years?
7. Please provide any additional information regarding your answer to question 6.
8. All meters flow tested within the past 5 years account for what percent of the total annual production water volume?
9. Does the system currently have a program for regular volumetric flow testing of production meters?
10. Please provide any other relevant information regarding volumetric flow testing programs.

Written Program for Volumetric Flow Testing of Production Meters

Please provide your system's program for volumetric flow testing by filling out the following excel sheet

(https://www.waterboards.ca.gov/conservation/docs/data_quality_excel_submission.xlsx) and emailing it to ORPP-WaterLossControl@waterboards.ca.gov with "Program for Volumetric Flow Testing" as the subject header.

Program for Regular Electronic Calibration of Secondary Instrumentation

11. What percent of current production meters have been calibrated in the last 5 years?
12. The current production meters calibrated within the past 5 years produce what annual volume?
13. Does the system currently have a program for regular calibration of production meters?
14. What percent of production meters were scheduled for calibration in the last 5 years?
15. Please provide any other additional information regarding electronic calibration programs.

Program for Volumetric Flow Testing of Customer Meters

16. What percent of current customer meters were tested in the past 5 years? This refers to all customer meters regardless of size.
17. In the past 5 years, on average, how many customer meters were replaced each year?
18. A representative sample of meters is flow tested every _____ years. If you do not regularly test a representative sample, enter 0.
19. What methods are used to verify that the meters sampled are representative?
20. As of today, does the system have a program for regular flow testing of customer meters?
21. Please provide any additional information regarding question 20.

22. Please provide any other relevant information regarding customer meter testing programs.

Written Program of Volumetric Flow Testing of Customer Meters

Please provide your system's program for volumetric flow testing of customer meters by filling out the following excel sheet

(https://www.waterboards.ca.gov/conservation/docs/data_quality_excel_submission.xlsx) and emailing it to ORPP-WaterLossControl@waterboards.ca.gov with "Program for Volumetric Flow Testing" as the subject header.

Systematic Data Handling Errors

23. Some customer billing systems allow accounts that are not active (such as a vacant house) to exist in "non-billed" status, under which a bill is not issued. Water used in inactive or "non-billed" accounts can sometimes result in apparent losses. This type of systematic data handling accounts can sometimes result in apparent losses. This type of systematic data handling accounts for approximately what percent of apparent losses?
24. Please provide any additional information regarding question 23.
25. Some customer billing system programming create monetary credits to customers by employing negative values in consumption readings for the billing period. This type of systematic data handling accounts for approximately what percent of apparent losses?
26. Please provide any additional information regarding question 25.
27. Some municipally owned properties do not have water meters or annual readings of water consumption, thereby consuming water that is not tracked in the billing process. This accounts for approximately what percent of apparent losses?
28. Please provide any additional information regarding question 27.

Pressure Management Questionnaire

This is a document summarizing the questions asked in the data quality questionnaire. To submit the questionnaire, please respond here <https://forms.office.com/g/Fj8kTwS1th>

Water System Information

1. Name of the urban retail water supplier that owns the system for which you are completing this survey.
2. Water system name.
3. Water system number.
4. Submitter's name.
5. Submitter's e-mail address.

Pressure Control Devices

6. Does this system utilize any pressure control devices in the water distribution system (on a temporary or permanent basis)?
7. Which pressure control devices does this system utilize in the distribution system? Check all that apply. (Variable frequency drives (VFD) on distribution system pumps, pressure control valves (including any kind of pressure control valve), Water storage tanks(including surge tanks), Hydro-pneumatic tanks, Pressure transient control (in-pipe monitoring and dampening of pressure transients)
8. On average, this system inspects variable frequency drives (VFD) on distribution system pumps once every ____ years.
9. On average, this system inspects pressure control valves once every ____ years.
10. On average, this system inspects water storage tanks once every ____ years.
11. On average, this system inspects hydro-pneumatic tanks once every ____ years.
12. On average, this system inspects pressure transient control devices once every ____ years.
13. Does this system currently have a program to regularly inspect, maintain, and repair installed pressure control devices to ensure they are maintained in working condition?
14. Does the current program specifically address regularly inspecting, maintaining, and repairing installed pressure control valves?

High Leakage Zones

15. Have you identified areas of the distribution system that have higher rates of water loss than others?
16. For areas of the distribution system that have higher rates of water loss, has the system evaluated controlling pressure to reduce leakage?
17. What challenges has your system faced in reducing pressure for the purpose of reducing leakage?

APPENDIX D

WATER FACILITY CONDITION ASSESSMENT



Water System Management Plan



TECHNICAL MEMORANDUM

Water Facility Condition Assessment

October 2024





Water System Management Plan

TECHNICAL MEMORANDUM

Water Facility Condition Assessment

October 2024

This document is released for the purpose of information exchange review and planning only under the authority of Michelle L. Eckard, May 31, 2024, California PE 90107.

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Abbreviations

AACE	Association for the Advancement of Cost Engineering
ARV	automatic release valve
ATS	automatic transfer switch
AWWA	American Water Works Association
Carollo	Carollo Engineers, Inc.
CIP	capital improvement projects
City	City of Pleasanton
COF	consequence of failure
EI&C	electrical, instrumentation, and controls
EUL	estimated useful life
evRUL	evaluated remaining useful life
MCC	motor control center
O&M	Operations and Maintenance
PLC	programmable logic controller
POF	probability of failure
QAQC	quality assurance/quality control
R&R	Rehabilitation and Replacement
ROW	right-of-way
RRA	Risk and Resilience Assessment
RTU	remote terminal unit
RUL	remaining useful life
VFD	variable frequency drive
WSMP	Water System Management Plan

SECTION 1 WATER FACILITY CONDITION ASSESSMENT AND 10-YEAR CIP

1.1 Introduction

The City of Pleasanton (City) is in the eastern San Francisco Bay Area region south of Interstate 580, and east of Interstate 680 in Alameda County. The City owns and operates a potable water system that serves residential customers as well as commercial and industrial users within its City limits. The water system is illustrated on Figure 1. City staff recognize the need for a comprehensive water facility condition assessment to develop a 10-Year Capital Improvement Project (CIP). The recommendations will be incorporated into the Water System Management Plan (WSMP).

1.1.1 Objectives

The City's primary objectives for implementing a condition assessment for the water facilities include:

- Improving the cost-effective management of assets throughout their life cycle.
- Promoting data sharing and interconnectivity within and across departments.
- Demonstrating fiscal responsibility.
- Identifying and prioritizing projects for the 10-year CIP.

1.1.2 Background

The WSMP is being implemented in three phases:

Phase 1 consisted of a high-level assessment of the City's water system program that includes the development of evaluation guidelines, evaluation of the existing performance of the City's current management of the water system, and identification of short- and long-term priorities for improvement as documented in the *Technical Memorandum - High Level Utility Assessment Summary* (April 2023) prepared by Carollo Engineers, Inc. (Carollo).

Phase 2 involved reviewing the high-level assessment results and findings of Phase 1 to identify short- and long-term work plan priorities. This resulted in initiating condition assessments of water system facilities in the field and conducting a desktop assessment for the water mains. Additionally, a review of current and upcoming regulations was conducted to identify potential impacts to the City's water system program. The results of the regulatory review and the condition assessments inform the recommendations to be developed for the initial WSMP in Phase 3.

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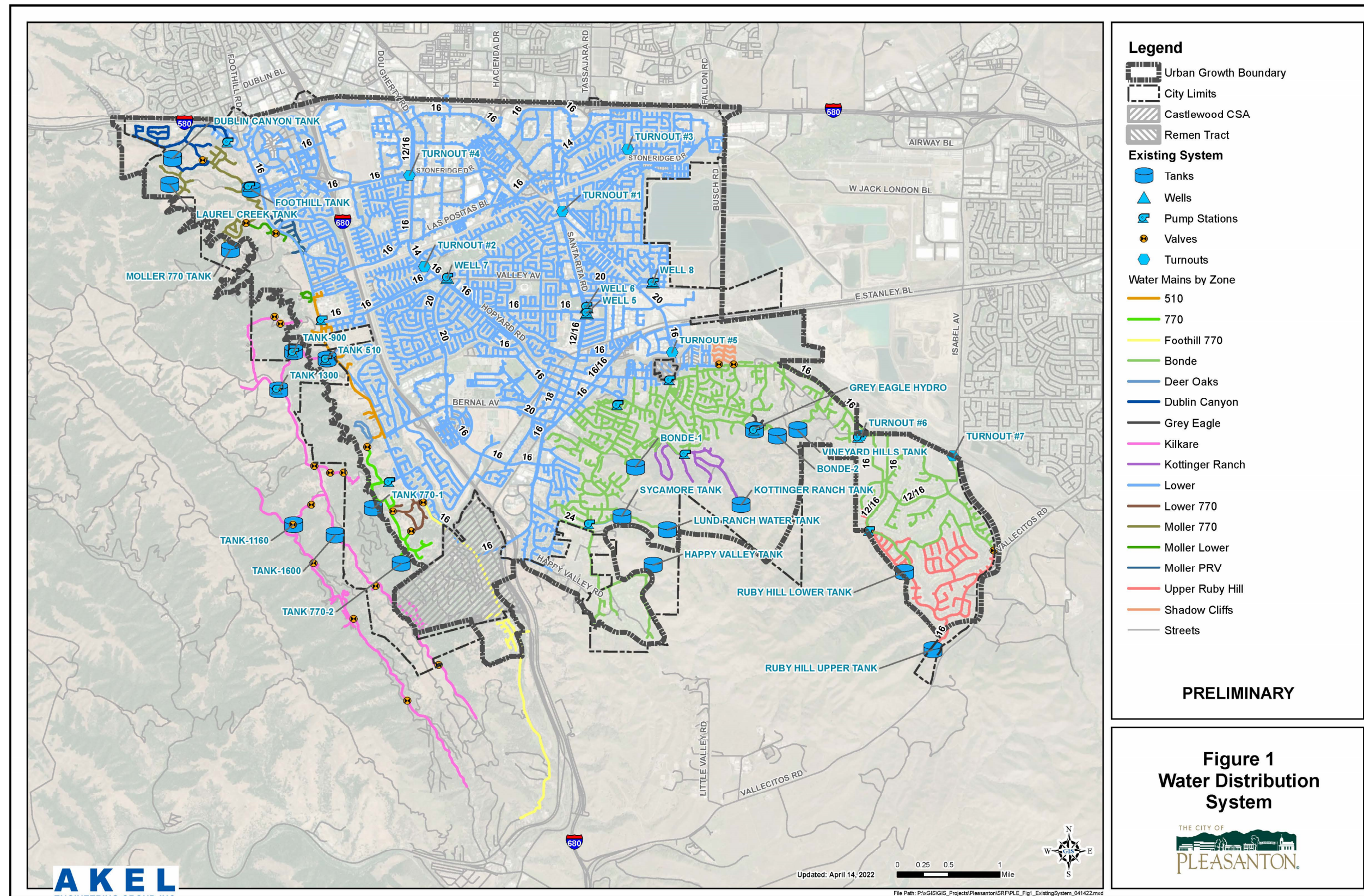


Figure 1 Water System Overview (Source: Akel Engineering Group, Inc.)

Phase 3 is the preparation of the initial WSMP. An integral component of the WSMP, is the development of activities that support asset management business practices. These activities are documented within this TM and summarized below:

- Water Facility Renewal and Replacement:
 - » Develop a register of water facility assets.
 - » Analyze the results of the field condition assessment of water facilities.
 - » Rank (or prioritize) replacement needs.
- Operations and Maintenance (O&M):
 - » Recommend a prioritized list of O&M practices and program improvements for managing water system assets.
- Capital Improvements:
 - » Recommend and prioritize the next 10-years of capital improvement projects with implementation cost estimates.

1.2 Water Facility State of the Assets

The City's water facilities include 14 booster stations, 21 reservoirs, four groundwater wells, and seven turnouts that supply the water from Zone 7.

1.2.1 Probability of Failure

The Probability of Failure (POF) is the measure of likelihood that an asset will fail or degrade to a point where it is not meeting its required level of service. This section covers the estimated useful life (EUL), the condition of the assets (POF approach) and the results of the condition assessment and estimated remaining useful life (RUL) (POF results).

1.2.1.1 Estimated Useful Life

The EUL is the starting point for understanding the current state of the assets. For above ground assets, an EUL value is assigned by asset class based on industry standards and the American Water Works Association (AWWA) Effective Useful Life Tool. The EUL can be adjusted based on conditions that are outside of assumed normal operating conditions. For example, the EUL may be adjusted down if an asset has an unusually high or low number of start and stop cycles. Conversely, an older asset that is performing optimally may have its EUL extended. The EUL by asset class is in Table 1 and Appendix A.

Using the EUL and the age of the asset, which is determined using Equation 1, the RUL, represented in years, can then be calculated as shown in Equation 2. If no installation date is available, then the installation date has been assumed using the facility commissioning date.

Equation 1

$$Age \text{ (years)} = \text{Today's date} - \text{Installation date}$$

Equation 2

$$RUL \text{ (years)} = EUL - Age$$

The RUL represents an age-based assessment of the assets and is characterized as the time frame by which an asset is expected to need rehabilitation or replacement. For assets that are older than their EUL, the RUL is set to zero. The RUL can also be translated into a percent life consumed by way of Equation 3. Assets with an RUL value of zero are considered to have 100 percent of their life consumed.

Equation 3

$$\% \text{ Life Consumed} = \left(1 - \frac{RUL}{EUL}\right) \times 100$$

Table 1 Water Facility Asset Classes and EUL

Discipline	Asset Class	EUL
EI&C	Analyzer	15
EI&C	ATS	20
EI&C	Breaker	20
EI&C	Control Panel	20
EI&C	Controller	15
EI&C	Engine	20
EI&C	Generator Receptacle	30
EI&C	MCC	30
EI&C	PLC	15
EI&C	RTU	15
EI&C	Switch	30
EI&C	Switchboard	25
EI&C	Terminal Box	20
EI&C	Transducer	15
EI&C	Transformer	35
EI&C	Transmitter	15
EI&C	VFD	15
EI&C	Water Meter	15
Mechanical	Actuator	15
Mechanical	ARV	15
Mechanical	Chemical Dosing System	20
Mechanical	Chemical Metering Pump	10
Mechanical	Circulation System	20
Mechanical	Compressor	20
Mechanical	Crane	30
Mechanical	Fan	20
Mechanical	Generator	25
Mechanical	Mixer	20
Mechanical	Pipe	50
Mechanical	Pump	25

Discipline	Asset Class	EUL
Mechanical	Pump – Sump	10
Mechanical	Strainer	15
Mechanical	Valve	15
Mechanical	Valve (CLA)	15
Structural	Building	60
Structural	Drainage	25
Structural	Hydropneumatic Tank	50
Structural	Reservoir	50
Structural	Road	30
Structural	Shed	30
Structural	Site Security	25
Structural	Tank	50
Structural	Vault	60
Structural	Well	30

Notes:

PLC – programmable logic controller; EI&C - electrical, instrumentation, and controls; VFD – variable frequency drive;
ARV – automatic release valve; ATS – automatic transfer switch; MCC – motor control center; RTU – remote terminal unit.

1.2.1.2 Approach

The POF is determined using data collected through field evaluations or, when not available, a desktop evaluation. These evaluations are described as follows:

- **Field Evaluations:** A physical evaluation of assets in the City including visual interpretation of the general condition, deterioration, components, coating, corrosion, etc. (*condition-based approach*). Additionally, during the field visit, Carollo discipline leads talked to operations staff about asset performance, reliability, O&M, and obsolescence (*performance-based approach*). The field evaluations occurred September 29, 2022, and October 5-6, 2022; and May 11-12, 2023 and May 18, 2023, by Carollo discipline leads for electrical, mechanical, and structural assets.
- **Desktop Evaluation:** A RUL evaluation of the assets using available attribute information and the EUL as determined by asset class (*age-based approach*). This approach is used where a field evaluation was not conducted.

For both evaluations, a POF score on a scale of one to five is assigned to each asset. This score is defined in Table 2.

For field evaluations, the score POF score assigned in the field can be translated to a percent life consumed. For desktop evaluations, the percent life consumed that is calculated based on asset age and EUL can be translated to a POF score. In this way, assets can be compared using the same system whether they were evaluated in the field or on a computer. Figure 2 shows how the score can be translated to a percent life consumed, or vice versa, for assets using the upper value of each range listed in the table above.

Table 2 Translating Percent Life Consumed and POF Score

Percent Life Consumed	POF Score	Description of POF Score
0 – 39	1	Good: Asset is in good condition (no defects).
40 – 64	2	Acceptable: Asset has minor defects.
65 – 79	3	Fair: Asset has significant defects that will affect reliability or efficiency.
80 - 89	4	Poor: Asset is highly unreliable or inefficient.
90 - 100	5	Very Poor: Asset is no longer able to function in its current condition.

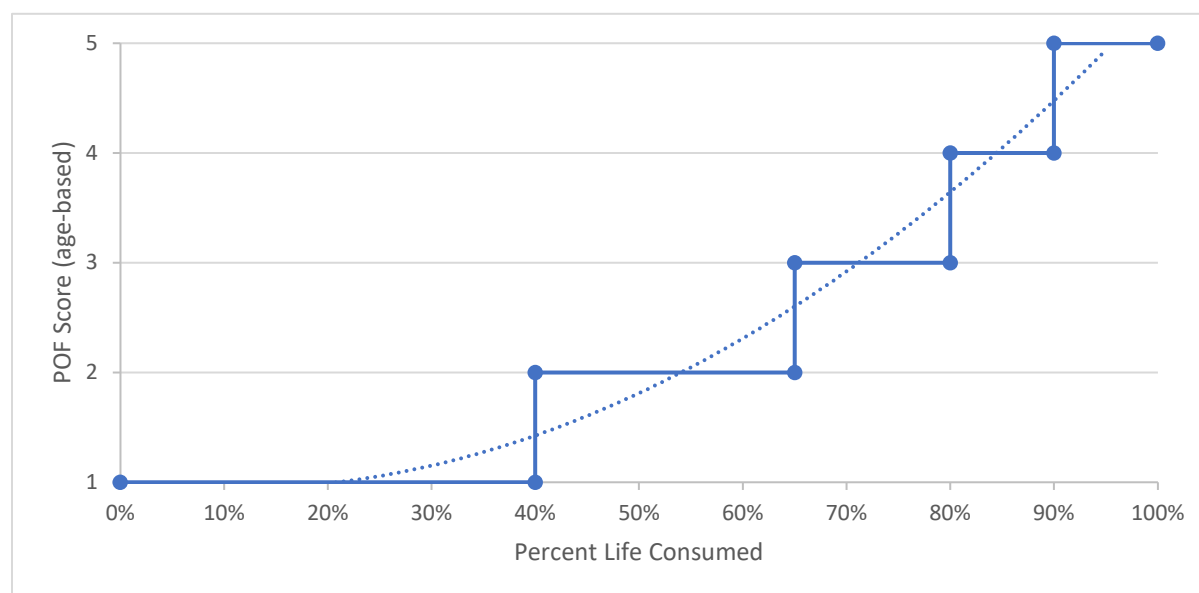


Figure 2 Translating Percent Life Consumed and POF Score

When the RUL is calculated from a POF score, we call it an evaluated RUL (evRUL) estimate. The evRUL, represented in years, is calculated using Equation 4.

Equation 4

$$evRUL = \% Life Consumed \times EUL$$

The evRUL is the result of the percent life consumed (from Table 2) and the EUL. The EUL value is assigned by asset class. The evRUL plus the current year (2024) is then used to determine the reinvestment year timing for the asset as shown in Equation 5.

Equation 5

$$Reinvestment Year = 2024 + evRUL$$

Field Evaluations

For assets that have been evaluated in the field (i.e., through condition assessments, inspections, or other tests), a condition-based assessment POF score is used. This score is determined in the field by condition assessment discipline leads. The lead scores the asset based on discipline specific criteria for condition

and performance. The maximum (worst) score from each condition and performance assessment represents the overall POF score (field-based) for the asset as shown in Equation 6:

Equation 6

$$POF \text{ (field based)} = MAX(\text{Condition score}, \text{Performance score})$$

Using the maximum score (rather than the average) provides conservative results because this approach includes all assets in need of attention that might otherwise be lost due to averaging. This is important for identifying assets and issues that represent a high risk due to the POF score. In some cases, the cost to improve an individual POF score may be minor yet could have a significant impact on reducing risk.

The **CONDITION SCORE** is determined by the discipline lead scoring the asset on a one to five scale for the categories in Table 3. The condition question categories vary by discipline.

Table 3 Summary of Condition Question Categories by Discipline

Discipline	Condition Question Categories
Electrical/Instrumentation	- General Condition - Deterioration - Wiring/Cable Condition - Enclosure - Equipment - Functionality - Fasteners, Belts, Caps, Washers, etc.
Mechanical	- General Condition - Corrosion - Exterior - Vibration - Functionality - Elements - Temperature - Piping - Fasteners, Belts, Caps, Washers, etc.
Structural	- General Condition - Foundation - Movement - Joint - Coating/Lining/Paint - Safety Components - Silt⁽¹⁾ - Interior Coating⁽¹⁾ - Exterior Coating⁽¹⁾

Notes:

(1) Imported from the City's Reservoir Inspection Log.

For each asset, the highest condition score among all applicable category responses is used to represent the overall condition of the asset as shown in Equation 7. The descriptions of the score vary depending on the question; however, the scoring scale of one to five remains consistent.

Equation 7

Condition score = MAX(Discipline Specific Condition Question Categories)

The **PERFORMANCE SCORE** is determined by the discipline lead scoring the asset on a one to five scale using the following categories:

- Performance.
- Operations and Maintenance.
- Reliability.
- Redundancy.
- Obsolescence.
- Estimated Life Remaining.

The scores for performance, O&M, reliability, and obsolescence are incorporated into an overall performance score as shown in Equation 8:

Equation 8

Performance score = MAX(Performance, O&M, Reliability, Obsolescence)

Redundancy is captured for documentation purposes and the estimated life remaining is used for quality assurance/quality control (QAQC) purposes. Assets with significant differences between the estimated life remaining observations and the replacement timing results are flagged for further review.

Desktop Evaluation

For assets not evaluated in the field, an age-based desktop evaluation is used to calculate the POF score using the installation date and its EUL to calculate the POF score (i.e., the POF score is determined using equations 1 through 3), then the percent life consumed is translated to a POF score as shown in Figure 3.

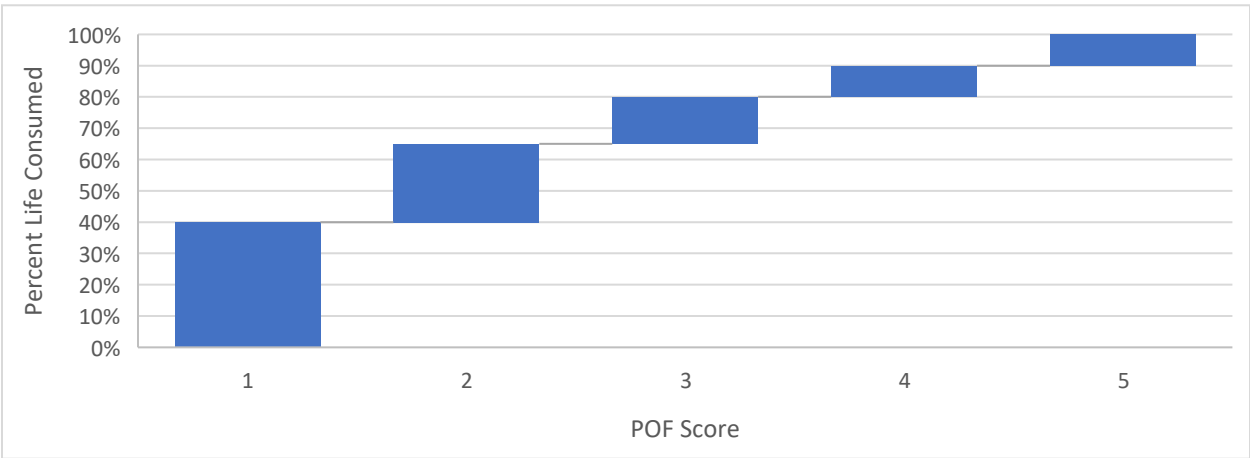


Figure 3 Translating Percent Life Consumed to POF

The condition-based POF evaluation method (field evaluation approach) provides a more representative assessment because of the nature of the POF score being based on visual observations of the asset, as well as feedback from staff on the asset performance. Nevertheless, it is not always practical to visually assess every asset. Hence, the age-based POF evaluation method (desktop evaluation approach) is useful in providing a generally conservative estimate for projecting asset replacement timing.

1.2.1.3 Results

POF scores are identified for each asset using field evaluation (condition-based and performance-based) results, or, if not available, desktop evaluation (age-based) results.

Across the water facilities there are 525 assets included in the assessment. Of those assets, 452 were assessed using condition information derived from a visual inspection and the remaining 24 were assessed in the desktop evaluation because they were unable to be accessed. The combined evaluations have resulted in a POF score for each asset, which is shown in Figure 4.

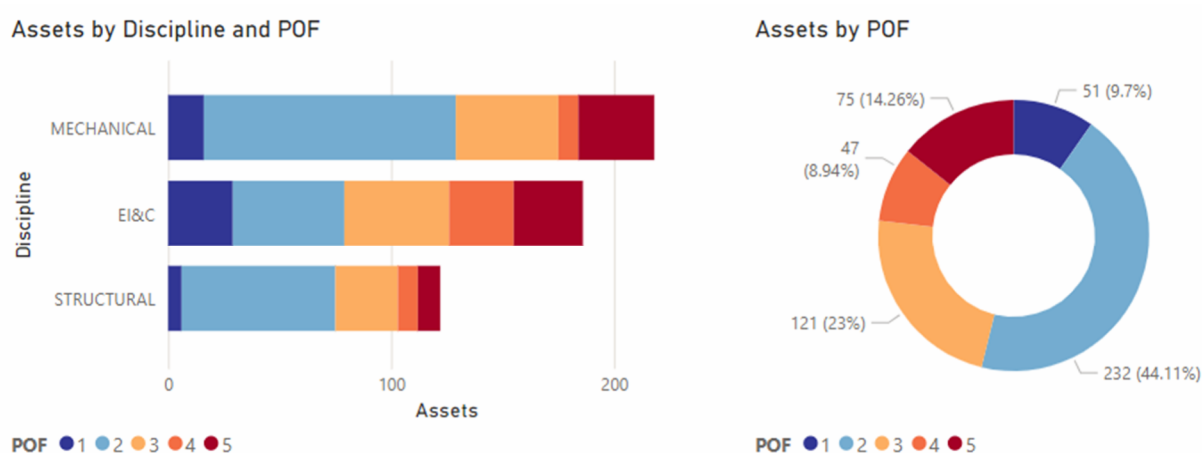


Figure 4 Water Facility POF Scores

Over 75 percent of assets are in good (score of one), acceptable (two), or fair (three) condition. Typically, these assets do not need immediate attention and are operating as desired with a few recommendations for improvement (namely for assets with scores of three). On the other hand, almost a quarter of assets are in poor (four) or very poor (five) condition indicating that reinvestment is needed now or very soon.

Of the 75 assets assigned very poor condition scores, 35 were assigned a score of five through the age-based evaluation. The age-based evaluation represents six percent of all the assets, but nearly 44 percent of the assets with a score of five. This example helps demonstrate the variability between the desktop and field evaluations. The findings from the field are generally better than the desktop POF scores. This indicates that the assets are well maintained and appear to function well despite their apparent age. Some methods that will improve the desktop evaluation results in the future are to use accurate asset installation dates, consider additional factors (i.e., O&M history) that may impact the EUL, and updating EULs.

The POF score and EUL for each asset were used to calculate RUL and associate each asset to a reinvestment year. Figure 5 presents the number of assets by reinvestment year.

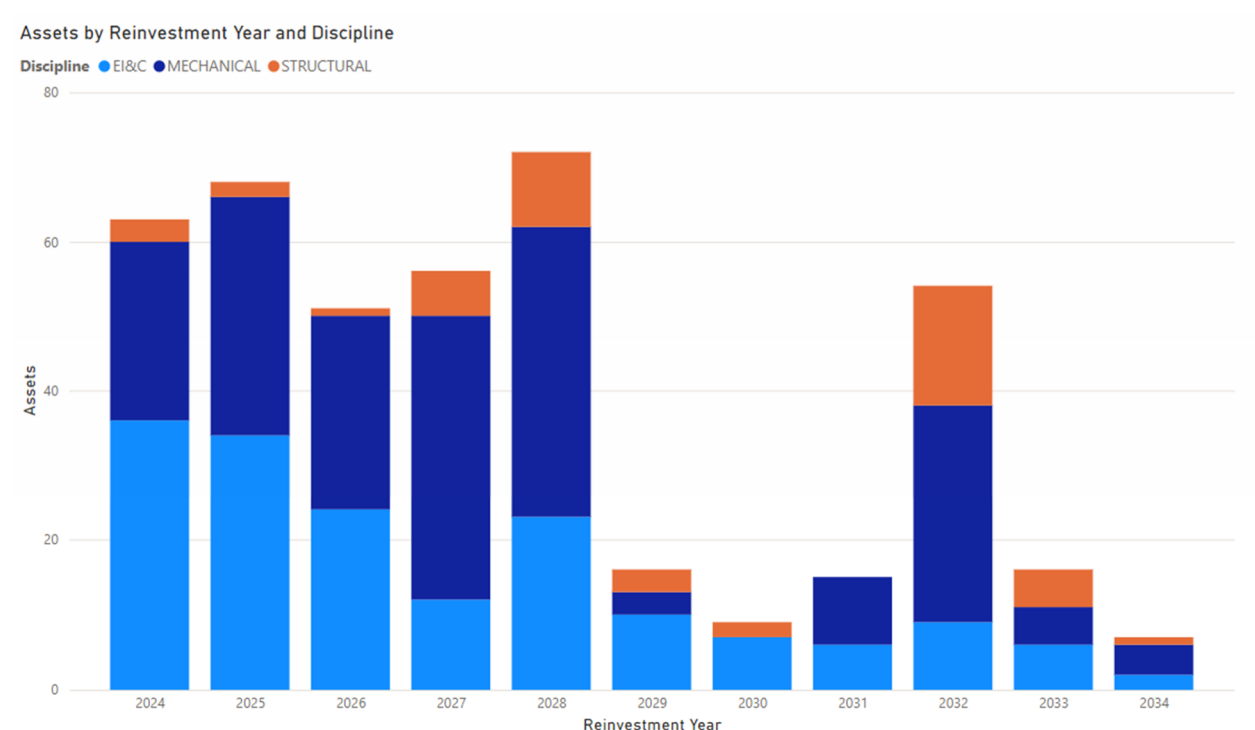


Figure 5 Water Facility Assets by Reinvestment Year

The earliest reinvestment year represented is 2024, if there were any recommendations that occurred before 2024, they were reassigned to 2024.

The following sections take a closer look at the results by facility. For a list of all assets by site and their POF score, reinvestment timing, and any observations and recommendations refer to Appendix B.

Booster Stations

There are 14 booster stations representing a total of 246 assets. A figure for each booster station is shown below in Figures 6 through 19.

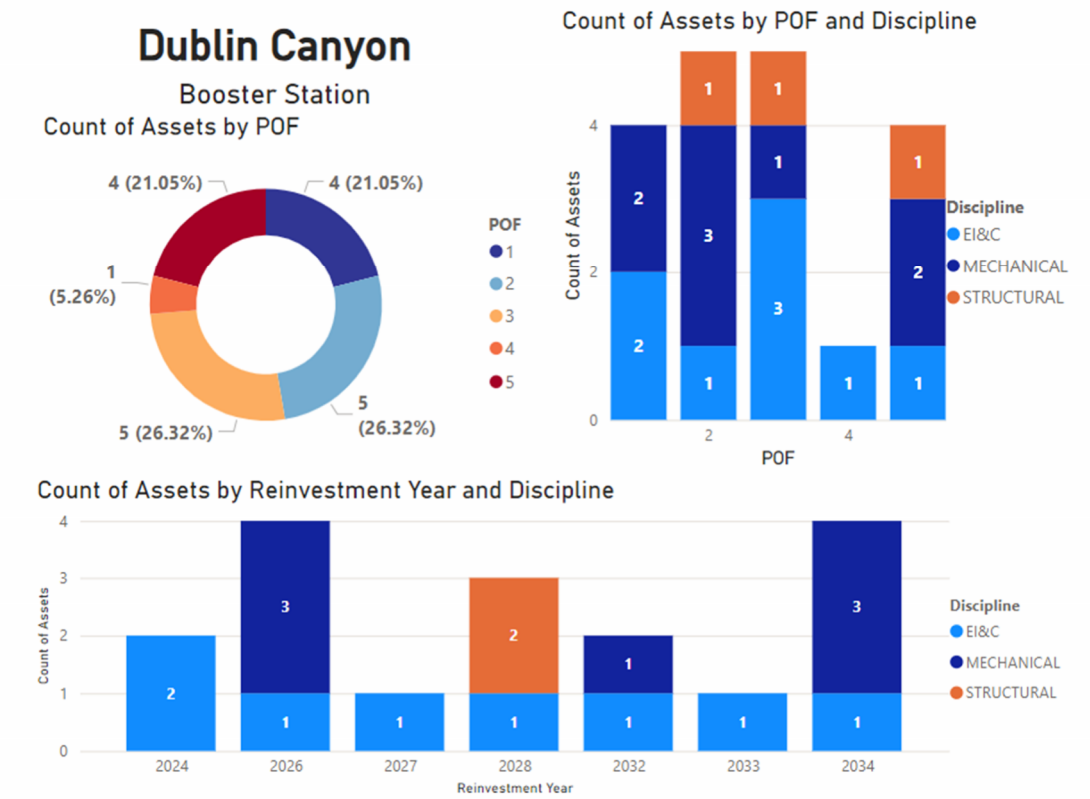


Figure 6 Dublin Canyon Booster Station POF Results

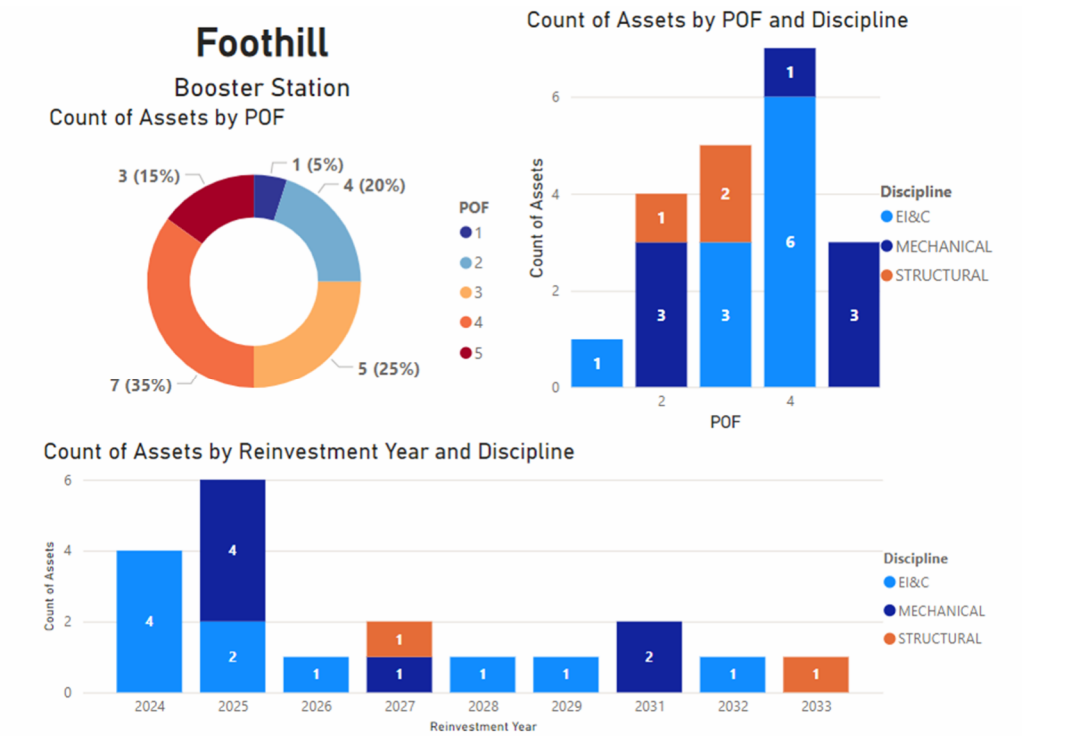
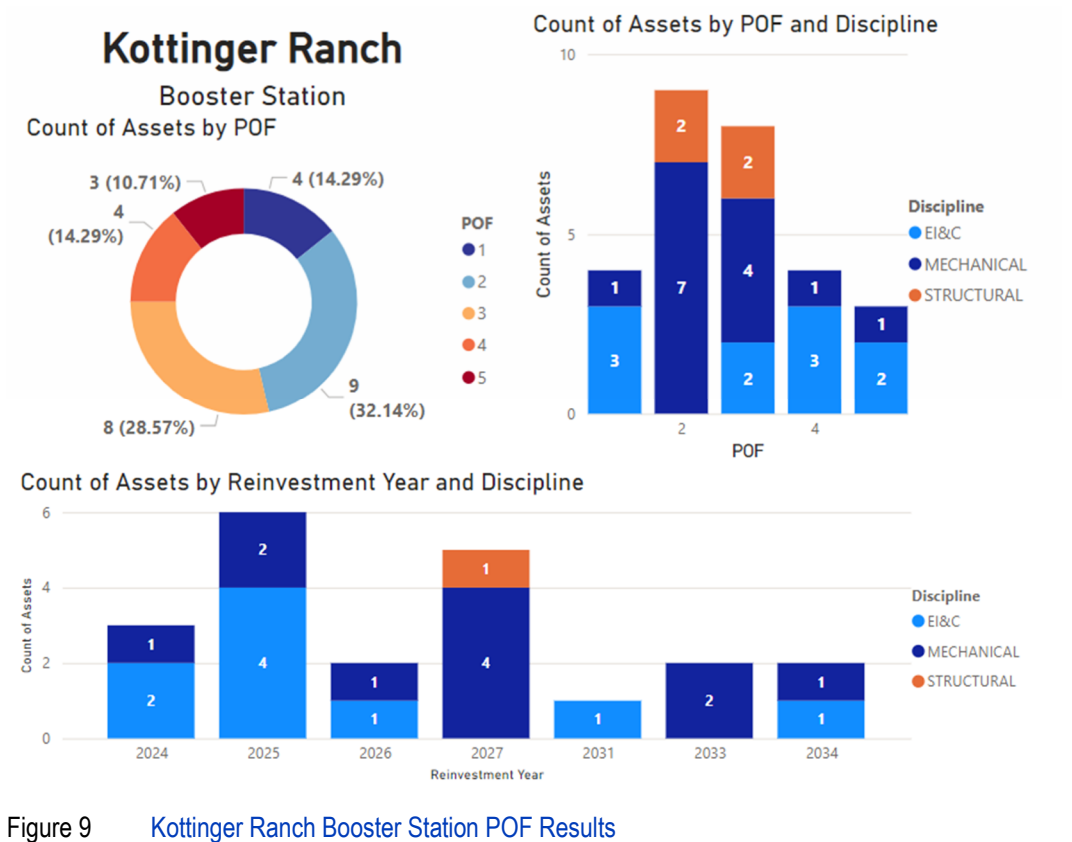
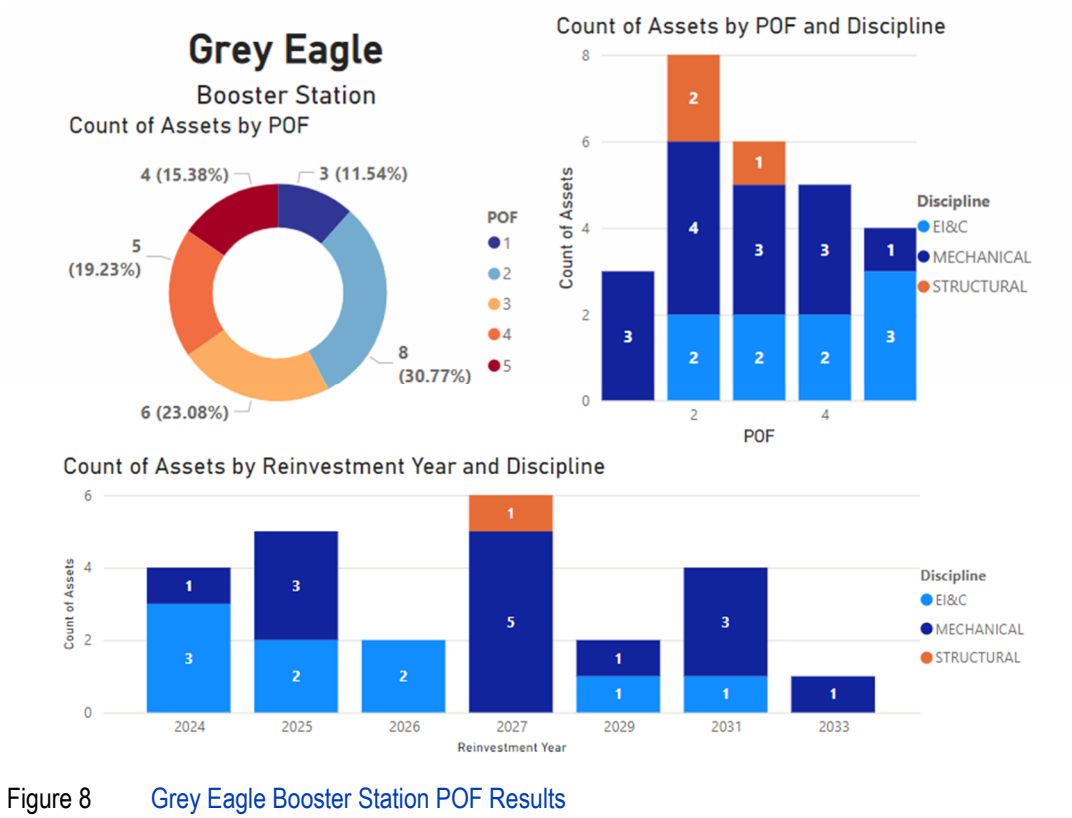


Figure 7 Foothill Booster Station POF Results



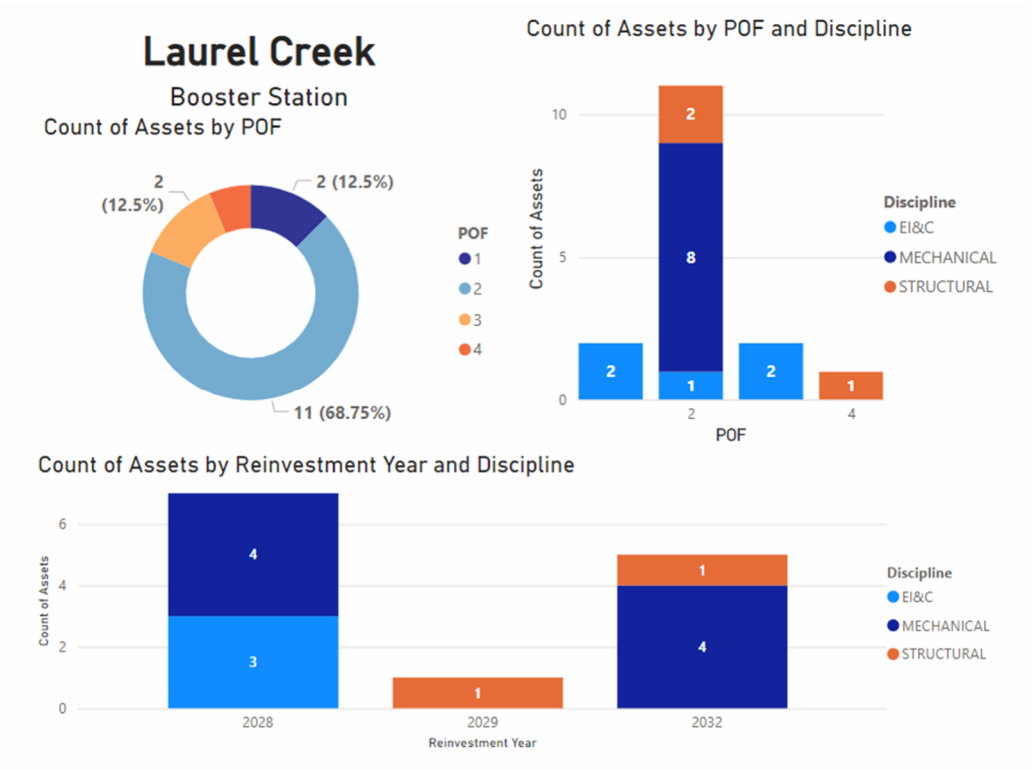


Figure 10 Laurel Creek Booster Station POF Results

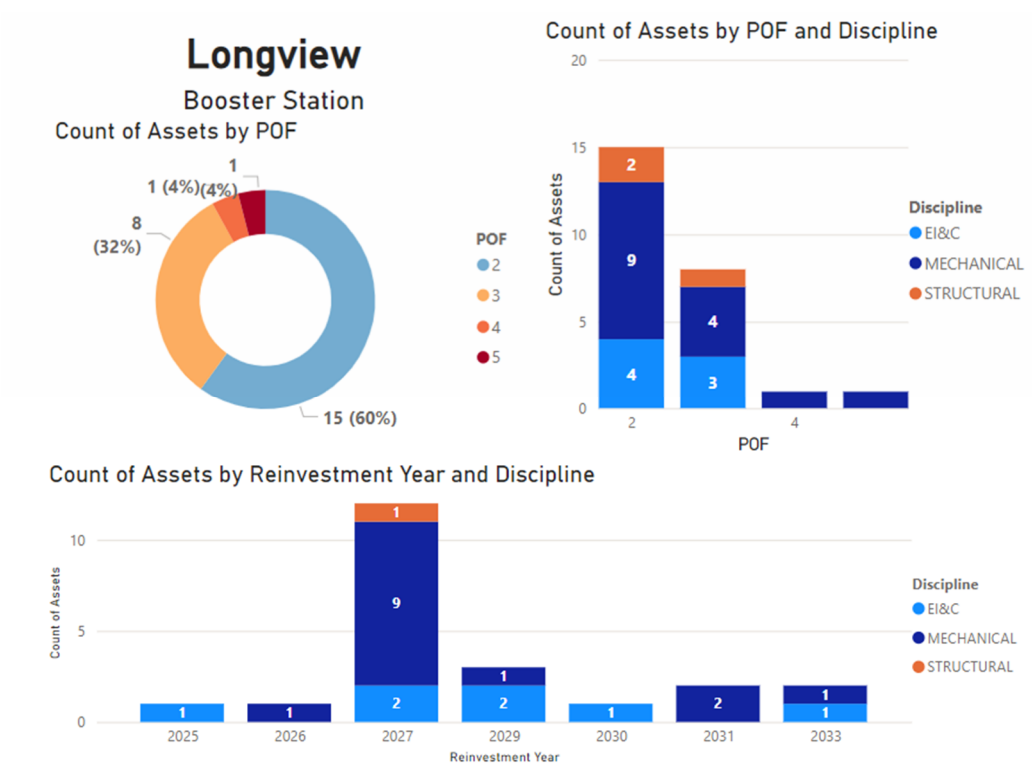


Figure 11 Longview Booster Station POF Results

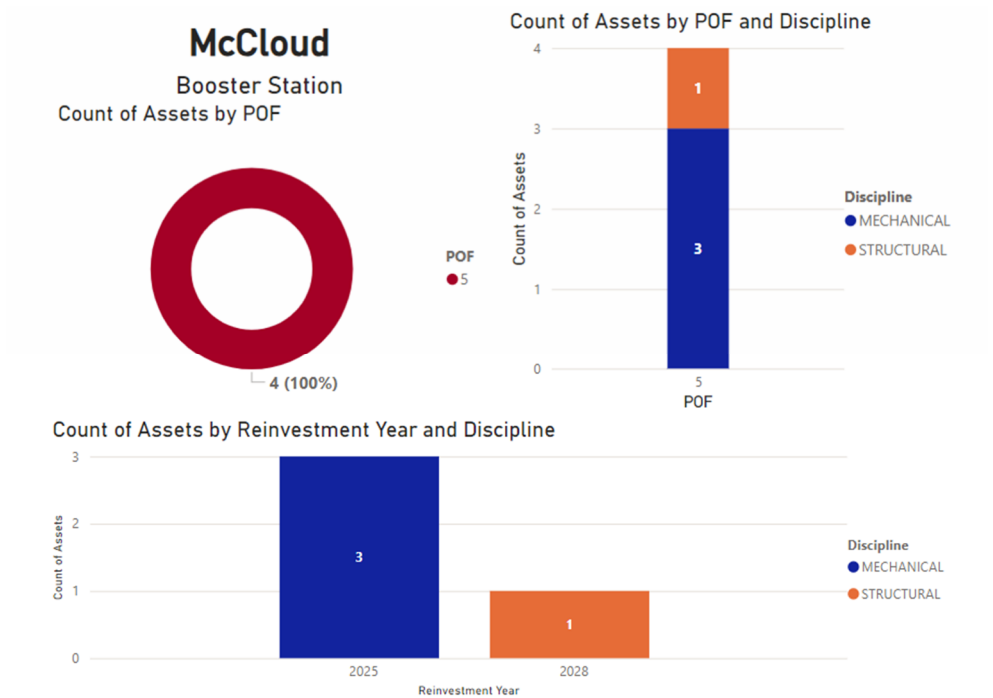


Figure 12 McCloud Booster Station POF Results

McCloud Booster Station is no longer in service and it is recommended that the facility is decommissioned.

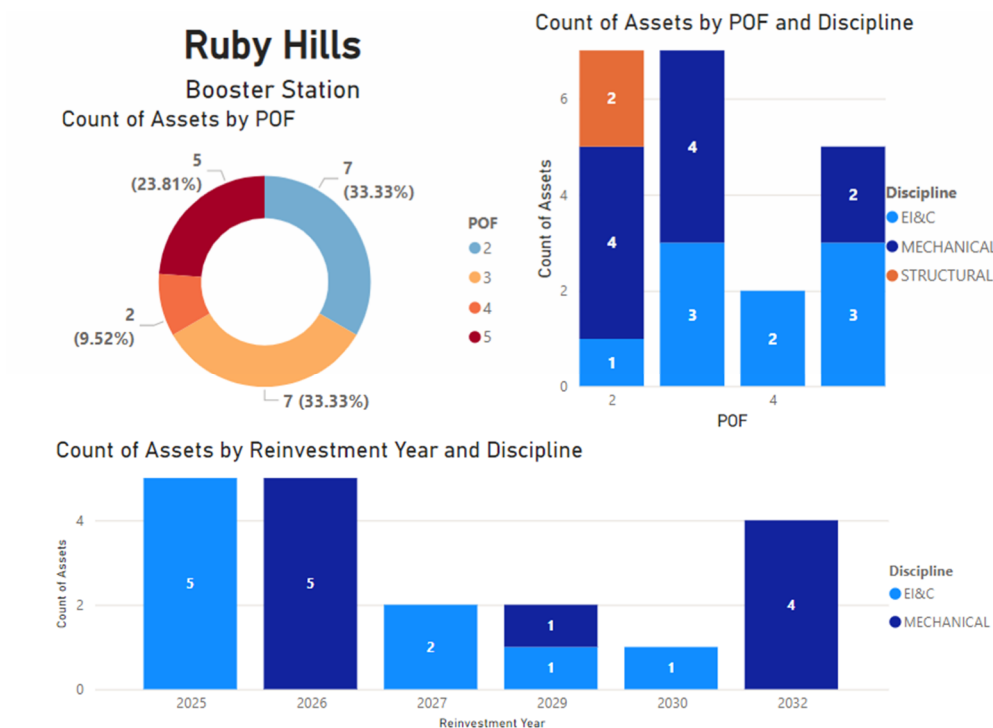


Figure 13 Ruby Hills Booster Station POF Results

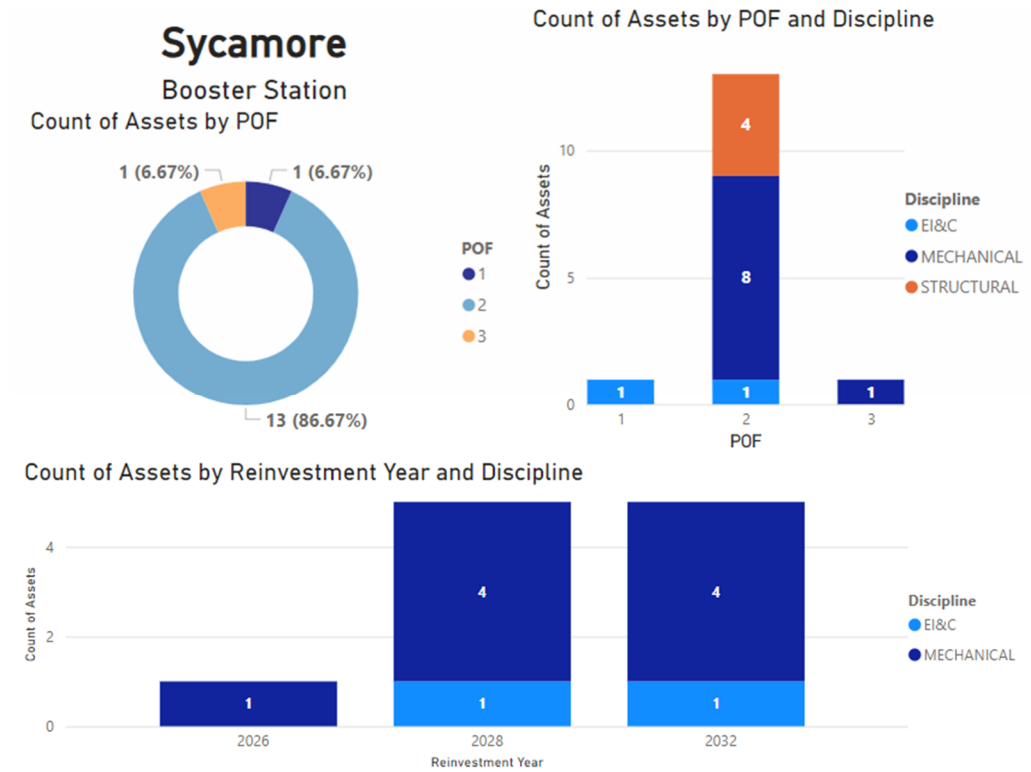


Figure 14 Sycamore Booster Station POF Results

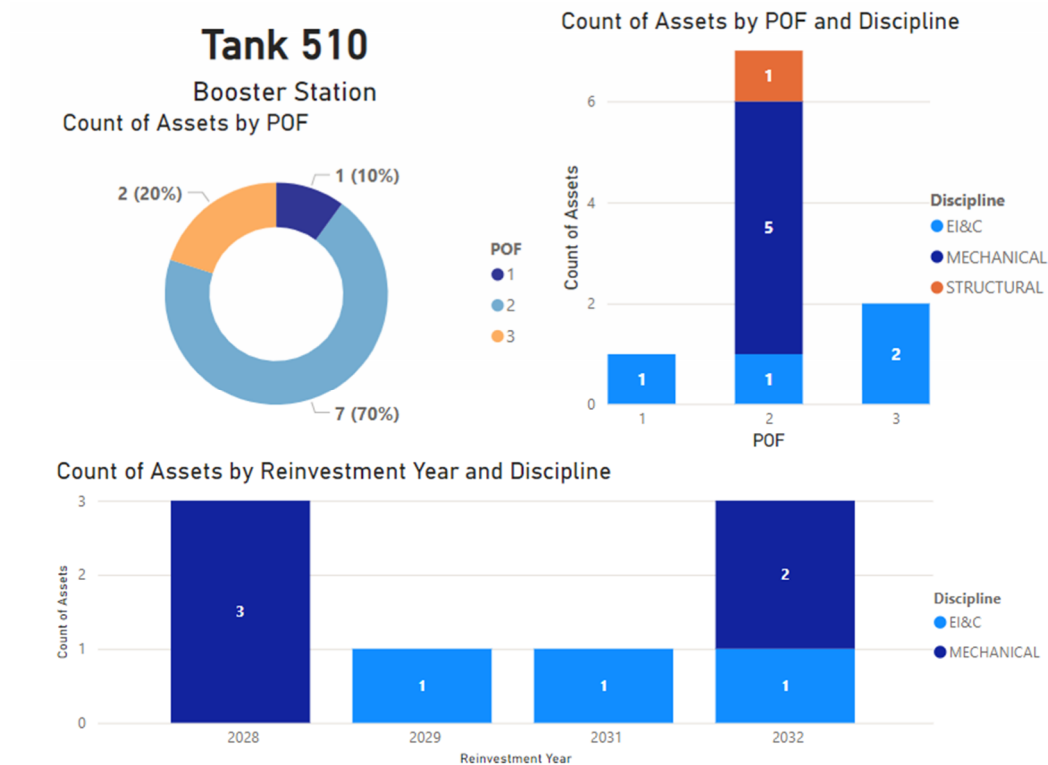


Figure 15 Tank 510 Booster Station POF Results

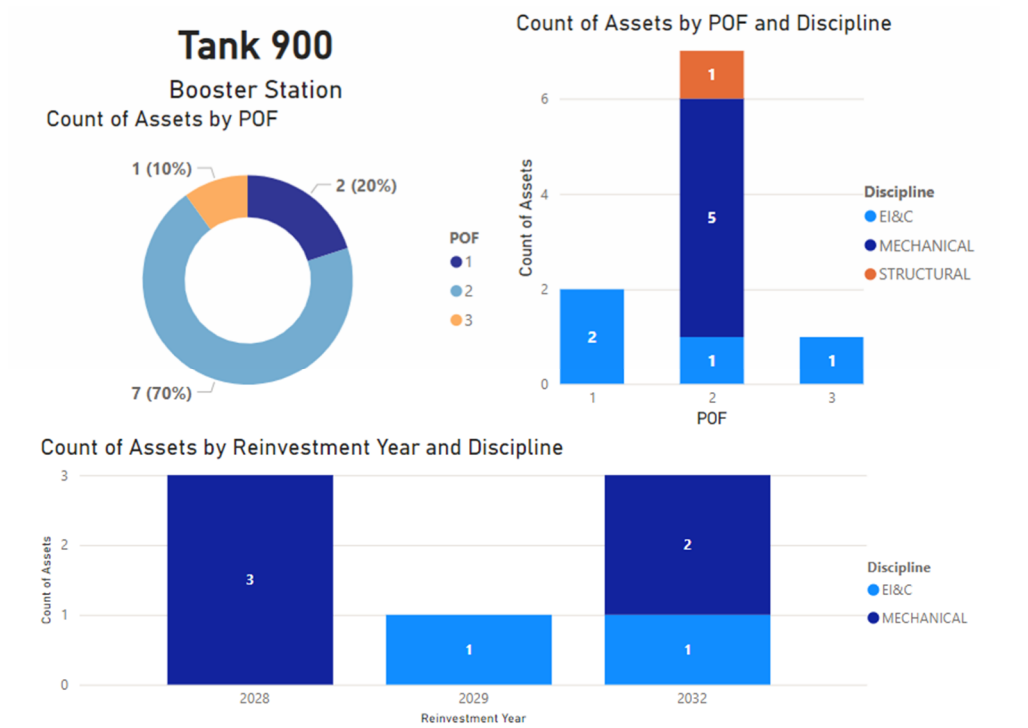


Figure 16 Tank 900 Booster Station POF Results

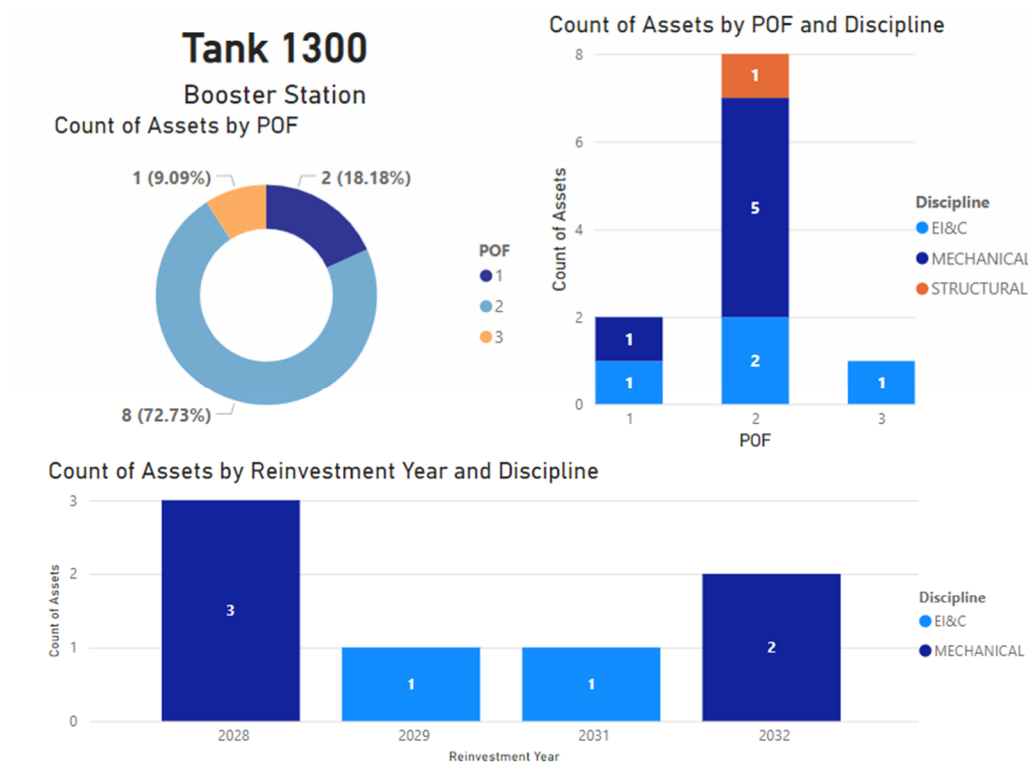


Figure 17 Grey Eagle Booster Station POF Results

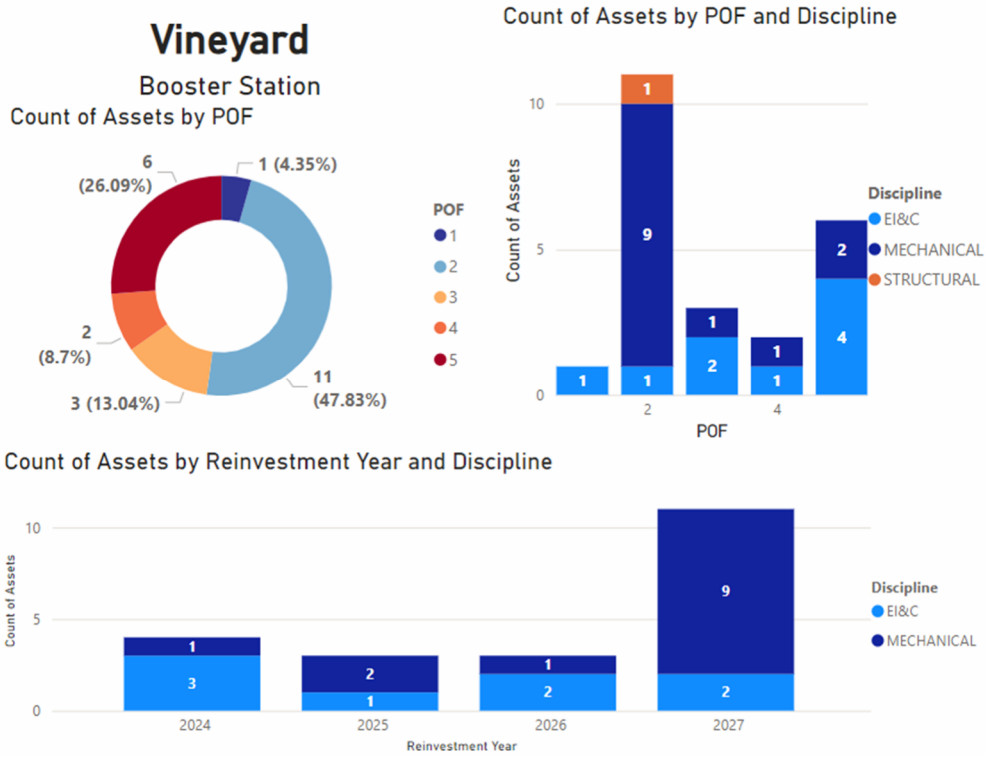


Figure 18 Vineyard Booster Station POF Results

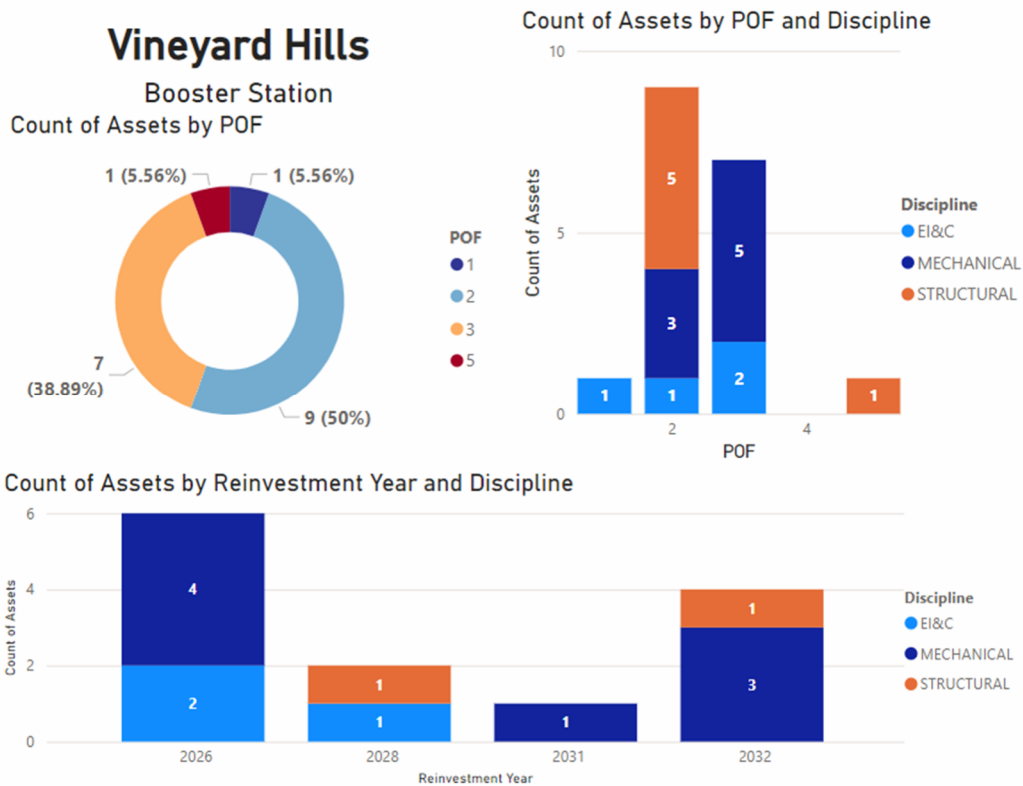


Figure 19 Vineyard Hills Booster Station POF Results

Reservoirs

There are 21 reservoirs representing a total of 161 assets. A figure for each reservoir is shown below in Figures 20 through 41.

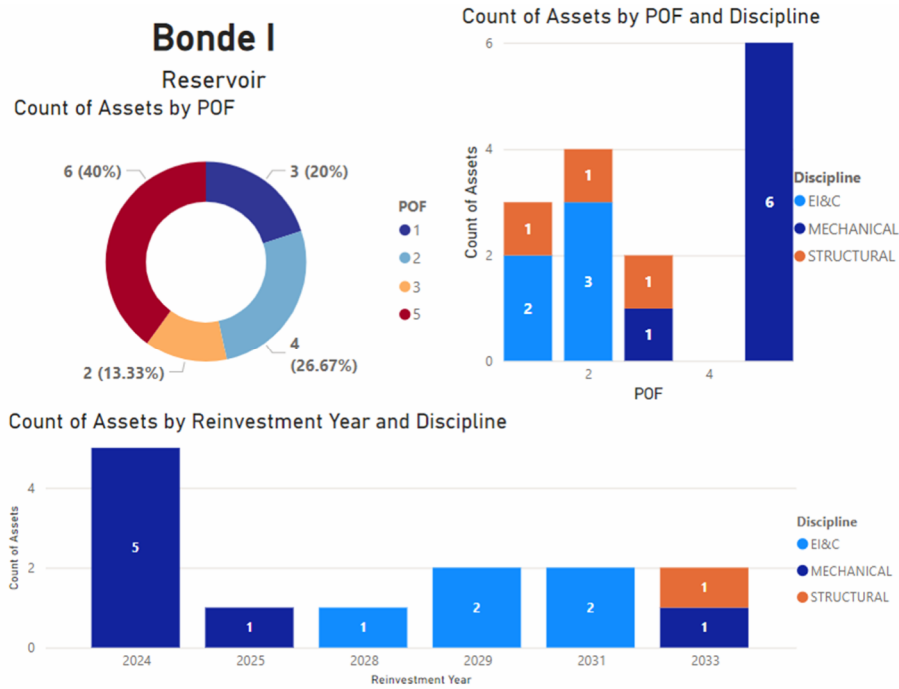


Figure 20 Bonde I Reservoir POF Results

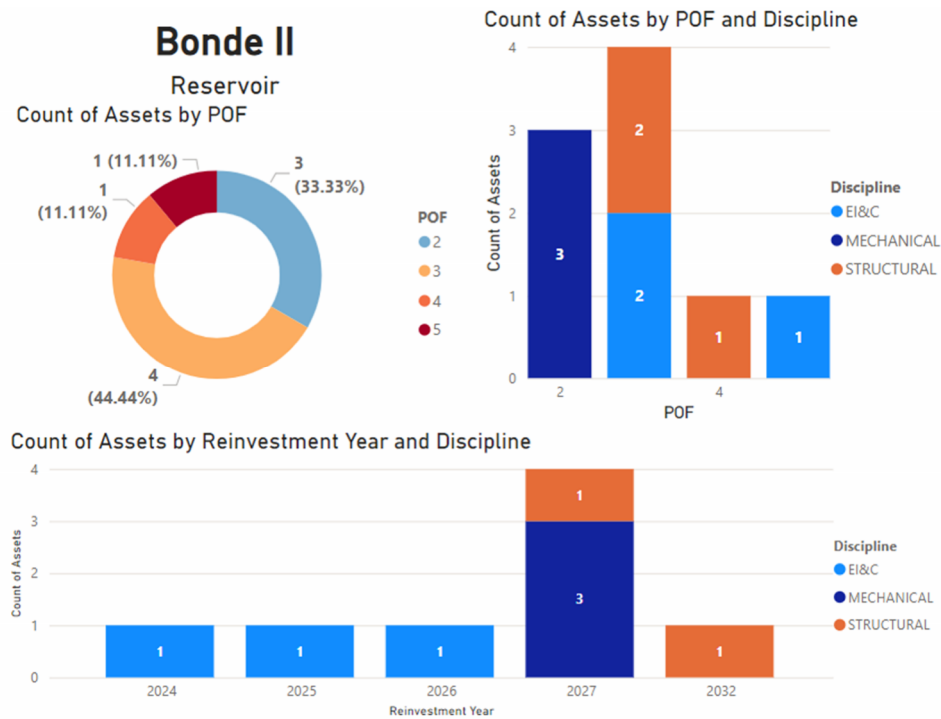


Figure 21 Bonde II Reservoir POF Results

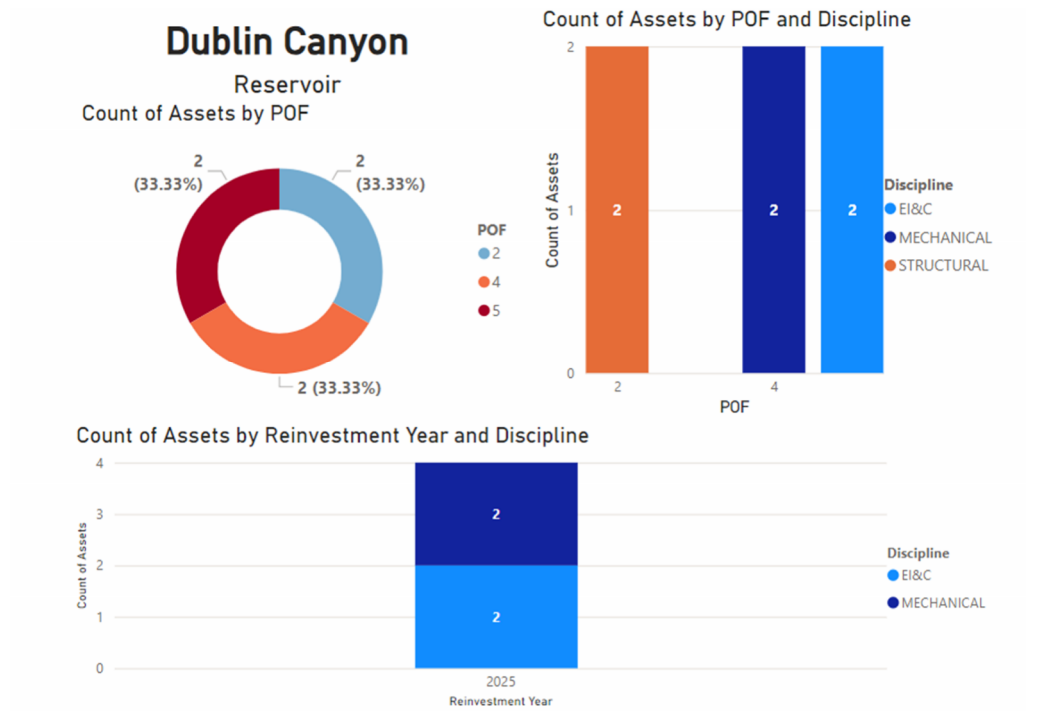


Figure 22 Dublin Canyon Reservoir POF Results

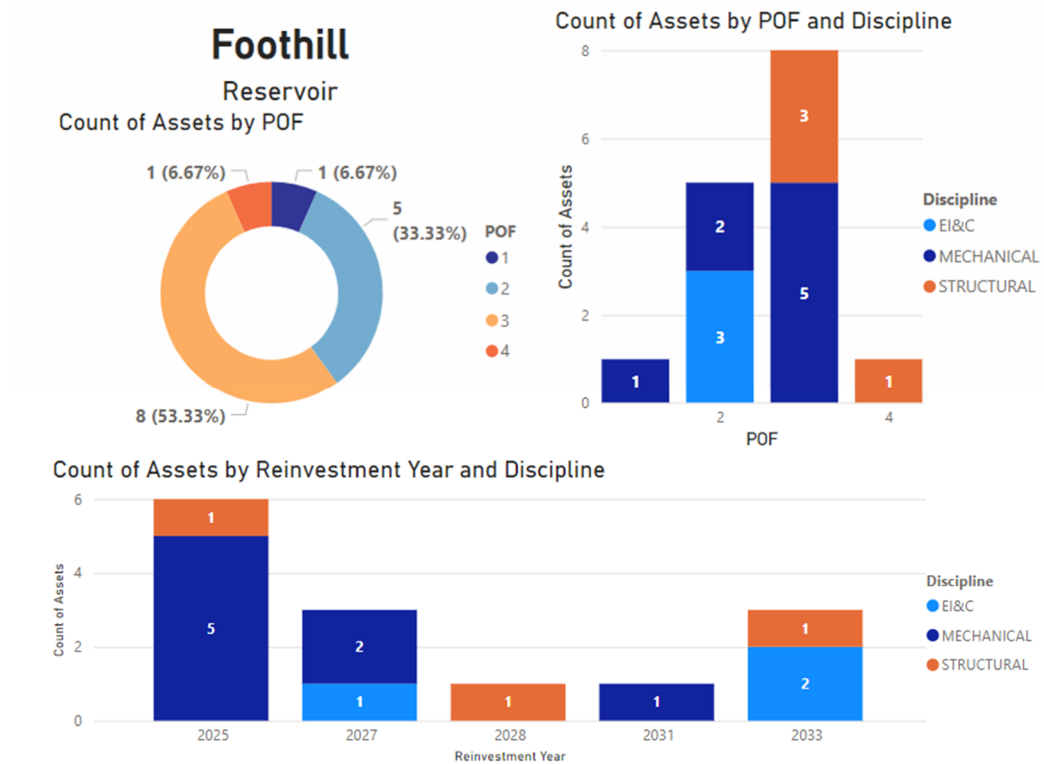


Figure 23 Foothill Reservoir POF Results

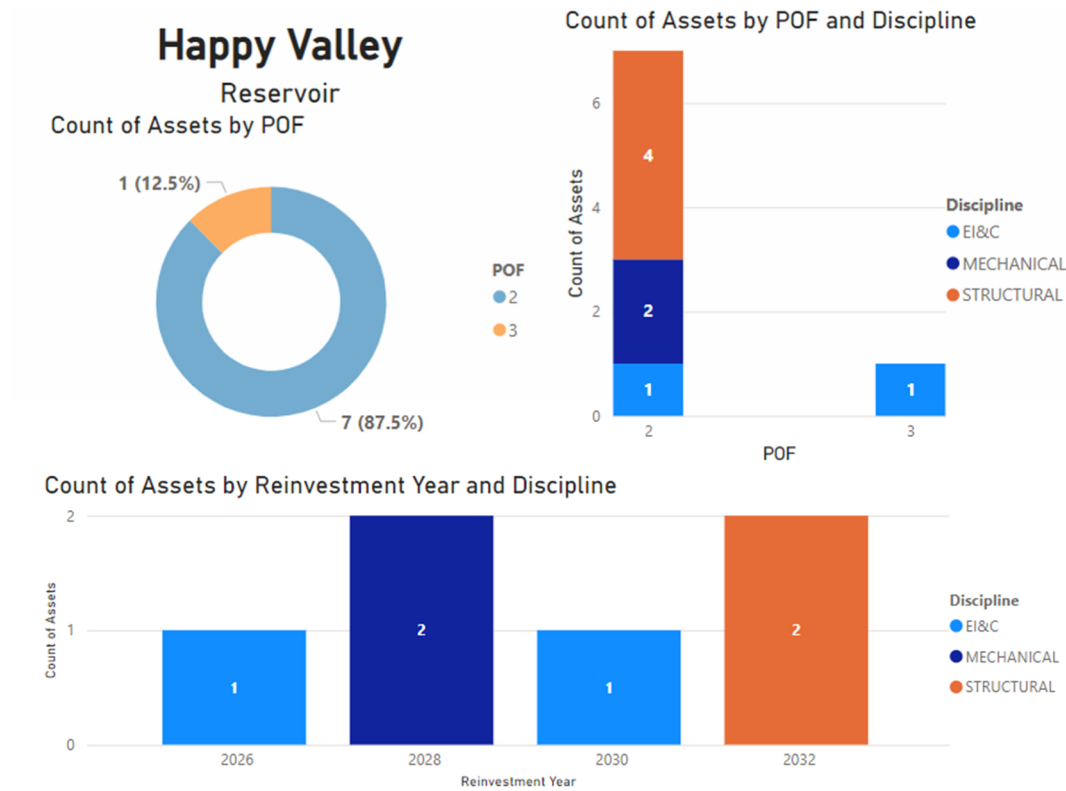


Figure 24 Happy Valley Reservoir POF Results

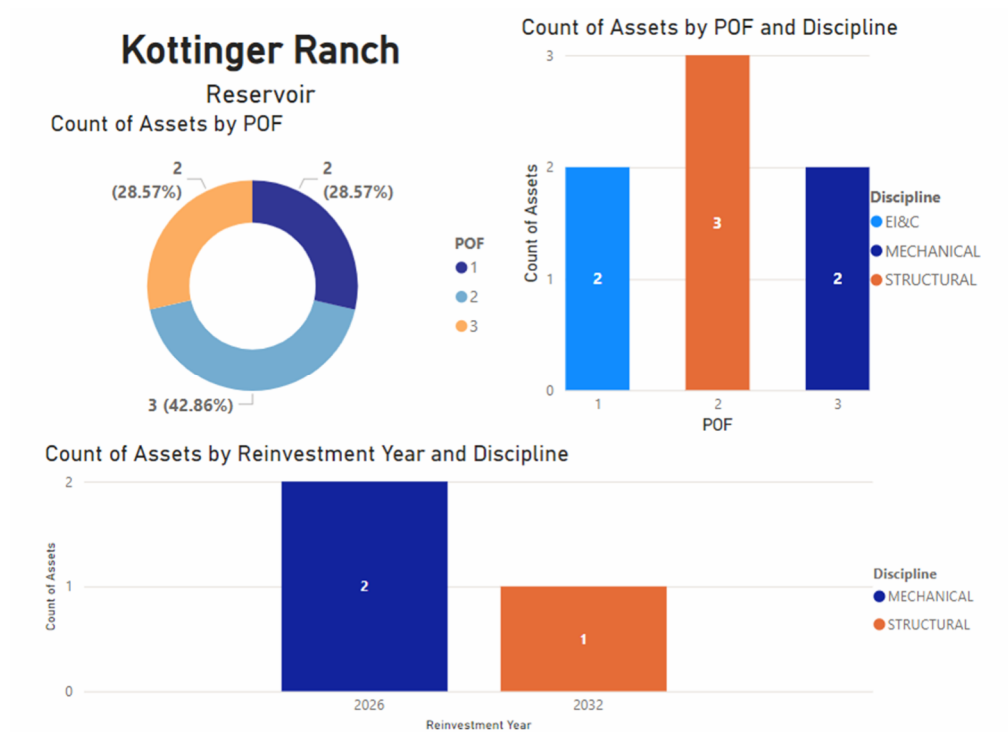


Figure 25 Kottinger Ranch Reservoir POF Results

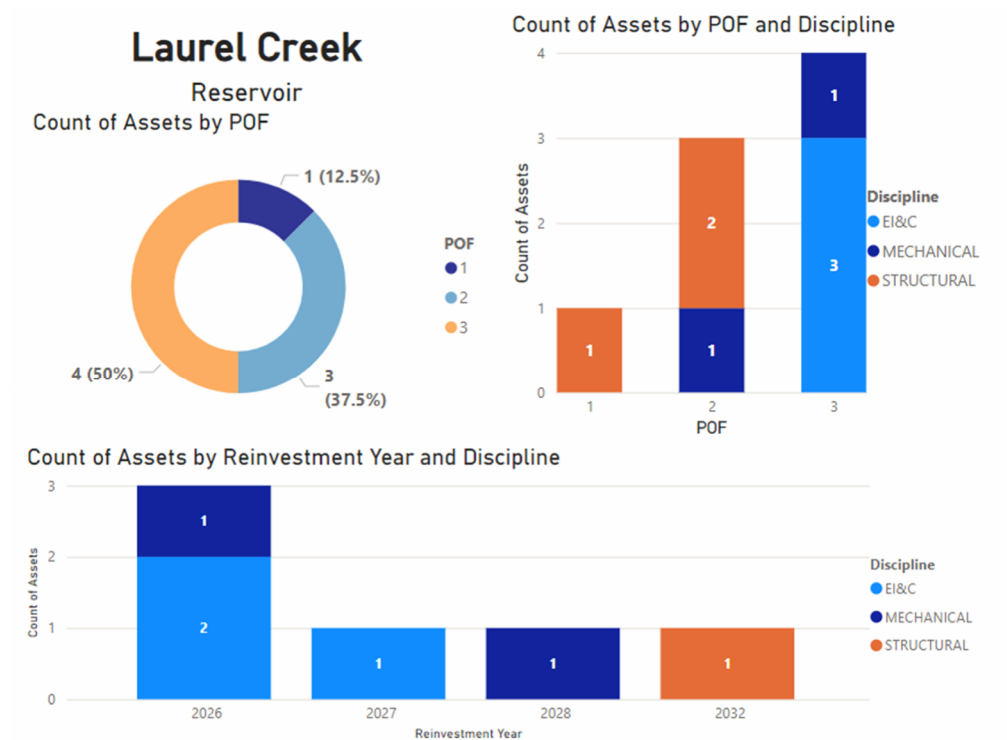


Figure 26 Laurel Creek Reservoir POF Results

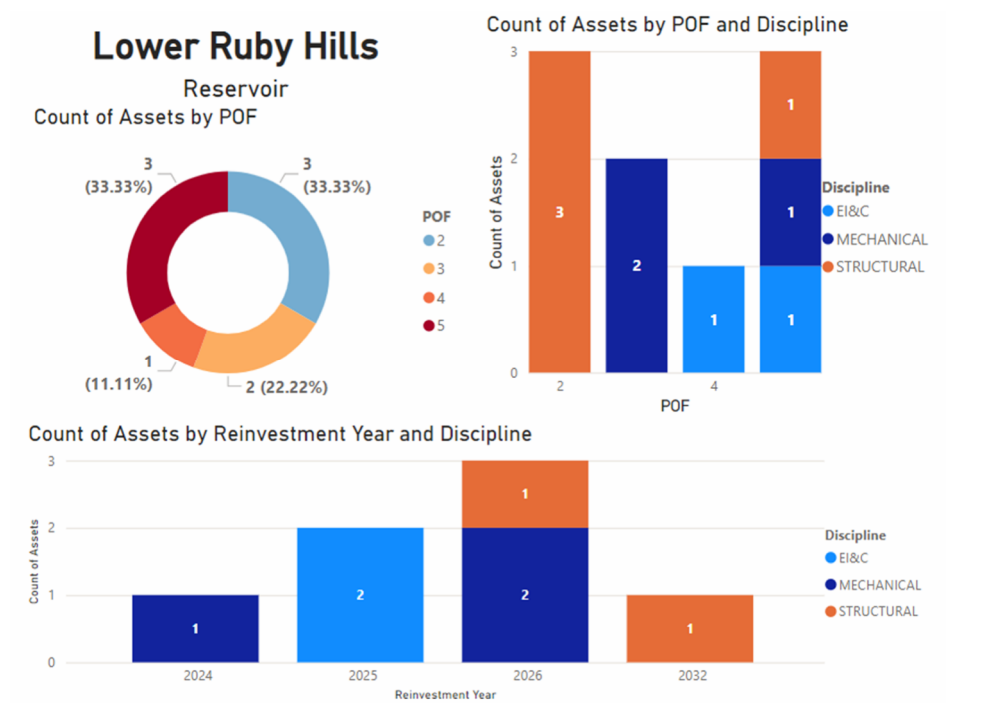


Figure 27 Lower Ruby Hills Reservoir POF Results

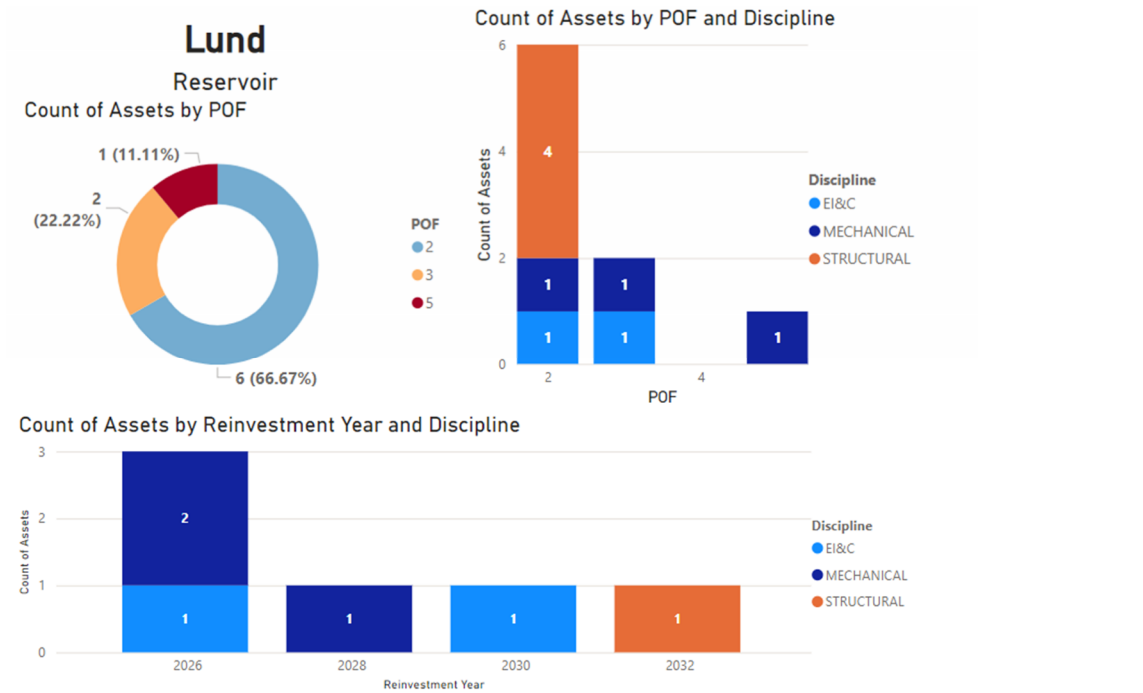


Figure 28 Lund Reservoir POF Results

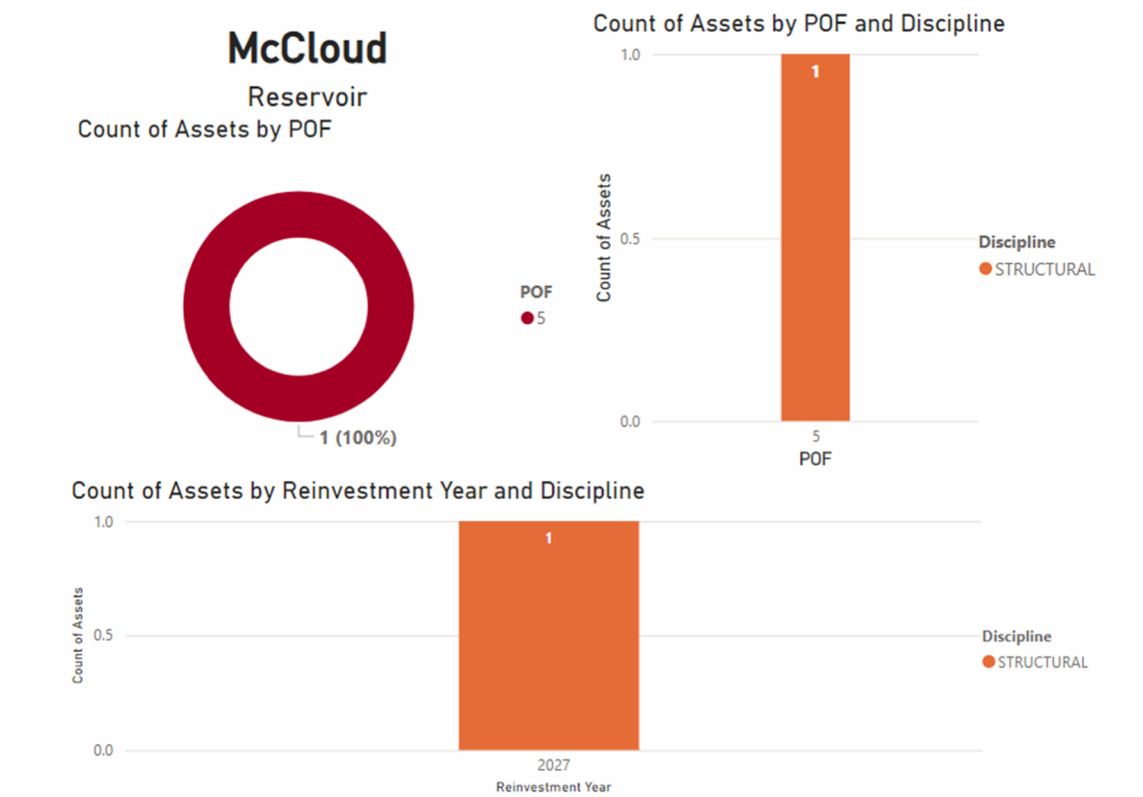


Figure 29 McCloud Reservoir POF Results

McCloud Reservoir is on the same site as the booster station and is no longer in service. Decommissioning this facility is recommended.

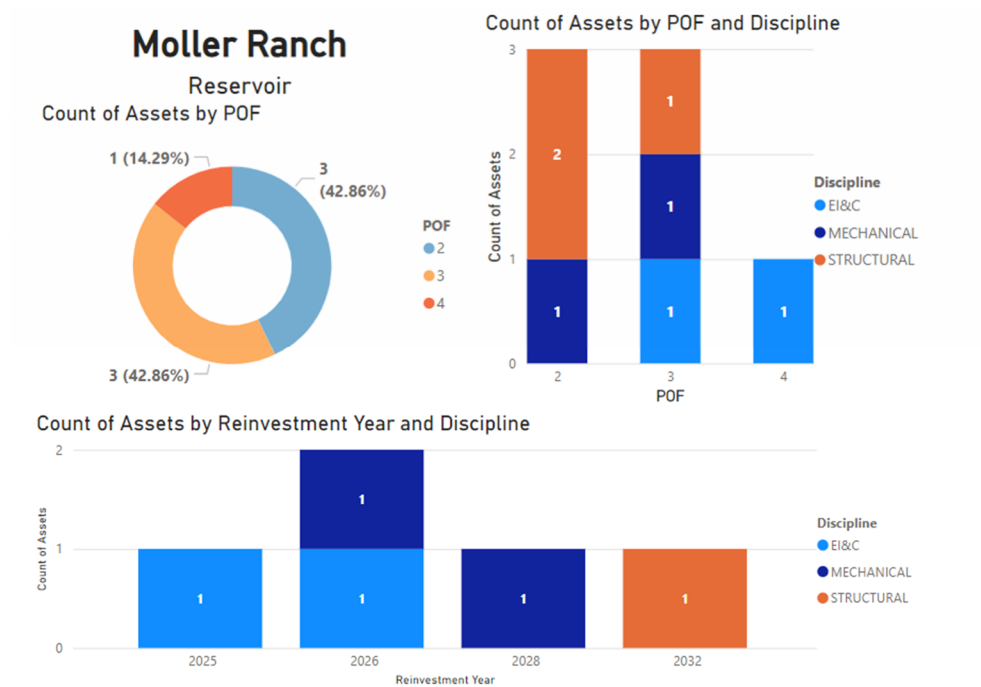


Figure 30 Moller Ranch Reservoir POF Results

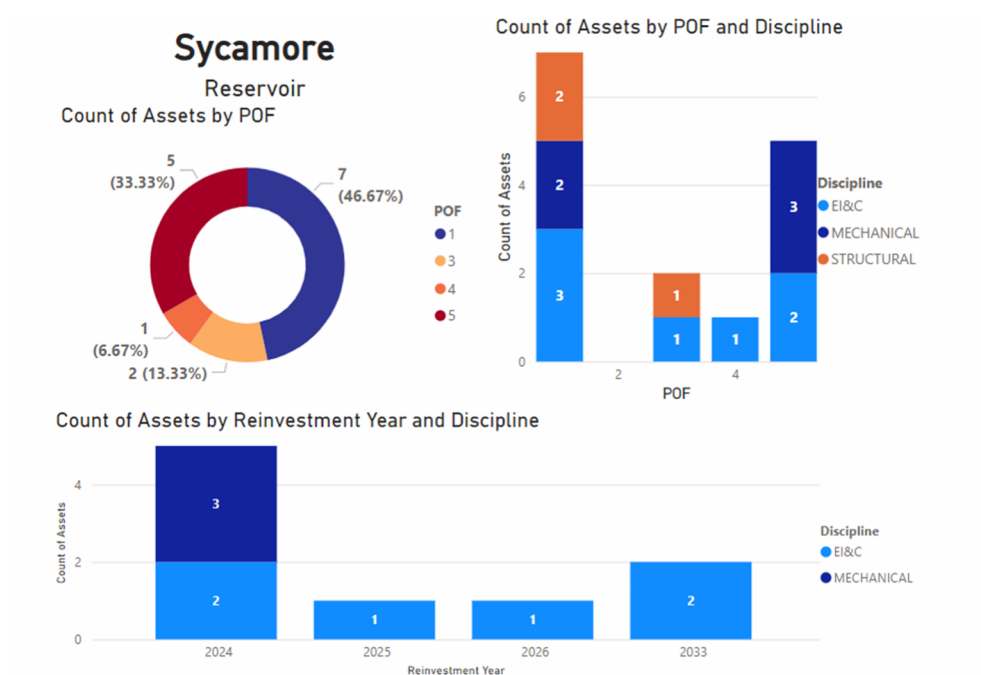


Figure 31 Sycamore Reservoir POF Results

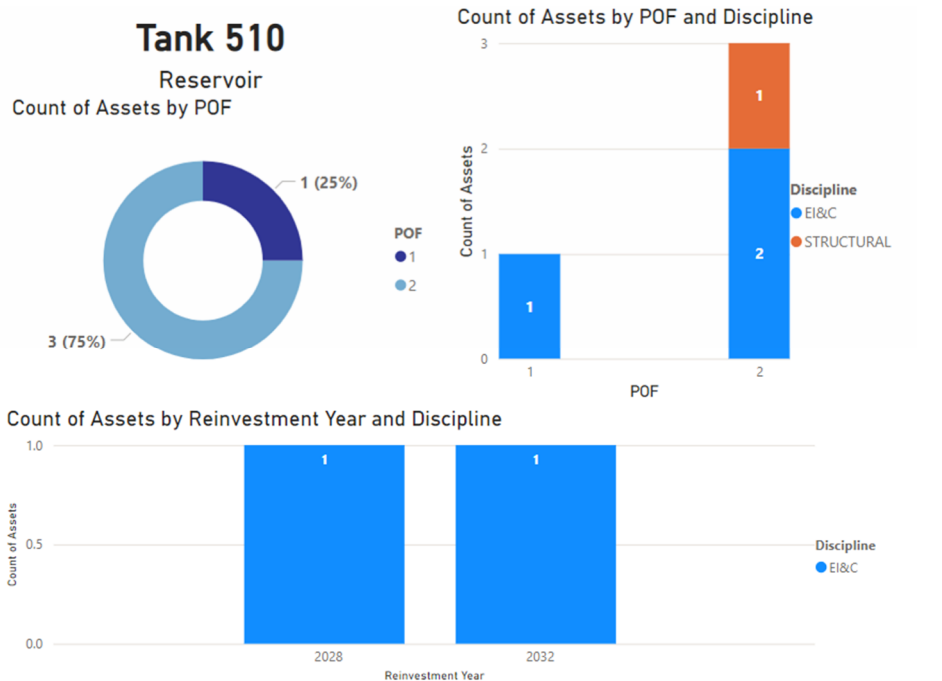


Figure 32 Tank 510 Reservoir POF Results

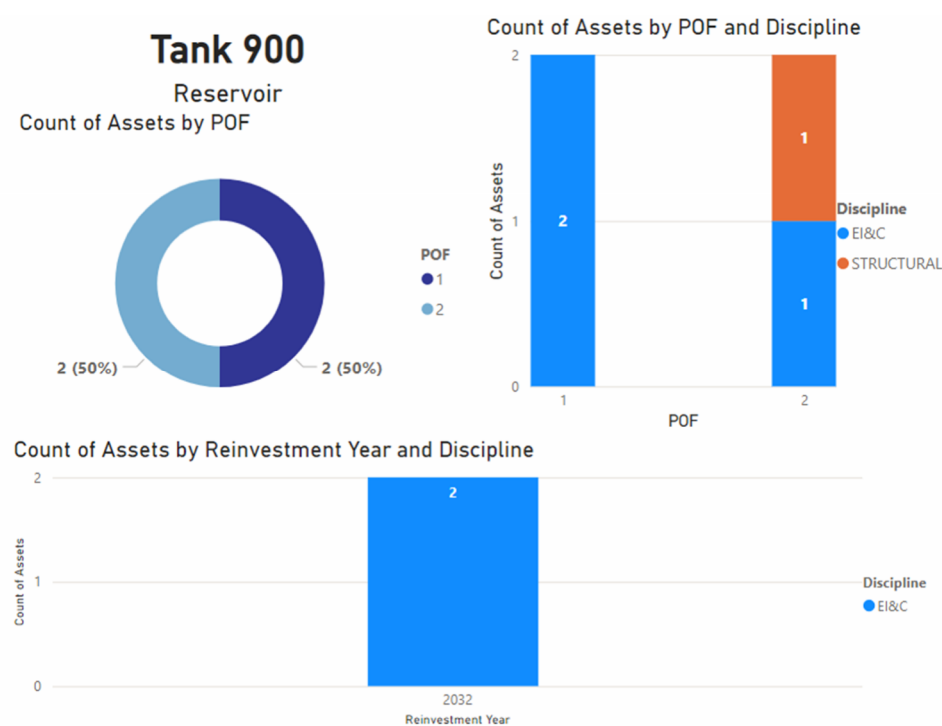


Figure 33 Tank 900 Reservoir POF Results

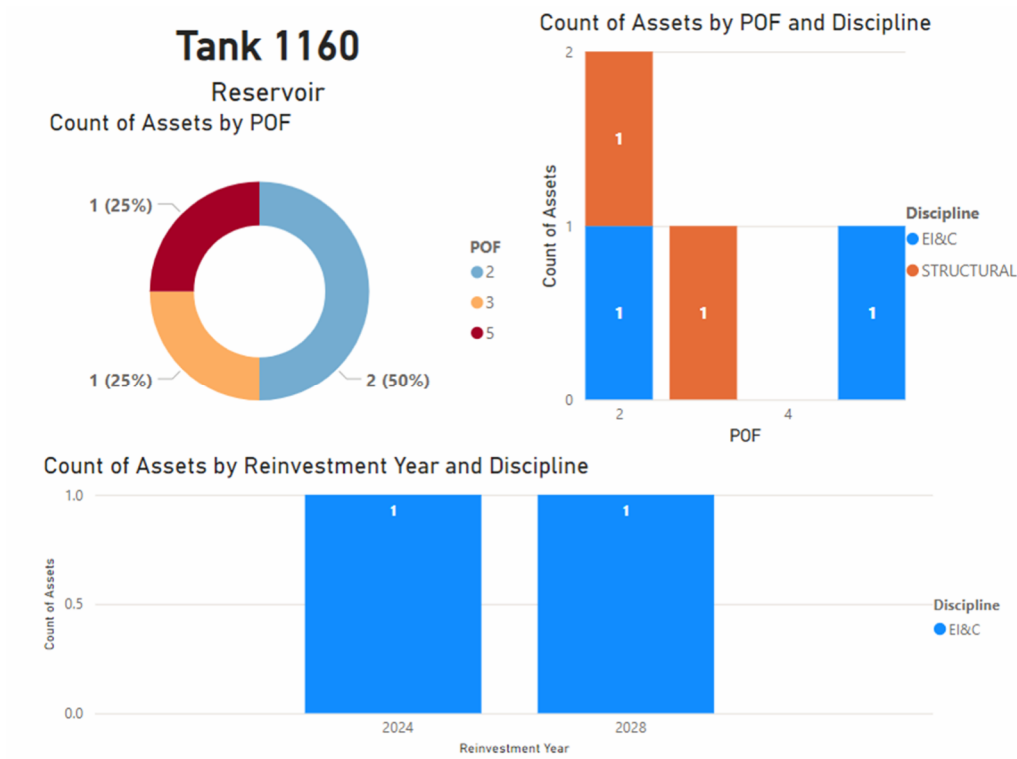


Figure 34 Tank 1160 Reservoir POF Results

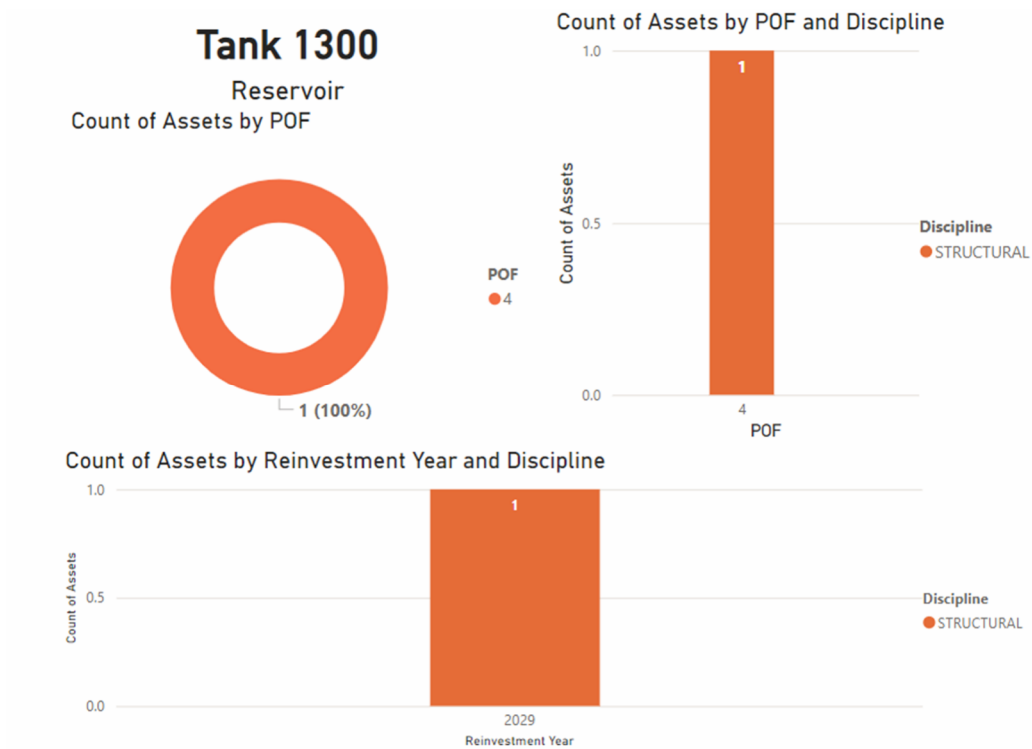


Figure 35 Tank 1300 Reservoir POF Results

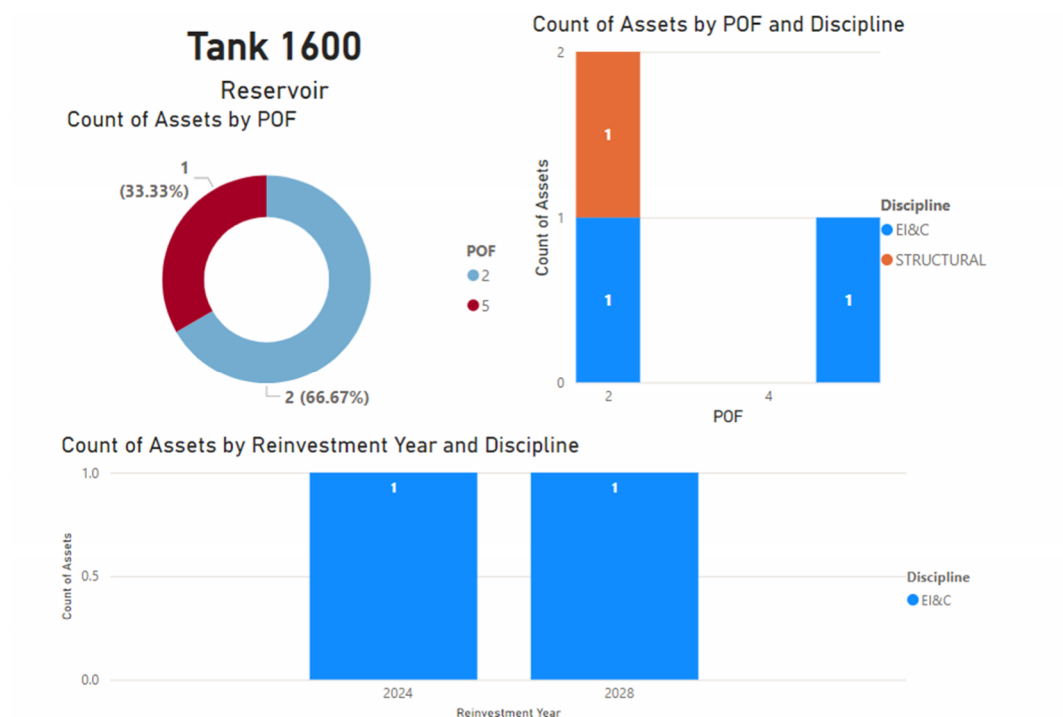


Figure 36 Tank 1600 Reservoir POF Results

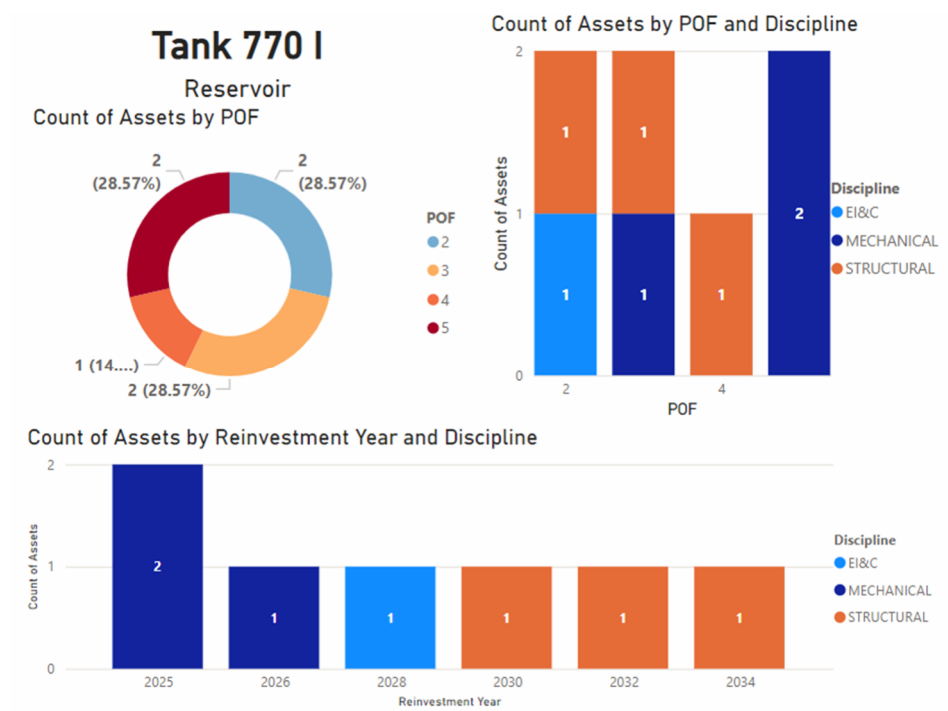


Figure 37 Tank 770 I Reservoir POF Results

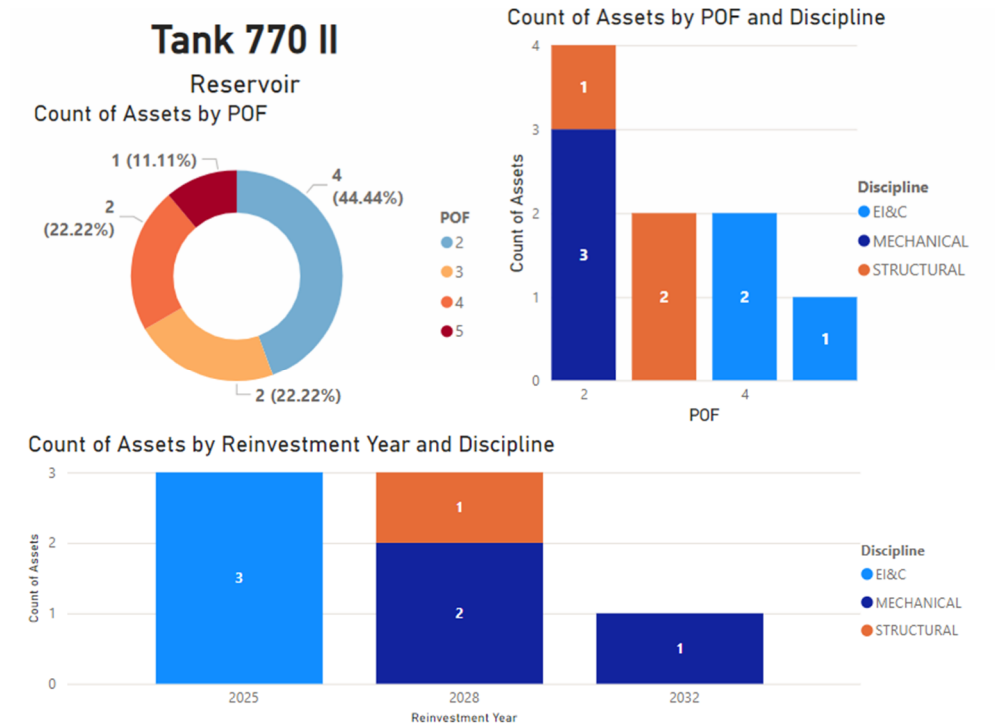


Figure 38 Tank770 II Reservoir POF Results

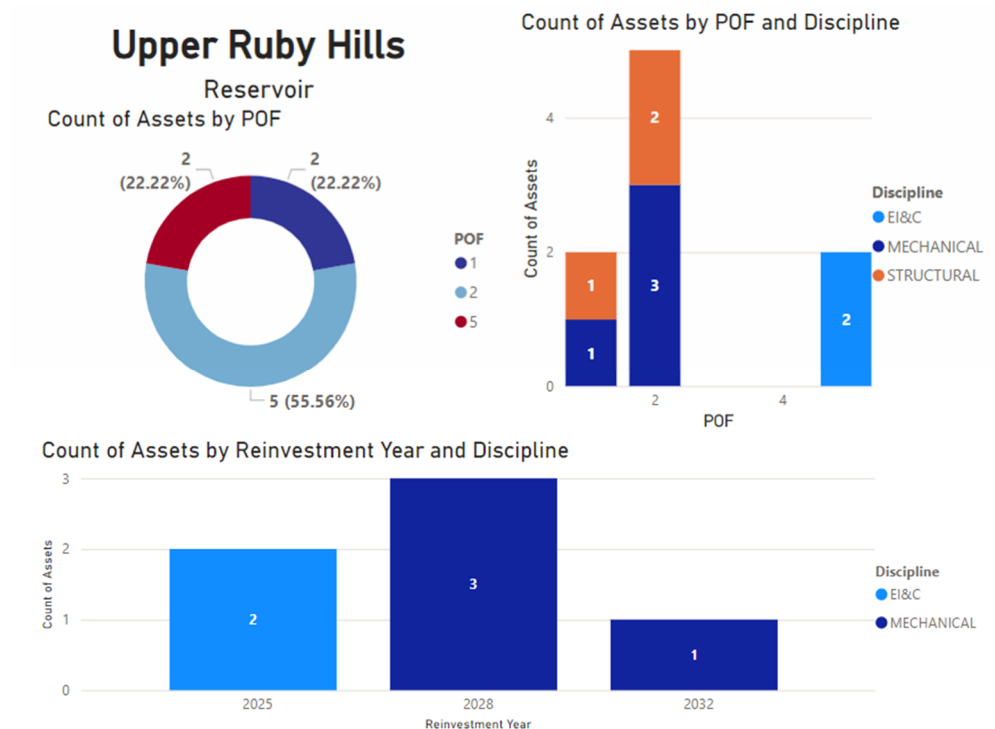


Figure 39 Upper Ruby Hills Reservoir POF Results

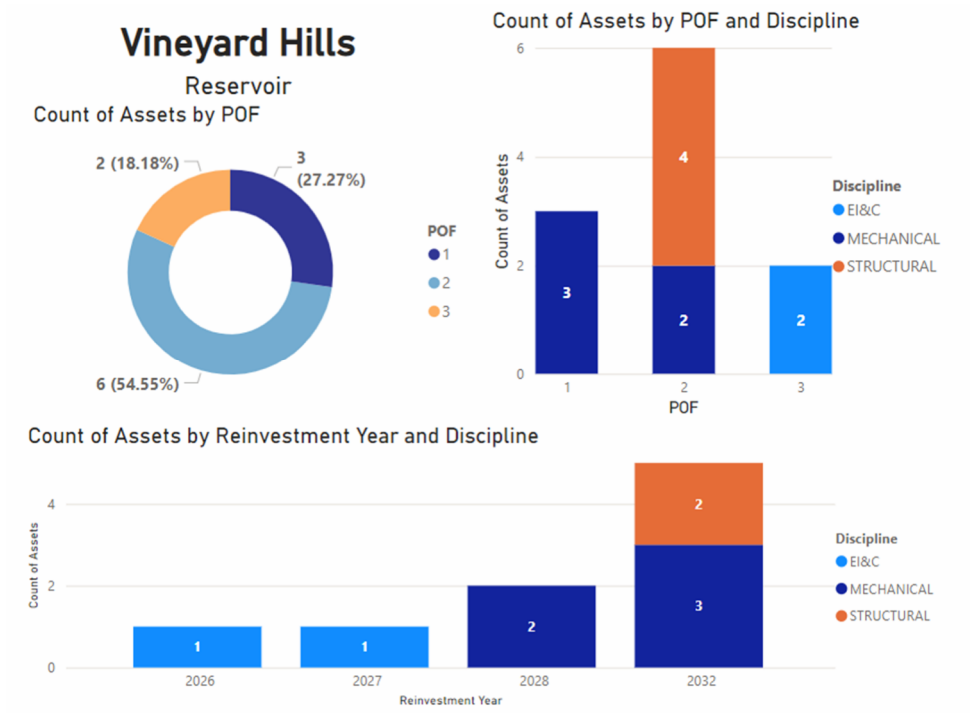


Figure 40 Vineyard Hills Reservoir POF Results

Turnouts

There are seven turnouts representing a total of 73 assets. A figure for each turnout is shown below in Figures 41 through 47.

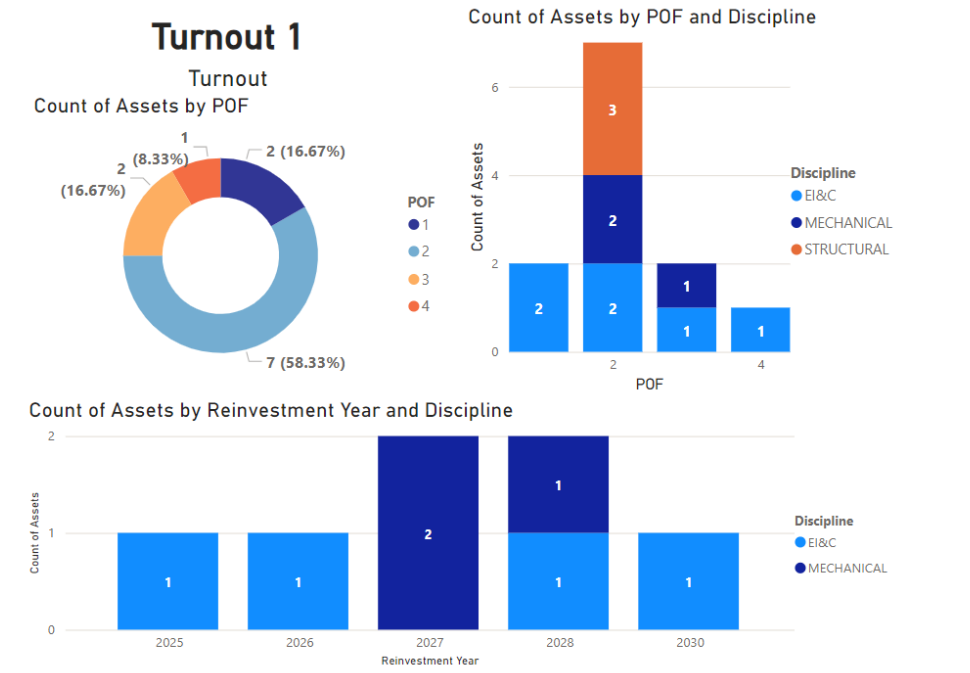


Figure 41 Turnout 1 Turnout POF Results

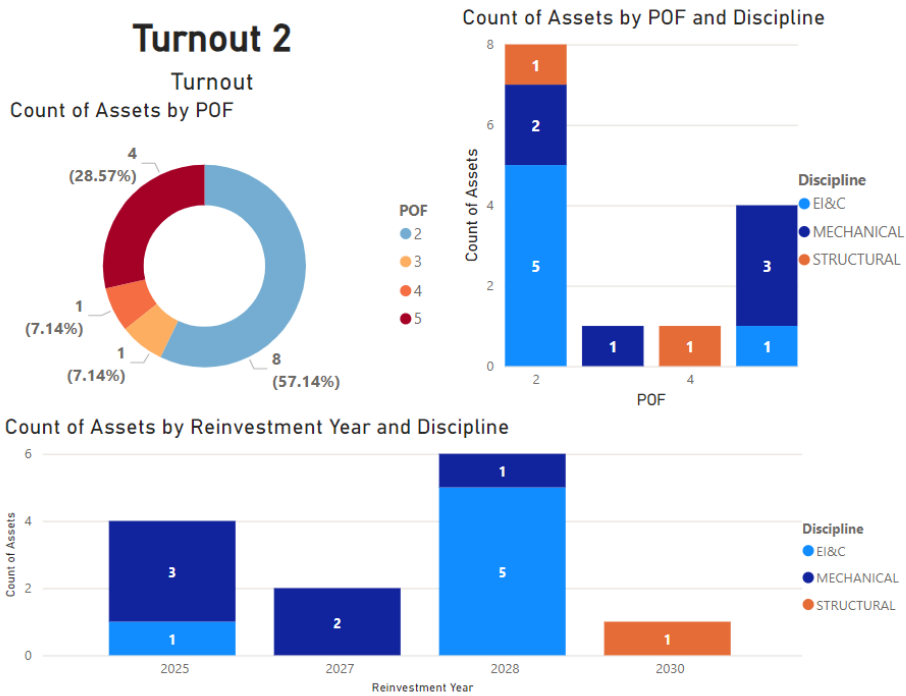


Figure 42 Turnout 2 Turnout POF Results

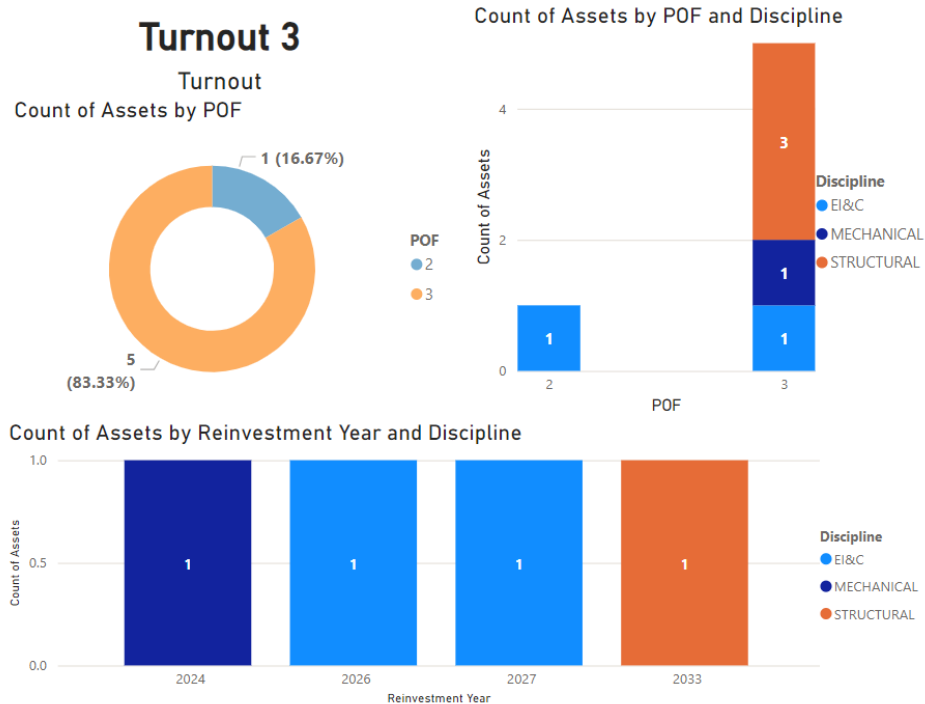


Figure 43 Turnout 3 Turnout POF Results

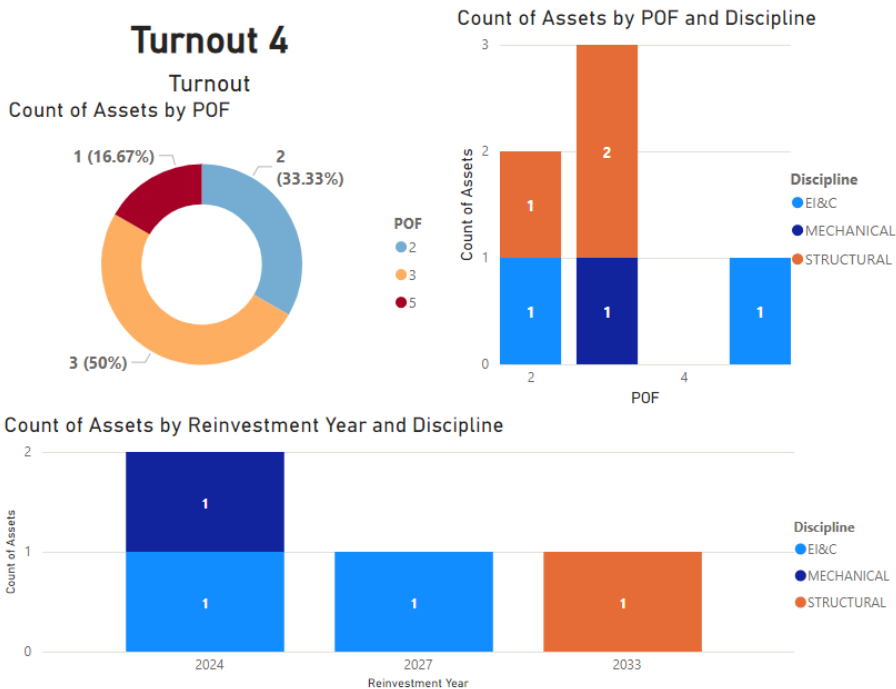


Figure 44 Turnout 4 Turnout POF Results

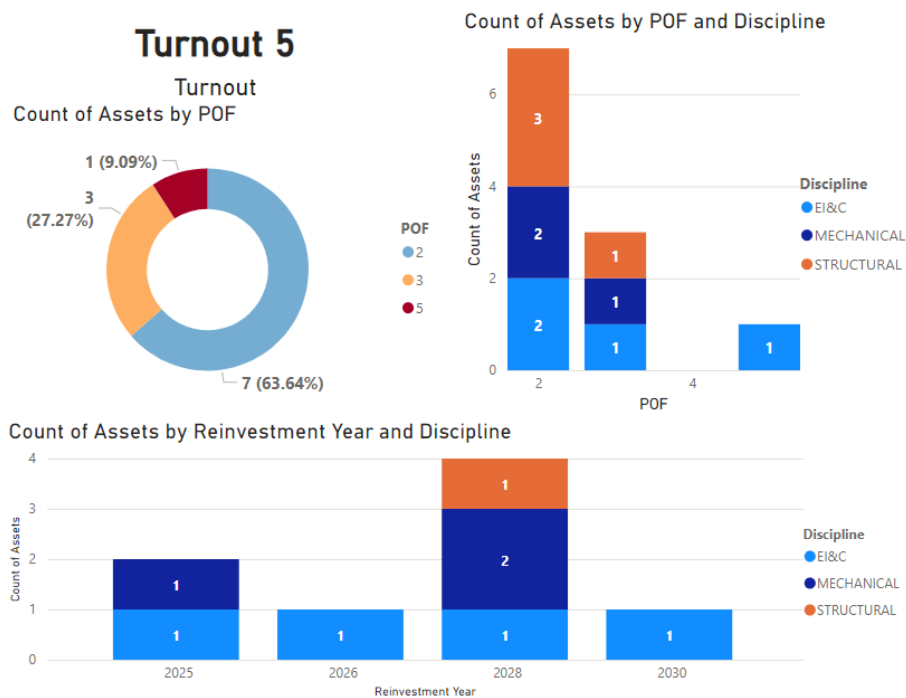


Figure 45 Turnout 5 Turnout POF Results

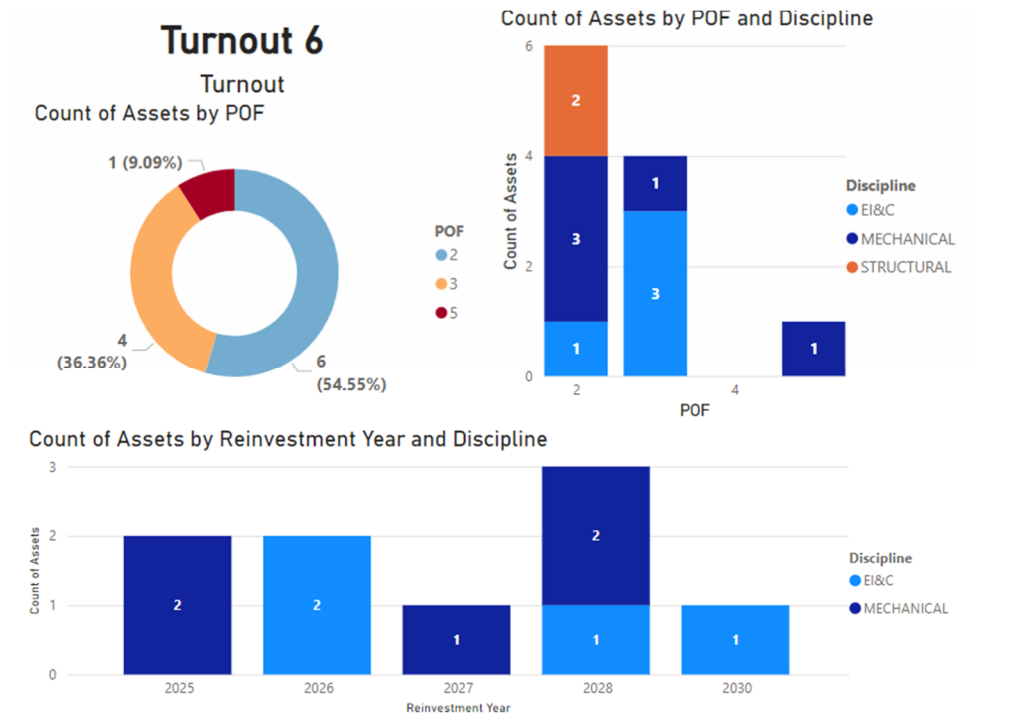


Figure 46 Turnout 6 Turnout POF Results

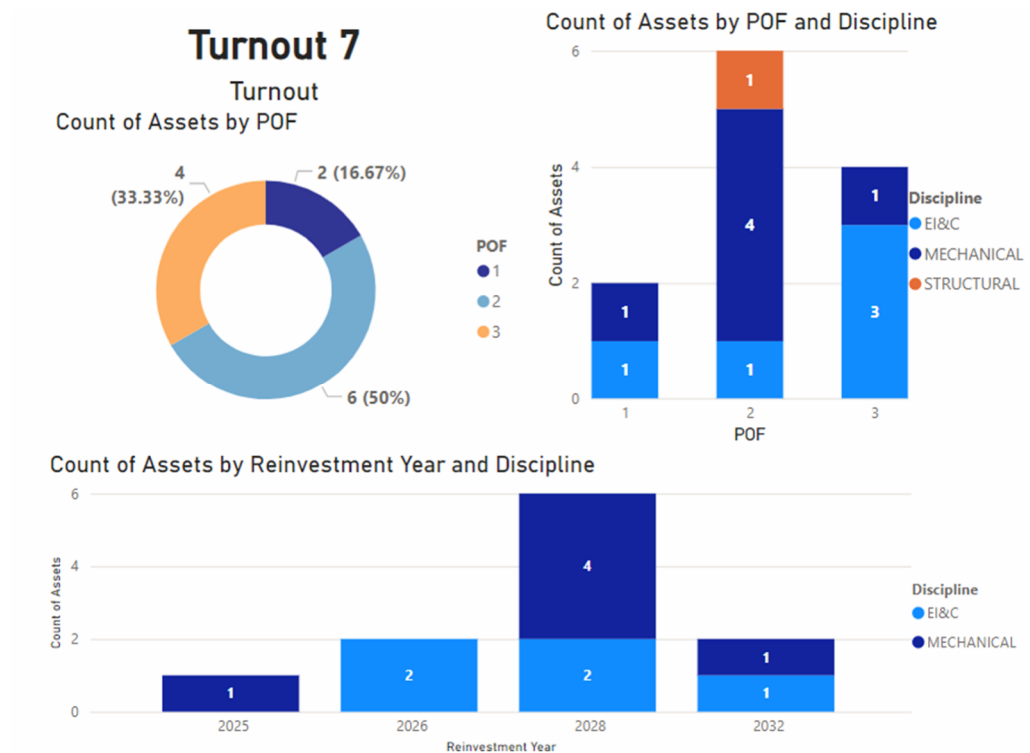


Figure 47 Turnout 7 Turnout POF Results

Wells

There are four production well sites: Wells 5, 6, 7, and 8. Wells 5, 6, and 8 were evaluated as part of the Water Quality Evaluation Project (July 2020) and the results of that assessment have been included herein. Well 7 was evaluated under this project on September 29, 2022. Across the well sites there are 45 assets. A figure for each well site is below in Figures 48 through 50. Well sites 5 and 6 are combined due to shared assets.

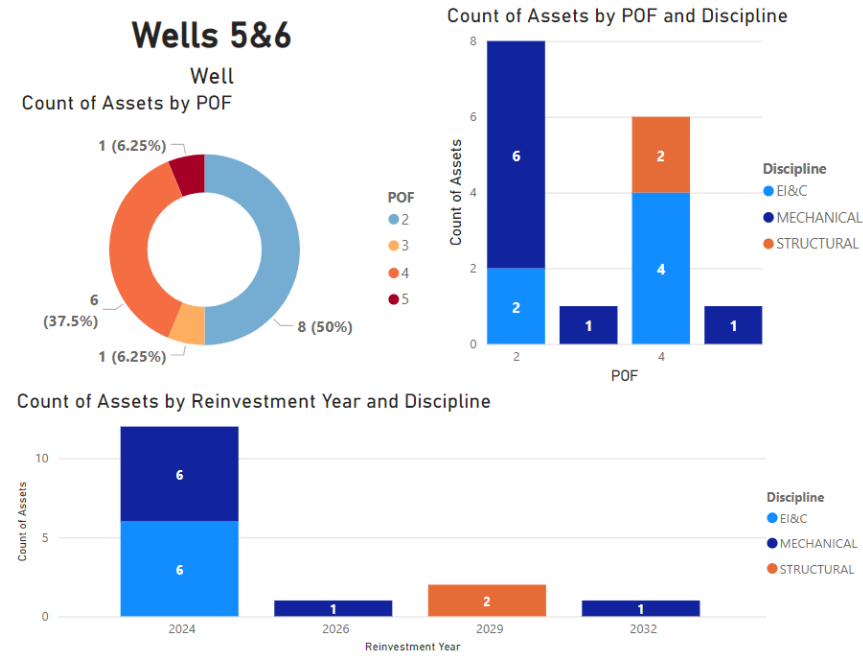


Figure 48 Wells 5&6 Well POF Results

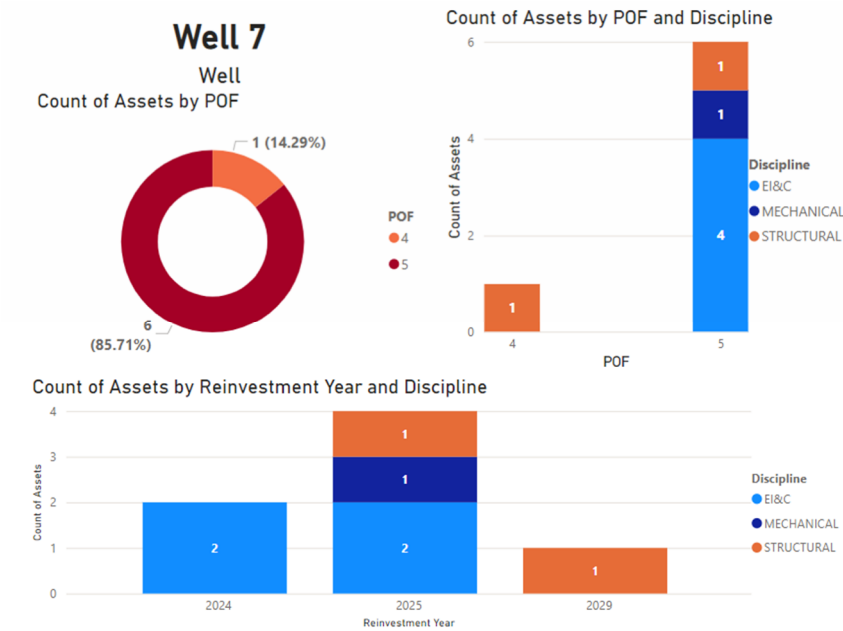


Figure 49 Well 7 Well POF Results

Well 7 is no longer in service. Decommissioning this facility is recommended.

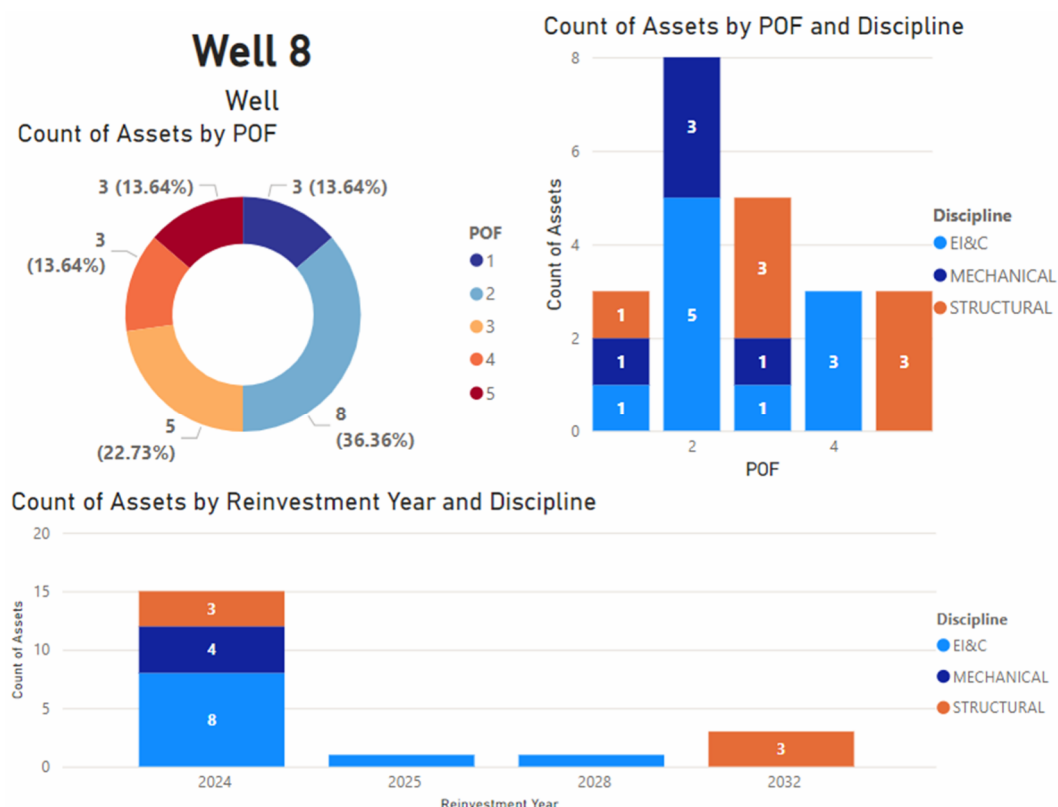


Figure 50 Well 8 Well POF Results

1.2.2 Consequence of Failure (COF)

COF represents the relative impacts to the City if an asset were to fail (i.e., a higher COF score indicates greater repercussions).

As part of the City's AWIA Risk and Resilience Assessment (RRA), consequence metrics of low, medium, or high were assigned to eight categories that represent relative financial, social, and environmental effects of an asset or system failing for each facility location:

1. Financial losses to the utility.
2. Economic losses to the community.
3. Impacts to essential critical infrastructure (non-agency).
4. Impacts to the environment.
5. Impacts to water quality.
6. Impacts to public confidence.
7. Fatalities.
8. Serious injuries.

Building on the eight RRA categories above, a ninth one was established for this effort to capture operator input. Operators' firsthand experience makes them invaluable in identifying areas where capital investments can yield the most significant improvements. The operator input was discussed and assigned at the Water Asset Rehabilitation and Replacement (R&R) Workshop on April 30, 2024. The workshop materials are in Appendix C.

9. Operator input.

The consequence metrics for the water facilities represent the worst reasonable consequences resulting from the destruction or loss of each facility. For each facility, it was determined if the destruction or loss of the asset has a high, medium, or low potential to cause the associated consequence. These are further defined as follows:

- High - The destruction or loss of this asset has a high likelihood of causing the consequence.
- Medium - The destruction or loss of this asset has a medium likelihood of causing the consequence.
- Low - The destruction or loss of this asset has a low likelihood of causing the consequence.
- N/A - This consequence is not applicable to the asset.

The sum of the consequence among the categories was used to represent the COF score where a COF score of 1 represents low, a COF of 2 represents medium, and a COF score of 3 represents high. The COF categories and consequence metric assignments were developed in 2020 by the City and West Yost are provided as Appendix D and in Table 4.

The total COF score by facility is presented in Figure 51.

Table 4 COF by Facility Location

Facility	Financial Losses to the Utility	Economic Losses to the Community	Impacts to Essential Critical Infrastructure	Impacts to the Environment	Impacts to Water Quality	Impacts to Public Confidence	Fatalities	Serious Injuries	Operator Input	Cumulative COF Score ⁽¹⁾
Bonde I	2	2	1	1	1	2	1	1	1	12
Bonde II	2	2	1	1	1	2	1	1	1	12
Dublin Canyon	1	1	1	1	1	1	1	1	1	9
Foothill	3	3	3	1	3	3	1	1	1	19
Grey Eagle	1	1	1	1	1	1	1	1	0	8
Happy Valley	1	1	1	1	1	2	1	1	1	10
Kottinger Ranch	1	1	1	1	1	2	1	1	1	11
Laurel Creek	2	1	1	1	1	2	1	1	1	11
Longview	2	1	1	1	1	2	1	1	1	11
Lund	2	1	1	1	1	2	1	1	1	11
McCloud	1	1	1	1	1	1	1	1	0	8
Moller Ranch	2	1	1	1	1	2	1	1	1	11
Ruby Hills	2	1	1	1	1	2	1	1	1	11
Lower Ruby Hills	2	1	1	1	1	2	1	1	1	11
Upper Ruby Hills	2	1	1	1	1	2	1	1	1	11
Sycamore	3	3	3	1	3	3	1	1	1	19
Tank 510	1	1	1	1	1	2	1	1	1	10
Tank 900	1	1	1	1	1	2	1	1	1	10

Facility	Financial Losses to the Utility	Economic Losses to the Community	Impacts to Essential Critical Infrastructure	Impacts to the Environment	Impacts to Water Quality	Impacts to Public Confidence	Fatalities	Serious Injuries	Operator Input	Cumulative COF Score ⁽¹⁾
Tank 1160	1	1	1	1	1	2	1	1	1	10
Tank 1300	1	1	1	1	1	2	1	1	1	10
Tank 1600	1	1	1	1	1	2	1	1	1	10
Tank 770 I	2	1	1	1	1	2	1	1	1	11
Tank 770 II	2	1	1	1	1	2	1	1	1	11
Vineyard	2	1	1	1	1	1	1	1	2	11
Vineyard Hills	2	1	1	1	1	2	1	1	1	11
Turnout 1	1	1	1	1	1	1	1	1	0	8
Turnout 2	1	1	1	1	1	1	1	1	1	9
Turnout 3	2	2	3	1	2	2	1	2	1	16
Turnout 4	3	3	3	1	2	3	1	2	1	19
Turnout 5	3	3	3	1	3	3	1	2	3	22
Turnout 6	3	3	3	1	3	3	1	2	2	21
Turnout 7	3	3	3	1	3	3	1	2	2	21
Well 5	1	1	1	1	1	1	1	1	0	8
Well 6	1	1	1	1	1	1	1	1	0	8
Well 7	1	1	1	1	1	1	1	1	0	8
Well 8	1	1	1	1	1	1	1	1	0	8

Note:

(1) Scores have been updated from AWIA to reflect that facility is no longer used or needed.

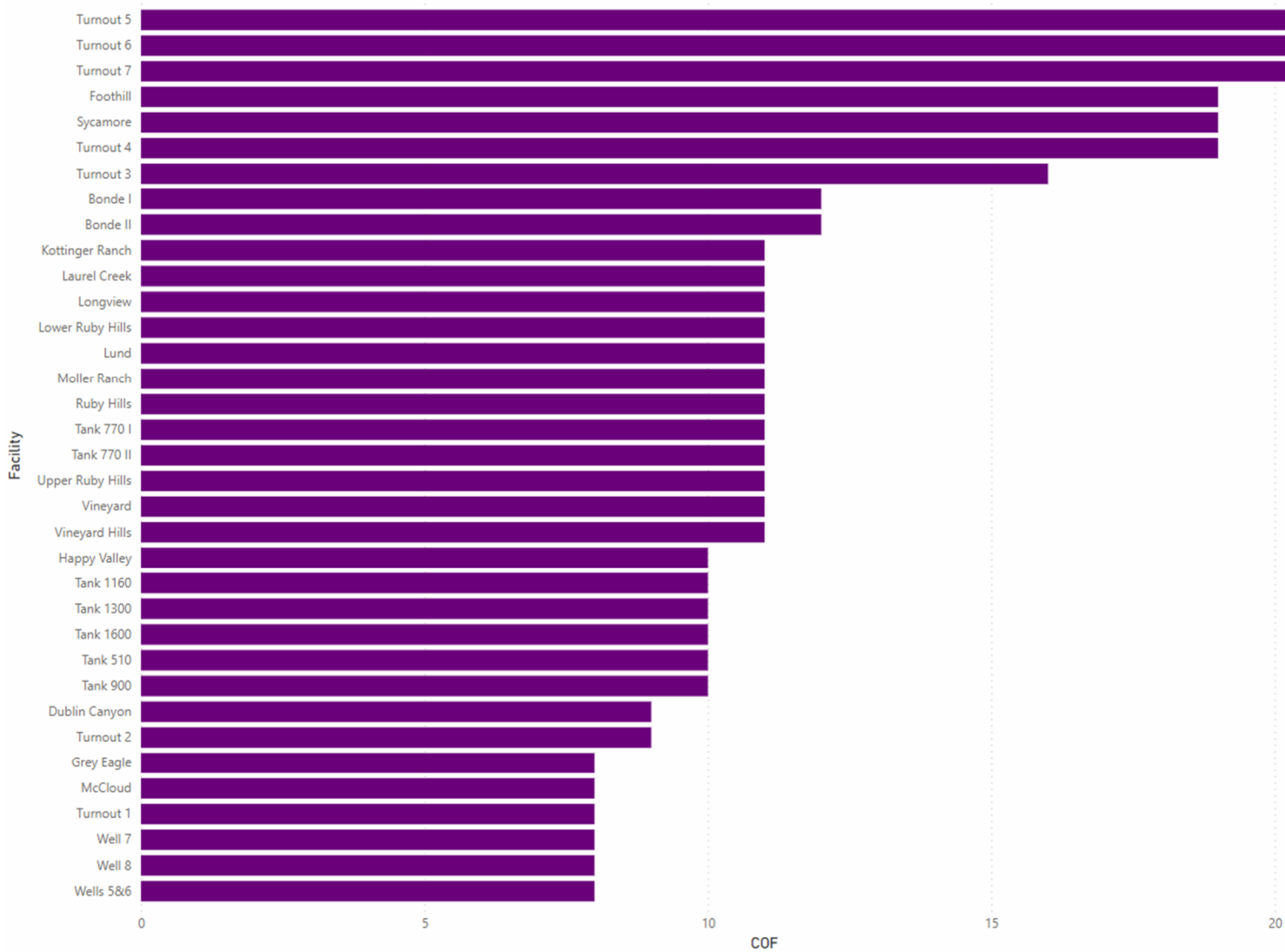


Figure 51 Water Facility COF

1.3 Water Facility CIP and O&M Investment Strategies

The CIP investment strategy is a plan that outlines a water utility's capital improvement needs and spending priorities over a 10-year horizon that should be updated on an annual basis to reflect changing conditions and priorities. The O&M investment strategy is a plan that outlines a water utility's spending on the O&M of its infrastructure and typically occurs on a 1–3-year basis. Both strategies are based on the current state of the assets.

CIP and O&M investment strategies are complementary and should be developed in a coordinated manner. CIP investments can help to reduce O&M costs over the long-term by improving the efficiency and reliability of infrastructure. Moreover, inadequate O&M investment can lead to increased infrastructure deterioration and higher CIP costs in the future.

Costs have also been developed at the asset level so that the City can make informed decisions for R&R based on available resources. The following sections identify the cost estimating methodology, and the capital improvement and O&M investment strategies.

1.3.1 Cost Estimating Methodology

This section describes how the costs were developed for the water facilities.

1.3.1.1 Water Facilities

Material costs were assigned at the asset class level using the replacement cost ranges in Table 5. The replacement cost range was determined by Carollo's discipline leads that participated in the field assessment and from Carollo's in-house references for material costs from previous studies, projects, and vendor quotes. Appendix A shows the replacement cost range and assumed cost by asset class.

Table 5 Replacement Cost Ranges

Replacement Cost Range	Assumed Material Cost ⁽¹⁾
(1) <\$5,000	\$2,500.00
(2) \$5,000-\$9,999	\$7,500.00
(3) \$10,000-\$49,999	\$30,000.00
(4) \$50,000-\$99,999	\$75,000.00
(5) ≥\$100,000	Asset Specific

Notes:

(1) Cost assumed for calculation may vary by asset type.

1.3.1.2 Planning Level Cost Markups

Cost markups were applied to the replacement cost assignments to develop Class 5 planning level estimates per the Association for the Advancement of Cost Engineering (AACE) definitions of the five class

estimates. The resulting AACE class 5 estimates may represent an overestimate of cost by 100 percent or an underestimate of cost by 50 percent. The markup categories are in Table 6.

Table 6 Indirect Cost Factors

Markup Category	Percentage of Direct Cost Total
Installation	70 percent
Direct Cost Multiple⁽¹⁾	1.70
Owner's Costs	30 percent
Subtotal Multiple⁽²⁾	2.21
Design/Construction Contingency	30 percent
Total Estimated Construction Cost Multiplier⁽³⁾	2.87

Notes:

(1) Direct Cost Multiple: $1 \times 1.70 = 1.70$.

(2) Subtotal Multiple: $1.70 \times 1.30 = 2.21$.

(3) Total Estimated Construction Cost Multiplier: $2.21 \times 1.30 = 2.87$.

The table above demonstrates how to calculate the total estimated construction cost. Note that if the recommendation is to decommission the asset, then the material cost is \$0; however, the installation cost is still based on the cost range for said asset class.

The construction cost also accounts for the owner's costs. These are the amounts included in the total program budget to cover the owner's expenses for engineering fees, legal fees, and the owner's internal administrative expenses. These costs may also include property/easement/right-of-way (ROW) acquisition, bid advertising, etc., and can range from 15 to 40 percent of the total construction cost. For this project, we are assuming 30 percent.

1.3.2 Capital Improvement Strategies

Establishing CIPs is a key component of a CIP investment strategy because they are long-term plans for construction, rehabilitation, and replacement of infrastructure assets. CIPs through 2034 were identified using observations from the field condition assessments and asset management analyses. Table 7 includes the prioritized list of CIP projects. These projects were identified and prioritized at the R&R Workshop based on the current state of the assets.

Table 7 10-Year CIP Projects for Water Facilities

CIP Project	Year	Cost ¹	COF Score
Rehabilitation of Tank 1300	2025	\$2,543,000	10
Decommission of McCloud Tank/PS	2025	\$1,238,000	8
Rehabilitation of Foothill Pump Station	2026	\$1,320,000	19
Decommission of Well 7	2026	\$811,000	8
Tank Inspection	2027	\$1,606,000	N/A
Rehabilitation of Vineyard Pump Station ²	2027	\$2,127,000	11
Rehabilitation of Kottinger Ranch Pump Station	2028	\$1,903,000	11
Decommission of Well 5 and 6 ³	2028	\$701,000	8
Rehabilitation of Laurel Creek Pump Station	2029	\$1,681,000	11
Rehabilitation of Ruby Hill Pump Station	2029	\$2,042,000	11

CIP Project	Year	Cost ¹	COF Score
Rehabilitation of Tanks Placeholder	2030	\$2,873,000	N/A
Decommission of Grey Eagle ⁴	2031	\$1,293,000	8
Decommission of Well 8	2032	\$1,207,000	8

Notes:

- (1) Rounded to the nearest thousandth.
- (2) Consider upsizing pump capacity to split Bonde Zone into smaller zones as desired by operations. Refer to Appendix I in the AKEL report.
- (3) Wells 5 and 6 can be decommissioned when the Zone 7 project is completed.
- (4) Grey Eagle is assumed to not need to be rehabilitated; however, if the Grey Eagle Connection to Kottinger Pressure Zone project does not occur in a timely manner, then rehabilitation of the pump station will be needed.

The total 10-Year CIP cost is nearly \$21.4 million. Figure 52 is a graphical representation of the 10-year CIP forecast for water facilities. The breakdown of the assets within each project are in Appendix E. Note that the project year may change based on the timing of related projects and available resources.

Sum of Project Cost by CIP Reinvestment Year and Level2

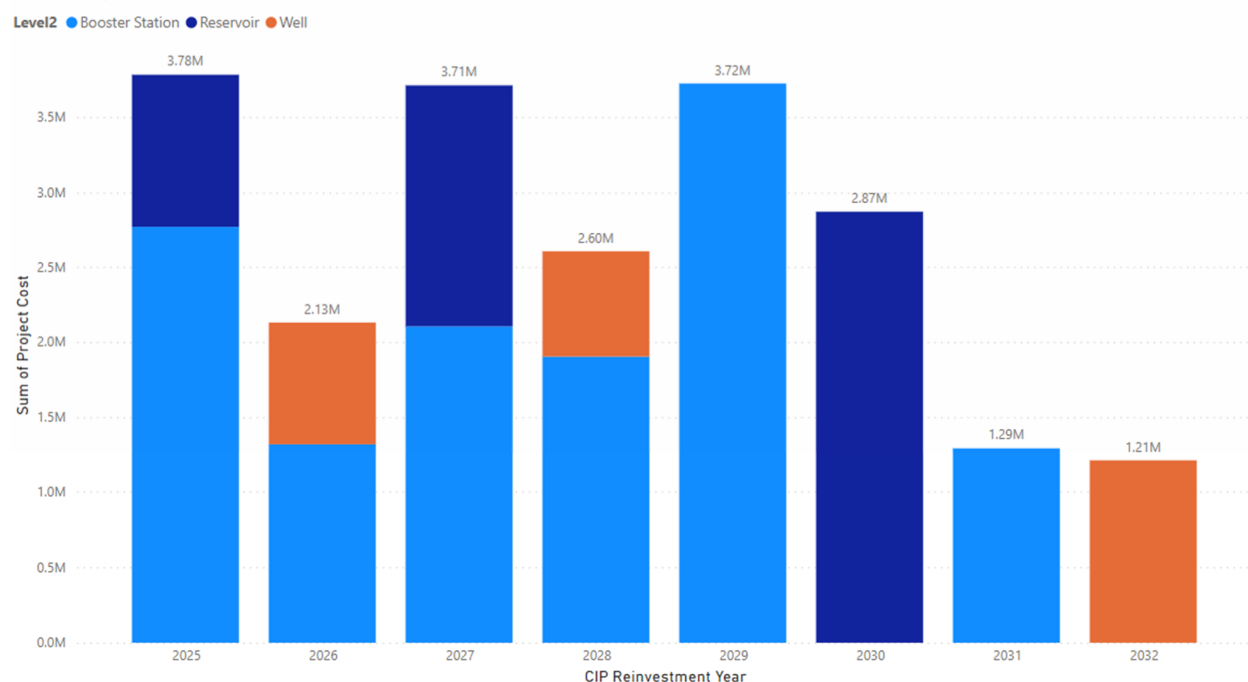


Figure 52 10-year Capital Improvement Plan for Water Facilities

The 10-year CIP list also considered whether R&R needs are or will be addressed in other projects. These considerations are as follows:

- Turnout 1 R&R will be addressed during the Regional Project. The Regional Project also includes funding for a new turnout.
- Turnout 4 R&R will be addressed during the current Interim Project.
- Generator deficiencies are identified in the Generator Report and are to be replaced in the Generator Improvements Project identified in the WSMP.
- Capacity issues identified in the AKEL report for Tanks 550 and 770 are addressed in the Tank 510 Storage Capacity Increase and Tank 770 Storage Capacity Increase projects identified in the WSMP.

These projects should also consider the O&M needs and include asset R&R at these sites where needed.

- PLCs should be replaced in facility rehabilitations; however, if not addressed in a timely manner, then a PLC replacement project is needed.

1.3.3 O&M Investment Strategies

O&M investments are essential for keeping a water utility's infrastructure in good working order, so the City can continue to deliver reliable service to their customers. They may include activities such as preventative maintenance and corrective maintenance.

The R&R needs that are not captured in the 10-Year CIP are addressed as O&M R&R needs. Figure 53 shows the projected O&M needs over the next ten years based on the current state of the assets. The cost is estimated to be \$12.8M. Refer to Appendix F for list of assets included in the O&M forecast.

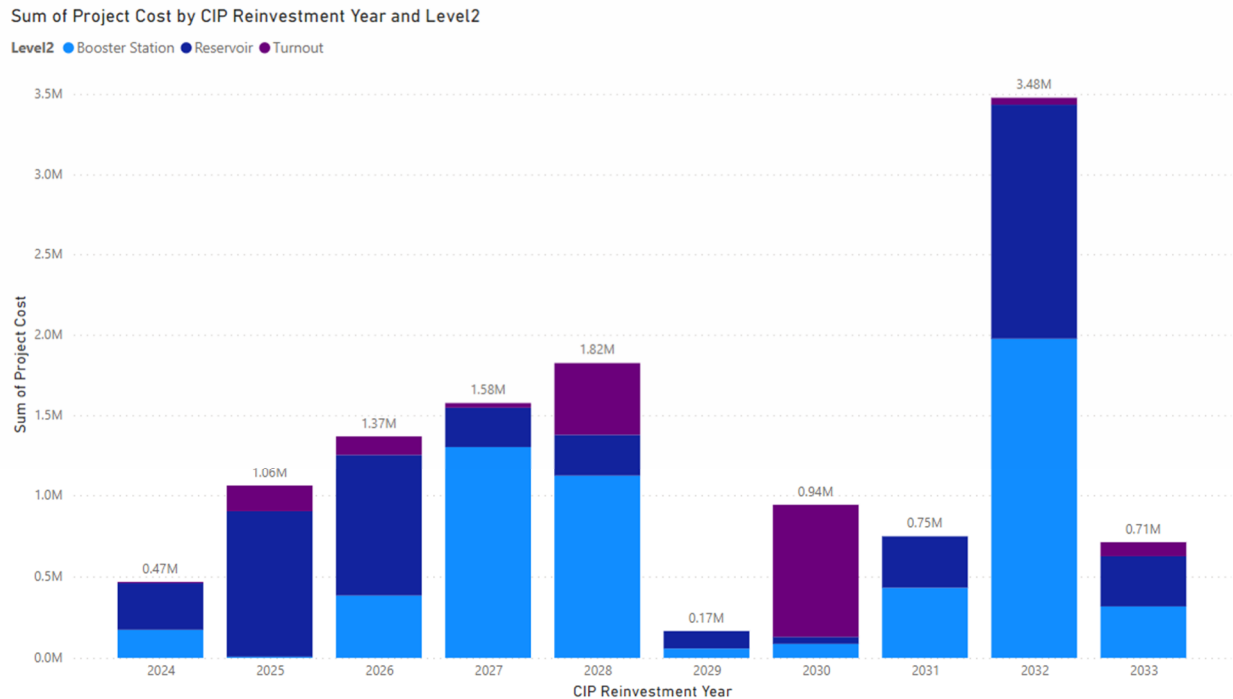


Figure 53 10-Year O&M Plan for Water Facilities

1.3.4 Next Steps

For the water facilities, the City should continue to refine the recommendations in the 10-year CIP. Next steps include reviewing and refining the proposed projects, defining and prioritizing the projects by risk, and developing a budget for implementing the CIP. It is important to monitor the CIP implementation progress and routinely re-evaluate project needs and priorities as asset condition changes and areas of improvement are identified.

APPENDIX A

ASSET CLASS TABLE

Table B.1 Asset Class Table

Discipline	Asset Class	EUL (years)	Cost Range	Assumed Cost
EI&C	ANALYZER	15	2 - \$5,000 - \$9,999	\$7,500
EI&C	ATS	20	3 - \$10,000 - \$49,999	\$30,000
EI&C	BREAKER	20	2 - \$5,000 - \$9,999	\$7,500
EI&C	CONTROL PANEL	20	3 - \$10,000 - \$49,999	\$30,000
EI&C	CONTROLLER	15	2 - \$5,000 - \$9,999	\$7,500
EI&C	ENGINE	20	3 - \$10,000 - \$49,999	\$30,000
EI&C	GENERATOR RECEPTACLE	30	1 - \$0-\$5,000	\$2,500
EI&C	MCC	30	5 - >\$100,000	\$100,000
EI&C	PLC	15	5 - >\$100,000	\$100,000
EI&C	RTU	15	1 - \$0-\$5,000	\$2,500
EI&C	SWITCH	30	1 - \$0-\$5,000	\$2,500
EI&C	SWITCHBOARD	25	5 - >\$100,000	\$250,000
EI&C	TERMINAL BOX	20	1 - \$0-\$5,000	\$2,500
EI&C	TRANSDUCER	15	1 - \$0-\$5,000	\$2,500
EI&C	TRANSFORMER	35	3 - \$10,000 - \$49,999	\$30,000
EI&C	TRANSMITTER	15	1 - \$0-\$5,000	\$2,500
EI&C	VFD	15	3 - \$10,000 - \$49,999	\$30,000
EI&C	WATER METER	15	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	ACTUATOR	15	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	ARV	15	1 - \$0-\$5,000	\$2,500
MECHANICAL	CHEMICAL DOSING SYSTEM	20	3 - \$10,000 - \$49,999	\$30,000
MECHANICAL	CHEMICAL METERING PUMP	10	1 - \$0-\$5,000	\$2,500
MECHANICAL	CIRCULATION SYSTEM	20	3 - \$10,000 - \$49,999	\$30,000
MECHANICAL	COMPRESSOR	20	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	CRANE	30	3 - \$10,000 - \$49,999	\$30,000
MECHANICAL	FAN	20	1 - \$0-\$5,000	\$2,500
MECHANICAL	GENERATOR	25	5 - >\$100,000	\$250,000
MECHANICAL	MIXER	20	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	PIPE	50	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	PUMP	25	4 - \$50,000 - \$99,999	\$75,000
MECHANICAL	PUMP (SUMP)	10	1 - \$0-\$5,000	\$2,500
MECHANICAL	STRAINER	15	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	VALVE	15	2 - \$5,000 - \$9,999	\$7,500
MECHANICAL	VALVE (CLA)	15	3 - \$10,000 - \$49,999	\$20,000
STRUCTURAL	BUILDING	60	5 - >\$100,000	\$250,000
STRUCTURAL	DRAINAGE	25	2 - \$5,000 - \$9,999	\$7,500
STRUCTURAL	HYDROPNEUMATIC TANK	50	3 - \$10,000 - \$49,999	\$30,000
STRUCTURAL	RESERVOIR	50	5 - >\$100,000	\$250,000
STRUCTURAL	ROAD	30	2 - \$5,000 - \$9,999	\$7,500
STRUCTURAL	SHED	30	2 - \$5,000 - \$9,999	\$7,500
STRUCTURAL	SITE SECURITY	25	3 - \$10,000 - \$49,999	\$30,000
STRUCTURAL	TANK	50	3 - \$10,000 - \$49,999	\$30,000
STRUCTURAL	VAULT	60	4 - \$50,000 - \$99,999	\$75,000
STRUCTURAL	WELL	30	4 - \$50,000 - \$99,999	\$75,000

Abbreviations: EI&C - Electrical, Instrumentation & Controls

APPENDIX B

WATER FACILITY CONDITION ASSESSMENT OBSERVATIONS AND RECOMMENDATIONS

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Booster Station	Dublin Canyon	ATS	BS-DC-17	5	9	Transfer switch is in very poor condition.	Replace within one year.	2024
Booster Station	Dublin Canyon	BREAKER	BS-DC-08	3	9	Panel is becoming obsolete.	Replace within five years.	2027
Booster Station	Dublin Canyon	BUILDING	BS-DC-01	2	9	1. S. Wall at SW corner has crack originating from penetration for 12 in Disc pipe, DI. 2. Lot of stains on N wall. Stains on the N wall may be due to roof leaking. 3. Concrete spalling at top of trench wall at grating rebate near west door and east door. Extents of spalling is minor. 4. Pump bases have rust, not detrimental.	1. Epoxy injection of crack can prevent further propagation. 2. Investigate if the roof is leaking and repair as needed. 3. Monitor rebate and anchor	2045
Booster Station	Dublin Canyon	GENERATOR	BS-DC-06	5	9	Generator is non-compliant and decommissioned. Instead, there i	Install quick connects outside for portable generator.	2026
Booster Station	Dublin Canyon	PUMP	BS-DC-04	5	9	No longer in service.	Consider removal of pump, motor, and associated piping.	2026
Booster Station	Dublin Canyon	RTU	BS-DC-15	3	9	RTU prompt replacement is recommended to improve functionality. RTU replacement within the next 10 years is necessary due to age.	Consider replacing RTU to improve functionality.	2026
Booster Station	Dublin Canyon	SITE SECURITY	BS-DC-19	3	9	There are security concerns at this site. Currently there is only a local intrusion alarm.	Install security cameras.	2028
Booster Station	Dublin Canyon	TANK	BS-DC-07	5	9	No longer in service.	Consider removal.	2028
Booster Station	Dublin Canyon	TRANSFORMER	BS-DC-09	4	9	Transformer is obsolete. There are concerns about the asset's performance and reliability.	Replace within one year.	2024
Booster Station	Dublin Canyon	VALVE	BS-DC-16	3	9	Valve is maintained by Cla-Val. Fittings are not stainless steel.	Replace fittings with stainless steep fittings.	2026
Booster Station	Foothill	BREAKER	BS-F-20	3	19	Panelboard is becoming obsolete and the circuit breakers have exceeded their useful life.	Replace within five years.	2026
Booster Station	Foothill	GENERATOR	BS-F-04	4	19	Overall, generator is in poor condition. It is used when there are PG&E shut-offs (including PSPS).	Replace generator. May need to consider a portable generator given permitting requirements.	2025
Booster Station	Foothill	MCC	BS-F-12	4	19	Operations staff reported difficulties with repair and maintenance due to age and lack of manufacturer support.	Replace MCC within five years.	2026
Booster Station	Foothill	PUMP	BS-F-03	5	19	Scheduled for replacement.	-	2026
Booster Station	Foothill	PUMP	BS-F-05	2	19	City reported that there is not sufficient redundancy for the pumps. There is also no lifting mechanism at this site for pump removal/installation.	Consider installing an additional pump.	2026
Booster Station	Foothill	PUMP	BS-F-07	5	19	No longer in service. Associated valve is leaking.	Consider removing pump and replacing locked out valve with piping.	2026
Booster Station	Foothill	PUMP	BS-F-08	5	19	No longer in service.	Consider removal.	2026
Booster Station	Foothill	SITE SECURITY	BS-F-10	3	19	Fence does not meet current City standard.	Consider replacing fence to meet new City standard.	2026
Booster Station	Foothill	SWITCH	BS-F-13	4	19	Switch is in deteriorated condition and becoming obsolete.	Replace within five years.	2026
Booster Station	Foothill	TRANSFORMER	BS-F-11	3	19	Transformer has exceeded useful life and is obsolete.	Replace within five years.	2026
Booster Station	Foothill	TRANSMITTER	BS-F-15	4	19	Transmitter is in deteriorated condition and becoming obsolete.	Replace within five years.	2026
Booster Station	Foothill	TRANSMITTER	BS-F-16	4	19	Transmitter is in deteriorated condition and becoming obsolete.	Replace within five years.	2026
Booster Station	Foothill	WATER METER	BS-F-17	4	19	Scheduled for replacement.	-	2026
Booster Station	Grey Eagle	ATS	BS-GE-03	4	8	ATS has exceeded its useful life . This ATS is integrated into MCC-A.	Replace.	2031
Booster Station	Grey Eagle	BUILDING	BS-GE-06	2	8	Wood frame building and roof with asphalt shingle roofing. Roof appears to be in acceptable condition. Building entrance needs a step.	Install a step at the entrance.	2031
Booster Station	Grey Eagle	Compressor	BS-GE-28	5	8	Air compressor does not supply enough air pressure and has exceeded its useful life.	Replace.	2031
Booster Station	Grey Eagle	CONTROL PANEL	BS-GE-04	3	8	Panel is in good condition, however the breakers have exceeded their useful life and should be replaced.	Replace breakers within one year and consider complete panelboard replacement within the next 10 years.	2031
Booster Station	Grey Eagle	CONTROL PANEL	BS-GE-16	5	8	Panel is in failed condition and not connected.	Replace.	2031
Booster Station	Grey Eagle	GENERATOR	BS-GE-07	4	8	In poor condition.	Replace.	2025
Booster Station	Grey Eagle	HYDROPNEUMATIC TANK	BS-GE-11	2	8	Piping and valving have minor corrosion.	-	2031

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Booster Station	Grey Eagle	MCC	BS-GE-12	4	8	MCC has exceeded its useful life and may no longer be reliable.	Replace MCC within five years.	2031
Booster Station	Grey Eagle	PIPE	BS-GE-19	3	8	Minor coating delamination and corrosion on the piping.	-	2031
Booster Station	Grey Eagle	PUMP	BS-GE-08	3	8	Staff are concerned about the design of the system, including the capacity.	Evaluate the capacity and efficiency of the BS.	2031
Booster Station	Grey Eagle	PUMP	BS-GE-09	4	8	Leaks on shaft seal packing. Support is corroded significantly.	Replace components.	2031
Booster Station	Grey Eagle	PUMP	BS-GE-10	3	8	The coupling is an area of concern.	Rehabilitate or replace the coupling.	2031
Booster Station	Grey Eagle	RTU	BS-GE-05	5	8	Panel has exceeded useful life and is becoming obsolete. Panel may be unreliable given age.	Replace.	2031
Booster Station	Grey Eagle	SITE SECURITY	BS-GE-27	3	8	Fence does not meet current City standard. No intrusion alarm system.	Consider replacing fence to meet new City standard.	2031
Booster Station	Grey Eagle	TRANSFORMER	BS-GE-14	5	8	Transformer has exceeded its useful life and is obsolete.	Replace.	2031
Booster Station	Grey Eagle	VALVE	BS-GE-21	4	8	Exterior requires rehabilitation. Interior is in unknown condition.	Replace.	2031
Booster Station	Grey Eagle	WATER METER	BS-GE-15	3	8	Meter is in moderate condition and approaching the end of useful life.	Replace within five years.	2031
Booster Station	Kottinger Ranch	BREAKER	BS-KR-26	4	11	Panel is becoming obsolete and the circuit breakers have exceeded their useful life.	Replace within one year.	2028
Booster Station	Kottinger Ranch	MCC	BS-KR-19	4	11	MCC has exceeded its useful life and equipment malfunctions were observed. For example, the sump pumps cannot run simultaneously because loss of phase occurs.	Manufacturer shall inspect and repair sump pump drives or starters immediately. Replace MCC within five years.	2028
Booster Station	Kottinger Ranch	PUMP	BS-KR-07	4	11	Pump has exceeded useful life and shaft is leaking.	Scheduled to be replaced when demand reduces.	2028
Booster Station	Kottinger Ranch	SITE SECURITY	BS-KR-25	3	11	Site has a local intrusion alarm. There is no site fencing.	-	2028
Booster Station	Kottinger Ranch	SWITCHBOARD	BS-KR-16	5	11	Switchboard has exceeded its useful life and may no longer be reliable.	Replace.	2028
Booster Station	Kottinger Ranch	TANK	BS-KR-04	3	11		(blank)	2038
Booster Station	Kottinger Ranch	TRANSFORMER	BS-KR-23	4	11	Transformer has exceeded its useful life and is obsolete.	Replace.	2028
Booster Station	Kottinger Ranch	TRANSMITTER	BS-KR-20	3	11	Staff reported that a digital transmitter is preferable.	Replace with digital pressure transmitter.	2028
Booster Station	Kottinger Ranch	PUMP - SUMP	BS-KR-08	5	11	Staff reported that sump pump does not work.	Replace.	2028
Booster Station	Laurel Creek	SITE SECURITY	BS-LC-14	2	11	Removal of public access to parking and addition of fence has reduced security issues. However, there are no cameras.	Install cameras.	2029
Booster Station	Laurel Creek	TANK	BS-LC-06	4	11	Enclosure roof is in bad condition. Staff reported issues with fuel leak sensor.	Replace roof and fuel leak sensor.	2029
Booster Station	Longview	GENERATOR	W_BS_LV-25	5	11	Booster station is impacted by shutdowns, but does not have a pe	Consider installing permanent generator.	2026
Booster Station	Longview	RTU	BS-LV-18	3	11	Panel has exceeded useful life and is becoming obsolete.	Replace within five years.	2025
Booster Station	Longview	SITE SECURITY	BS-LV-01	3	11	Fence does not appear to serve its purpose since it does not completely surround the building. No intrusion alarm.	Consider replacing the fence.	2027
Booster Station	McCloud	BUILDING	BS-MC-01	5	8	No longer in service.	Decommission.	2025
Booster Station	Ruby Hills	ATS	BS-RH-16	3	11	Transfer switch is in moderate condition and approaching the end of useful life.	Workshop 4/30/24: ATS has been replaced.	2029
Booster Station	Ruby Hills	BREAKER	BS-RH-13	3	11	Panel is becoming obsolete and is approaching end of its useful life.	Replace within five years.	2029
Booster Station	Ruby Hills	BUILDING	BS-RH-01	2	11	There were stains on floor, minor corrosion on base plates of pump, and minor corrosion on clamps for small tubing.	Periodic inspection recommended.	2045
Booster Station	Ruby Hills	CONTROL PANEL	BS-RH-21	5	11	No longer in service.	Decommission.	2029
Booster Station	Ruby Hills	MCC	BS-RH-18	3	11	The MCC buckets for pumps 1 and 2 are not properly covered and live parts are exposed.	Provide proper MCC bucket covers to eliminate live part exposure.	2029
Booster Station	Ruby Hills	PLC	BS-RH-19	4	11	PLC has exceeded useful life and may no longer be reliable.	Replace within five years.	2029
Booster Station	Ruby Hills	PUMP	BS-RH-03	2	11	Pumps 1 and 2 are no longer in service and locked out.	Decommission pumps and piping.	2029
Booster Station	Ruby Hills	RTU	BS-RH-20	4	11	Panel has exceeded useful life and is becoming obsolete. Panel may be unreliable given age.	Replace within five years.	2029

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Booster Station	Tank 1300	BUILDING	BS-T1300-01	2	10	There were stains and hairline cracks on the wall, hairline cracks on the foundation, and corrosion on the pump base plates.	Periodic inspection recommended.	2025
Booster Station	Tank 510	BUILDING	BS-T510-03	2	10	Minor cracks were observed on the masonry.	-	2045
Booster Station	Tank 900	BUILDING	BS-T900-02	2	10	Stains on the floor, hairline cracks on the foundation, and minor rust on pump baseplates were observed.	Periodic inspection recommended.	2045
Booster Station	Tank 900	VALVE	BS-T900-10	2	10	Minor leak on bolt.	Remove and reinstall bolt.	2028
Booster Station	Tank 900	VALVE (CLA)	BS-T900-08	2	10	Minor leak observed on valves. Valve is maintained by third party.	Have third party address leak.	2028
Booster Station	Vineyard	ATS	BS-V-21	3	11	Meter is in moderate condition and approaching the end of useful life.	Replace within five years.	2027
Booster Station	Vineyard	BREAKER	BS-V-01	5	11	Panelboard is becoming obsolete and the circuit breakers have exceeded their useful life.	Replace.	2027
Booster Station	Vineyard	BUILDING	BS-V-05	2	11	Roofing material looks original and there is signs of leakage in the interior.	Investigate if the roof is leaking and repair as needed.	2044
Booster Station	Vineyard	MCC	BS-V-07	5	11	MCC has exceeded its useful life and may no longer be reliable.	Replace MCC within five years.	2027
Booster Station	Vineyard	PLC	BS-V-13	5	11	-	Replace when MCC is replaced.	2027
Booster Station	Vineyard	PUMP	BS-V-08	5	11	Staff reported that pump station capacity is not sufficient and there is no redundancy. Additionally, staff have concerns for lead time (8+ months) on getting a replacement pump.	In the short term, have a spare pump on hand and in the long-term, consider upsizing pumps to meet capacity needs.	2027
Booster Station	Vineyard	PUMP	BS-V-09	5	11	Staff reported that pump station capacity is not sufficient and there is no redundancy. Additionally, staff have concerns for lead time (8+ months) on getting a replacement pump. Pump 2 is exhibiting signs of an oil leak.	In the short term, have a spare pump on hand and in the long-term, consider upsizing pumps to meet capacity needs. Identify source of oil leak and repair.	2027
Booster Station	Vineyard	RTU	BS-V-14	5	11	Panel has exceeded useful life and is becoming obsolete. Panel may be unreliable given age.	Replace.	2027
Booster Station	Vineyard	TRANSFORMER	BS-V-06	4	11	Transformer has exceeded its useful life and runs hot or intermittently	Replace.	2027
Booster Station	Vineyard	VALVE	BS-V-04	2	11	Maintained by third party and scheduled to be rebuilt.	-	2027
Booster Station	Vineyard	VALVE	BS-V-20	2	11	Maintained by third party and scheduled to be rebuilt.	-	2027
Booster Station	Vineyard	PUMP - SUMP	BS-V-11	4	11	There is water in the containment. Sump pump at breaker was off	Sump pump float will be replaced in house.	2027
Booster Station	Vineyard Hills	SITE SECURITY	BS-VH-17	2	11	Site has no fence but security is not a concern here since building is shared with the fire department. There are also intrusion alarms.	-	2032
Booster Station	Vineyard Hills	TANK	BS-VH-12	5	11	Broken, \$8000 ordered parts, currently fixing.	-	2028
Booster Station	Vineyard Hills	VALVE	BS-VH-18	3	11	Valve is maintained by Cla-Val. Fittings are not stainless steel.	Replace fittings with stainless steep fittings.	2026
Booster Station	Vineyard Hills	VAULT	BS-VH-11	2	11	Vault is wet and filled with debris (leaves).	-	2045
Booster Station	Vineyard Hills	VAULT	BS-VH-19	2	11	4/30/24 Workshop: The vaults were flooded out and the motor control valves are not functioning.	Repair the MOVs in the valve vault.	2045
Reservoir	Bonde I	BREAKER	Res-B I-15	2	12	Circuit breakers are near the end of their life and testing or replacement should be considered.	Test or replace circuit breakers. Replace panel within 10 years.	2029
Reservoir	Bonde I	CONTROL PANEL	Res-B I-11	2	12	Enclosure fan is near end of life and needs replacement to prevent down time.	Replace enclosure fan.	2029
Reservoir	Bonde I	GENERATOR	Res-B I-14	5	12	Propane generator that is used for tank and radio communications. Generator has exceeded its useful life and is high maintenance (have a hard time firing it). During site visit, it was out of service.	Replace with diesel generator.	2025
Reservoir	Bonde I	PIPE	Res-B I-09	3	12	There is an overflow pipe for the tank that goes into neighborhood	Confirm that there is v-ditch for the overflow pipe or install a	2033
Reservoir	Bonde I	VAULT	Res-B I-05	2	12	Unable to access vault due to confined space entry. The vault lid is made of redwood and is high maintenance. The vault fills with water during rain events and board replacement is needed every 8 years.	Replace vault lid and install fall protection.	2044

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Reservoir	Bonde I	RESERVOIR	Res-B I-03	3	12	The tank is half buried but visible concrete looks to be in acceptable condition. Tank requires near full depth cycling for water quality. Mixers were recently installed to see if this reduces the cycling.	-	2027
Reservoir	Bonde II	CONTROL PANEL	Res-B II-05	5	12	Panel is in deteriorating condition and has exceeded its useful life.	Replace.	2024
Reservoir	Bonde II	TRANSMITTER	Res-B II-06	3	12	Transmitter is in moderate condition and becoming obsolete.	Replace within five years.	2025
Reservoir	Bonde II	VAULT	Res-B II-09	3	12	Did not enter vault, but viewed from above. Vault is damp and has poor ventilation. There is no hand hold to get out of vault.	Improve vault ventilation. Install hand hold for vault ingress/egress.	2043
Reservoir	Bonde II	RESERVOIR	Res-B II-04	4	12	1. Coating is cracked and stucco will eventually start peeling off. 2. No exterior ladder. 3. PVC piping exposed to sun. 4. There is no seal between the tank and perimeter v-ditch.	1. Recoat. 2. Install ladder. 3. Replace pvc piping and paint. 4. Add a seal between v-ditch and tank.	2027
Reservoir	Dublin Canyon	BREAKER	Res-DC-03	5	9	Panel has excessive corrosion and has exceeded its useful life.	Replace.	2025
Reservoir	Dublin Canyon	RTU	Res-DC-04	5	9	Panel has excessive corrosion and has exceeded its useful life.	Replace.	2025
Reservoir	Dublin Canyon	VALVE	Res-DC-01	4	9	Corroded pipe support.	Replace pipe support.	2025
Reservoir	Dublin Canyon	VALVE	Res-DC-02	4	9	Corroded pipe support.	Replace pipe support.	2025
Reservoir	Foothill	ROAD	Res-F-05	3	19	The road has some cracking and spalling. Staff reported there are also drainage issues.	Rehab and regrade road to eliminate drainage concerns.	2028
Reservoir	Foothill	SITE SECURITY	Res-F-15	4	19	Fence around the tank does not meet current City standard and there is evidence of previous graffiti.	Replace fence around tank.	2025
Reservoir	Foothill	VALVE	Res-F-10	3	19	-	Valves should be exercised at least annually.	2025
Reservoir	Foothill	VAULT	Res-F-06	3	19	Need ventilation. Actuator was replaced because of dampness. Ladder could use safety improvements.	Improve vault ventilation. Install hand hold for vault ingress/egress.	2042
Reservoir	Foothill	RESERVOIR	Res-F-01	3	19	Riser is no longer needed and is an operational concern. Due to the riser, the tank must be kept full because the turnouts do not have the head needed to fill the tank.	Remove riser. Coat the underdrain area.	2027
Reservoir	Happy Valley	DRAINAGE	Res-HV-05	2	10	The tank under drain area has some missing coating. The swale is filled with sediment and there is evidence of gopher/ground squirrel holes against wall, which could eventually compromise the wall and piping.	Fill in the holes and clear the swale. Periodic inspection recommended.	2032
Reservoir	Happy Valley	SITE SECURITY	Res-HV-07	2	10	Evidence of previous graffiti.	-	2032
Reservoir	Happy Valley	RESERVOIR	Res-HV-01	2	10	Pipe supports are rusted.	Periodic inspection recommended.	2027
Reservoir	Kottinger Ranch	SITE SECURITY	Res-KR-07	2	11	Entrance gate has minor coating flaking and there is evidence of previous graffiti. Additionally, there is minor soil erosion at the north corner.	-	2032
Reservoir	Laurel Creek	BREAKER	Res-LC-03	3	11	Panel is currently in moderate condition but approaching end of useful life.	Replace within five years.	2027
Reservoir	Laurel Creek	PLC	Res-LC-04	3	11	PLC is currently in moderate condition but approaching end of useful life.	Replace within five years.	2026
Reservoir	Laurel Creek	RTU	Res-LC-05	3	11	RTU is currently in moderate condition but approaching end of useful life.	Replace within five years.	2026
Reservoir	Laurel Creek	VAULT	Res-LC-08	2	11	Pipe supports for inlet and outlet pipes are corroded.	Replace pipe supports.	2045
Reservoir	Lower Ruby Hills	CONTROL PANEL	Res-LRH-03	4	11	Panel is approaching end of useful life and is becoming obsolete.	Replace.	2025
Reservoir	Lower Ruby Hills	SITE SECURITY	Res-LRH-05	2	11	The coating on the fence posts are peeling.	Re-coat the fence posts.	2032
Reservoir	Lower Ruby Hills	VAULT	Res-LRH-09	2	11	Lot of water accumulation in vault, possibly due to rain. Surface rust on pipes. Hatch cover dampers are broken and severely rusted	Periodic inspection of piping recommended. Replace dampers on hatch cover.	2045
Reservoir	Lower Ruby Hills	SHED	Res-LRH-04	5	11	Structure is not durable and is a safety concern. There are signs of joints and wall failure.	Demo enclosure and replace if desired.	2026

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Reservoir	Lower Ruby Hills	RESERVOIR	Res-LRH-01	2	11	Minor corrosion was observed at the base of the tank, on the restraint pipe coupling harness and all bolts on the pipe harness, and on the box near the pipe.	Periodic inspection recommended.	2027
Reservoir	Lund	RTU	Res-L-07	3	11	RTU is becoming obsolete and approaching end of useful life.	Replace within five years.	2026
Reservoir	Lund	SITE SECURITY	Res-L-08	2	11	The coating is flaking on the horizontal beams.	Recoat the horizontal beams.	2032
Reservoir	McCloud	RESERVOIR	Res-MC-01	5	8	The tank is not structurally sound and was leaking through the sidewalls. The tank was officially flanged off this year from the water system and is empty. There is evidence of painted over graffiti on the tank. O&M is still expected to maintain the tank and they spend time painting it.	Decommission.	2025
Reservoir	Moller Ranch	BREAKER	Res-MR-03	4	11	Panel has deteriorated and is in poor condition.	Replace.	2025
Reservoir	Moller Ranch	RTU	Res-MR-05	3	11	RTU is in moderate condition but is approaching end of useful life and is becoming obsolete.	Replace within five years.	2026
Reservoir	Moller Ranch	SITE SECURITY	Res-MR-06	2	11	Fence does not meet current City standard.	Consider replacing fence to meet new City standard.	2032
Reservoir	Moller Ranch	VAULT	Res-MR-07	3	11	Vault cover support frame has significant corrosion. Cover plate at some locations are not flush or tightly closed.	Periodic inspection recommended. Consider replacing cover with aluminum cover.	2036
Reservoir	Sycamore	BREAKER	Res-S-08	5	19	Panel is in deteriorated condition, require lots of maintenance and is becoming obsolete.	Replace.	2024
Reservoir	Sycamore	CONTROL PANEL	Res-S-12	3	19	There is equipment inside the panel that is no longer in service, i.e., the irrigation panel.	Remove equipment that is no longer in service.	2026
Reservoir	Sycamore	FAN	Res-S-14	5	19	Fan is scheduled to be replaced. The associated control panel has also exceeded its useful life and should also be replaced.	-	2024
Reservoir	Sycamore	PUMP - SUMP	Res-S-10	5	19	Gear has exceeded its useful life.	Replace.	2024
Reservoir	Tank 1160	VAULT	Res-T1160-03	3	10	-	Periodic inspection recommended.	2036
Reservoir	Tank 1160	BATTERY	W_Res_T1160-0	5	10	Tanks 1160 and 1600 have no power source and rely on batteries.	Install solar panels.	2024
Reservoir	Tank 1300	RESERVOIR	Res-T1300-01	4	10	Updated findings based on 4/30/24 workshop: Staff reported that an internal inspection of the tank and review of the vapor zone indicates that the interior of the tank is in poor condition and needs to be rehabilitated.	Rehabilitate tank.	2025
Reservoir	Tank 1600	BATTERY	W_Res_T1600-0	5	10	Tanks 1160 and 1600 have no power source and rely on batteries.	Install solar panels.	2024
Reservoir	Tank 510	RESERVOIR	Res-T510-02	2	10	Updated findings based on 4/30/24 workshop: AKEL report identified this zone to have an existing deficiency of insufficient capacity.	Increase storage capacity. Refer to AKEL report.	2027
Reservoir	Tank 770 I	VALVE	Res-T770 I-02	5	11	Not functioning.	Replace.	2025
Reservoir	Tank 770 I	VALVE	Res-T770 I-03	5	11	Not functioning.	Replace.	2025
Reservoir	Tank 770 I	VAULT	Res-T770 I-07	4	11	Unsafe hatch. There are no hinges.	Replace vault with standard.	2030
Reservoir	Tank 770 II	BREAKER	Res-T770 II-06	4	11	Obsolete and deteriorating condition.	Replace.	2025
Reservoir	Tank 770 II	RTU	Res-T770 II-07	4	11	Panel has exceeded useful life and is becoming obsolete. Panel may be unreliable given age.	Replace.	2025
Reservoir	Tank 770 II	SITE SECURITY	Res-T770 II-08	3	11	The coating on the fence posts are peeling. There is vegetation growing along the fence.	Cut back vegetation to reduce fire risk and improve fence maintenance.	2028
Reservoir	Tank 770 II	VAULT	Res-T770 II-09	3	11	Vault is a concrete box with a metal cover and no hinge.	Replace vault with standard.	2036
Reservoir	Tank 770 II	RESERVOIR	Res-T770 II-01	2	11	Updated findings based on 4/30/24 workshop: AKEL report identified this zone to have an existing deficiency of insufficient capacity.	Increase storage capacity. Refer to AKEL report.	2027
Reservoir	Upper Ruby Hills	SITE SECURITY	Res-URH-09	1	11	No security concerns, located inside a gated community.	-	2046
Reservoir	Upper Ruby Hills	RESERVOIR	Res-URH-01	2	11	Minor corrosion observed at the base of the tank.	Periodic inspection recommended.	2027
Reservoir	Vineyard Hills	RTU	Res-VH-08	3	11	Access to the PLC is via overgrown vegetation. The PLC is in moderate condition and becoming obsolete.	Clear a path in the vegetation. Replace the PLC within five years.	2026
Reservoir	Vineyard Hills	SITE SECURITY	Res-VH-09	2	11	No security concerns at this site.	-	2032
Reservoir	Vineyard Hills	VALVE	Res-VH-04	1	11	Missing label.	Label the drain valve.	2032
Turnout	Turnout 1	BREAKER	Turnout-T1-06	4	8	Panel is deteriorating and in poor condition. It has exceeded its useful life.	Replace.	2025
Turnout	Turnout 2	BREAKER	Turnout-T2-07	5	9	Panel is deteriorating and in poor condition. It has exceeded its us	Replace.	2025

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Turnout	Turnout 2	BUILDING	Turnout-T2-01	4	9	Building tilting towards NE, left when facing the door. Tilt is significant and can be felt when entered.	Requires periodic inspection and complete replacement in future.	2030
Turnout	Turnout 2	VAULT	Turnout-T2-15	2	9	In close proximity to tilting building.	Periodic inspection recommended.	2045
Turnout	Turnout 3	BREAKER	Turnout-T3-04	3	16	Panel is becoming obsolete and the circuit breakers have exceeded their useful life.	Replace circuit breakers. Replace panel within 10 years.	2026
Turnout	Turnout 3	BUILDING	Turnout-T3-03	3	16	Northwest corner of the building is damaged and rebar is exposed. Unknown if there is adequate ventilation for fluoride - one fan. There is not a lot of room in the building.	Recommend converting existing building to electrical room and installing new tank room.	2035
Turnout	Turnout 3	CHEMICAL METERING PUMP	Turnout-T3-01	3	16	Metering pump is located in the secondary containment on a rusted bracket with a plastic tub underneath. Pump is high maintenance.	Consider improving pump mounting. Consider moving away from a pressurized chemical injection system and replacing with peristaltic pumps.	2024
Turnout	Turnout 3	RTU	Turnout-T3-05	2	16	There is a lack of surge suppression on antenna cable.	-	2027
Turnout	Turnout 3	TANK	Turnout-T3-06	3	16	Would like to have a second tank for redundancy and to confirm the concentration in the tank.	Add a redundant tank. Test existing tank's concentration.	2033
Turnout	Turnout 3	VAULT	Turnout-T3-02	3	16	Minor corrosion observed on the lifting mechanism.	-	2035
Turnout	Turnout 4	BREAKER	Turnout-T4-03	5	19	Panelboard is excessively corroded.	Replace.	2024
Turnout	Turnout 4	BUILDING	Turnout-T4-02	3	19	Unknown if there is adequate ventilation for fluoride. There is not a lot of room in the building. Concrete sidewalk/entrance to the building shows signs of settlement.	Consider expansion of building (horizontally/vertically) because building is cramped.	2037
Turnout	Turnout 4	CHEMICAL METERING PUMP	Turnout-T4-05	3	19	Metering pump is mounted on the floor of the secondary containment. Pump is high maintenance.	Consider improving pump mounting. Consider moving away from a pressurized chemical injection system and replacing with peristaltic pumps.	2024
Turnout	Turnout 4	RTU	Turnout-T4-01	2	19	There is a lack of surge suppression on antenna cable.	-	2027
Turnout	Turnout 4	TANK	Turnout-T4-06	3	19	Secondary containment was filled with water at time of visit due to fire testing. Secondary containment does not have a drain. Staff would like to have a second tank for redundancy and to confirm the concentration in the tank.	Consider installing redundant tank.	2033
Turnout	Turnout 5	BREAKER	Turnout-T5-09	5	22	Panel will reach end of its life within the next 10 years. However immediate replacement is suggested due to excessive corrosion and deterioration. NEMA 4X enclosure shall be provided given the environment is very corrosive.	Replace and provide NEMA 4X enclosure	2025
Turnout	Turnout 5	BUILDING	Turnout-T5-02	2	22	Pipe supports and anchors are moderately corroded.	Periodic inspection recommended to monitor progress of corrosion.	2045
Turnout	Turnout 5	CHEMICAL METERING PUMP	Turnout-T5-10	3	22	Frequent leaks in tubing joints due to high pressure dosing. Current pumps are high maintenance.	Consider moving away from a pressurized chemical injection system and replacing with peristaltic pumps.	2025
Turnout	Turnout 5	SITE SECURITY	Turnout-T5-12	3	22	There are security concerns at this site. Building has an intrusion alarm that communicates to central SCADA.	Consider installing a fence, if feasible.	2028
Turnout	Turnout 5	TERMINAL BOX	Turnout-T5-15	2	22	Analyzer IO terminal box replacement within the next 10 years is recommended due to age. This is important to avoid signal interruption.	Replace within 10 years.	2030
Turnout	Turnout 5	VAULT	Turnout-T5-04	2	22	Pipe supports and anchors are moderately corroded.	Periodic inspection recommended to monitor progress of corrosion.	2045
Turnout	Turnout 6	ANALYZER	Turnout-T6-06	3	21	This model of analyzer is high maintenance.	Consider upgrading analyzer to newer model that is used.	2028
Turnout	Turnout 6	ANALYZER	Turnout-T6-09	3	21	This model of analyzer is high maintenance.	Consider upgrading analyzer to newer model that is used.	2026
Turnout	Turnout 6	CHEMICAL METERING PUMP	Turnout-T6-08	3	21	Frequent leaks in tubing joints due to high pressure dosing. Current pumps are high maintenance.	Consider moving away from a pressurized chemical injection system.	2025
Turnout	Turnout 7	ANALYZER	Turnout-T7-05	3	21	This model of analyzer is high maintenance.	Consider upgrading analyzer to newer model that is used.	2028
Turnout	Turnout 7	ANALYZER	Turnout-T7-07	3	21	This model of analyzer is high maintenance. Latch is broken.	Consider upgrading analyzer to newer model that is used.	2026
Turnout	Turnout 7	ANALYZER	Turnout-T7-10	3	21	This model of analyzer is high maintenance.	Consider upgrading analyzer to newer model that is used.	2026

Water Facility Condition Assessment Findings and Recommendations

Level2	Level3	Type2	Asset_ID	POF	COF	Observations	Recommendations	Year
Turnout	Turnout 7	CHEMICAL METERING PUMP	Turnout-T7-06	3	21	Frequent leaks in tubing joints due to high pressure dosing. Current pumps are high maintenance.	Consider moving away from a pressurized chemical injection system.	2025
Well	Well 7	ATS	Well-W7-06	5	8	This gear is not operable and functional. It should be demolished.	Decommission.	2026
Well	Well 7	BUILDING	Well-W7-05	4	8	Located in busy plaza. Challenging to access. Dry rot in beams. Not suitable for chemical storage. Minimal ventilation.	Decommission, or if desired, replaced with a new building in	2026
Well	Well 7	GENERATOR RECEPTACLE	Well-W7-07	5	8	This gear is not operable nor functional. It should be demolished.	Decommission.	2026
Well	Well 7	PUMP	Well-W7-03	5	8	Unknown if pump is pulled. Casing failed.	Decommission.	2026
Well	Well 7	RTU	Well-W7-08	5	8	Panel is not operable and should be demolished.	Decommission.	2026
Well	Well 7	SWITCHBOARD	Well-W7-02	5	8	This gear is not operable, and functional. It should be demolished.	Decommission.	2026
Well	Well 7	WELL	Well-W7-01	5	8	Foundation was majorly buckling. Structurally failed.	Decommission.	2026

APPENDIX C

REHABILITATION AND REPLACEMENT
WORKSHOP MATERIALS

CITY OF PLEASANTON

Water System Management Plan

Prepared By: Michelle Eckard

Issued Date: May 6, 2024

Meeting Date: April 30, 2024

Project No.: 201264

Location: OSC Remillard Room, City of Pleasanton

Subject: Water Asset Rehabilitation and Replacement Workshop

Attendees: Client: Todd Yamello, Ryan Ravalin

Carollo: Michelle Eckard, Tim Loper

The following is our understanding of the subject matter. If this differs from your understanding, please notify us within 10 business days of receipt.

COF Prioritization Ranking

Updated based on discussions during the workshop.

Facility	SUM (COF)	AVG (POF)	Notes
Turnout 5	22	2.55	Project: O&M
Turnout 6	21	2.44	Project: O&M
Turnout 7	21	2.18	Project: O&M
Foothill Booster Station	19	3.18	Project
Foothill Reservoir	19	2.64	
Sycamore Booster Station	19	2.07	
Sycamore Reservoir	19	2.36	
Turnout 4	19	3.00	Project: Interim
Turnout 3	16	2.83	Project: O&M
Bonde I Reservoir	12	3.23	
Bonde II Reservoir	12	3.14	
Kottinger Ranch Booster Station	11	2.84	Project
Kottinger Ranch Reservoir	11	2.00	
Laurel Creek Booster Station	11	2.13	Project
Laurel Creek Reservoir	11	2.38	

Facility	SUM (COF)	AVG (POF)	Notes
Longview Booster Station	11	2.41	
Lower Ruby Hills Reservoir	11	3.00	
Lund Reservoir	11	2.56	
Moller Ranch Reservoir	11	2.71	
Ruby Hills Booster Station	11	2.88	
Tank 770 I Reservoir	11	3.67	Capacity project
Tank 770 II Reservoir	11	2.75	Capacity project
Upper Ruby Hills Reservoir	11	1.71	
Vineyard Booster Station	11	3.10	Project
Vineyard Hills Booster Station	11	2.53	
Vineyard Hills Reservoir	11	1.91	
Happy Valley Reservoir	10	2.13	
Tank 1160 Reservoir	10	2.33	
Tank 1300 Booster Station	10	1.91	Project
Tank 1300 Reservoir	10	2.00	Project
Tank 1600 Reservoir	10	2.00	
Tank 510 Booster Station	10	2.10	Capacity project
Tank 510 Reservoir	10	1.75	Capacity project
Tank 900 Booster Station	10	1.90	
Tank 900 Reservoir	10	1.50	
Dublin Canyon Booster Station	9	2.47	
Dublin Canyon Reservoir	9	3.60	
Turnout 2	9	3.07	Redundant; not used.
Grey Eagle Booster Station	8	2.96	Project: Decommission
McCloud Booster Station	8	5.00	Project: Decommission
McCloud Reservoir	8	5.00	Project: Decommission
Turnout 1	8	2.17	Project: Decommission

Facility	SUM (COF)	AVG (POF)	Notes
Well 5	8	3.00	Project: Decommission
Well 6	8	3.00	Project: Decommission
Well 7	8	4.83	Project: Decommission
Well 8	8	2.90	Project: Decommission

Operator input line added to AWIA COF scores to adjust the sum (COF). Booster stations and reservoirs should be treated separately.

Water Facilities – Wells

1. Assume that the Zone 7 project will be done. It is already on the CIP list.
 - a. Then Wells 5 and 6 can be decommissioned.
2. **ACTION:** Rank all wells as lowest COF (7) under the assumption they should all be decommissioned.

Water Facilities – Turnouts

1. Turnout 1:
 - a. Project: Regional.
 - i. The reg. project also includes a new turnout.
 - ii. Add footnote to CIP about regional project.
2. Turnout 2: Not being used. It is a back-up to Turnout 4. Hydraulically the station does not perform.
 - a. Project: N/A.
 - b. **ACTION:** Lowest COF (7).
3. Turnout 3:
 - a. Project: O&M.
 - b. There is a recommendation to replace the chemical metering pump with a peristaltic pump. However, the City cannot identify a manufacturer of peristaltic pumps that has tubing appropriate for acid (H2S).
4. Turnout 4:
 - a. Project: Interim.
 - i. Total rehabilitation project occurring now. Includes two new tanks, chemical system, etc. Adams is the contact.
5. Turnout 5:
 - a. Project: O&M.
 - b. **ACTION:** Highest COF (1).
6. Turnout 6:
 - a. Project: O&M.
 - b. **ACTION:** Follow Turnout 5 in COF ranking (2).

7. Turnout 7:
 - a. *Project: O&M.*
 - b. **ACTION:** *Follow Turnout 5 in COF ranking (2).*

Water Facilities – Reservoirs

1. All recommendations for reservoirs should start with an inspection project.
 - a. **ACTION:** *Create a CIP project for the structural internal inspection of reservoirs. Can also create a tank rehab project placeholder based on outcome of inspection.*
2. There is a reservoir that has cathodic issues.
 - a. **ACTION:** *Ryan will talk to Robert to ID site and review if there are any other CIPs needed at reservoirs.*

Tank 1300

1. The interior of the tank is concerning. There is a recommendation from the state to rehabilitate this site based on diving footage from an inspection of the interior of the tank and review of the vapor zone. High priority.
 - a. *Project: 10-Year CIP.*
 - b. **ACTION:** *Update POF score to reflect interior condition of the tank.*

Capacity Issues - Tanks 510, 770

1. AKEL report found that these two zones have an existing deficiency of insufficient capacity (need storage improvements). Both tanks are 0.25 MG. The current budget is \$2.1M.
 - a. **ACTION:** *Tim to review budget with AKEL. The cost should be for a new tank and include rehabilitation of other assets (valve vault, etc.).*
 - b. *Project: 10-Year CIP (based on capacity).*
2. Vault at 770 that needs to be replaced is not a CIP project in itself.

Kilkare Tanks

1. Fire flow concerns are related to the piping and not the tanks.
 - a. **ACTION:** *Update finding in report.*
2. Tanks 1160 and 1600 have no power source and rely on batteries. City would like to have a solar panel project to address lack of power. This is also in the energy recommendations (a wishlist project).
 - a. **ACTION:** *Add to project list in condition assessment report.*

McCloud

1. Safety concern. Additionally, have received multiple calls this year regarding concerns about the tank in relation to buying a house in the area.
2. Project: Decommission.

Water Facilities – Booster Stations

Grey Eagle

1. Small service area, antiquated station (was supposed to be temporary), hydropneumatics issues (refer to AKEL report).
2. Site can be decommissioned with CIP project to install a pipeline to Kottinger Ranch and a PRV.
 - a. *Project: Decommission.*
 - b. *Add footnote to CIP: Grey Eagle is assumed to not need to be rehabilitated; however, if pipeline project does not occur in a timely manner, then rehabilitation of BS will be needed.*

Vineyard

1. Supplemental LS only.
2. Need pump capacity improvements at this site to be able to split up the megazone (refer to Appendix I in the AKEL report).
 - a. *Add footnote to CIP: Consider upsizing pump capacity to split Bonde Zone into smaller zones as desired by operations.*
3. Project: Full rehabilitation project needed.

Laurel Creek

1. Have had issues with this BS. Needs a new generator and many electrical findings.
2. Project: 10-Year CIP.

Longview

1. BS rehabbed 12 years ago. The reservoir was rehabbed 3-4 years ago.

Foothill

1. Average POF: 3.35.
2. Site does have redundancy (can be fed water from elsewhere). Start of the daisy chain.
3. Project: 10-Year CIP.

Ruby Hills

1. ATS replaced already.
 - a. **ACTION:** *Update findings.*
2. Shed at Upper Ruby Hills Reservoir is an O&M project.

Vineyard Hills

1. The motor control valve vaults were flooded out and are currently not functioning.
 - a. **ACTION:** *Add to condition assessment report.*

Kottinger Ranch

1. Average POF: 2.75
2. COF will increase if Grey Eagle is decommissioned. Would like 3 pumps because 2 are needed during peak demand. Not in AKEL report. Pump info used for report may not be correct.
3. As critical as Foothill and Grey Eagle?
4. MCC from the 70s. Ready for CIP.

Other

Generators

1. Need generator project that is supported by project memo. Todd to send so it can be incorporated into the findings. Lots of recommendations (mostly regarding portable generators).
2. Currently renting generators, which has been costly.
3. Non-compliant with permits and insufficient for PSPS (category A in priority).
 - a. **ACTION:** Add to CIP.

PLC

1. Add footnote to CIP: PLCs should be replaced in facility rehabilitation; however, if not addressed in a timely manner, then a PLC replacement project is needed.

Water Loss

1. Conservation memo. Tim provided the water loss presentation to Todd. City needs to add leak detection program.

Next Steps

1. Prepare updated Water Facility Condition Assessment TM which will include projects discussed in this workshop, and updated costs.

APPENDIX D

AWIA CONSEQUENCE METRICS TABLE

Asset Name	Consequence Metrics Potential for: City of Pleasanton								Cumulative Consequence Score	Discussed In Workshop vs. WY Estimate
	Financial Losses to the Utility	Economic Losses to the Community	Impacts to the Environment	Impacts to Public Confidence	Impacts to Water Quality	Impacts to Essential Critical Infrastructure (non-agency)	Fatalities	Serious Injuries		
Example Asset	H	M	L	H	L	L	L	L	13	
Source Water										
Turnout 1	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Turnout 2	L	L	L	L	L	M	L	M	10	Discussed In Workshop
Turnout 3	M	M	L	M	M	H	L	M	15	Discussed In Workshop
Turnout 4	H	H	L	H	M	H	L	M	18	Discussed In Workshop
Turnout 5	H	H	L	H	H	H	L	M	19	Discussed In Workshop
Turnout 6	H	H	L	H	H	H	L	M	19	Discussed In Workshop
Turnout 7	H	H	L	H	H	H	L	M	19	Discussed In Workshop
Well 5	H	H	L	H	M	H	L	M	18	Discussed In Workshop
Well 6	H	H	L	H	M	H	L	M	18	Discussed In Workshop
Well 8	H	H	L	H	M	M	L	L	16	Discussed In Workshop
Finished Water Pump Station										
Lower Pressure Zone										
Canyon Meadows	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Laurel Creek	M	L	L	M	L	L	L	L	10	Discussed In Workshop
Longview	M	L	L	M	L	L	L	L	10	Discussed In Workshop
Foothill 2	L	L	L	M	L	L	L	L	9	Discussed In Workshop
McCloud (Kottinger on hydraulic profile)	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Vineyard	M	L	L	L	L	L	L	L	9	Discussed In Workshop
Vineyard Hills	M	L	L	M	L	L	L	L	10	Discussed In Workshop
North Sycamore	M	L	L	M	L	L	L	L	10	Discussed In Workshop
Bonde Pressure Zone										
Grey Eagle	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Grey Eagle Fire Pump	L	L	L	M	L	L	L	L	9	Discussed In Workshop
Kottinger Ranch	L	L	L	M	L	L	L	L	9	Discussed In Workshop
Ruby Hill Upper/Lower	M	L	L	M	L	L	L	L	10	Discussed In Workshop
PS 510	L	L	L	M	L	L	L	L	9	Discussed In Workshop
PS 900	L	L	L	M	L	L	L	L	9	Discussed In Workshop
PS 1300	L	L	L	M	L	L	L	L	9	Discussed In Workshop
Storage Reservoirs										
Lower Pressure Zone										
Foothill	H	H	L	H	H	H	L	L	18	Discussed In Workshop
Sycamore	H	H	L	H	H	H	L	L	18	Discussed In Workshop
Tassajara (Recycled Water)	M	L	L	M	L	M	L	L	11	Discussed In Workshop
McCloud (Kottinger on hydraulic profile)	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Dublin Canyon (OWN P ZONE)	L	L	L	L	L	L	L	L	8	Discussed In Workshop
Moller 770 Pressure Zone										
Laurel Creek	M	L	L	M	L	L	L	L	10	WY Estimate
Moller 770	M	L	L	M	L	L	L	L	10	WY Estimate
Pressure Zone 770										
770-1	M	L	L	M	L	L	L	L	10	WY Estimate
770-2	M	L	L	M	L	L	L	L	10	WY Estimate
510	M	L	L	M	L	L	L	L	10	WY Estimate
Bonde Pressure Zone										
Bonde-1	M	M	L	M	L	L	L	L	11	WY Estimate
Bonde-2	M	M	L	M	L	L	L	L	11	WY Estimate
Happy Valley	L	L	L	M	L	L	L	L	9	WY Estimate
Lund	M	L	L	M	L	L	L	L	10	WY Estimate
Kottinger Ranch	L	L	L	M	L	L	L	L	9	WY Estimate

	Consequence Metrics									
	Potential for: City of Pleasanton									
Asset Name	Financial Losses to the Utility	Economic Losses to the Community	Impacts to the Environment	Impacts to Public Confidence	Impacts to Water Quality	Impacts to Essential Critical Infrastructure (non-agency)	Fatalities	Serious Injuries	Cumulative Consequence Score	Discussed In Workshop vs. WY Estimate
Lower Ruby Hill	M	L	L	M	L	L	L	L	10	WY Estimate
Upper Ruby Hill	M	L	L	M	L	L	L	L	10	WY Estimate
Pressure Reducing Stations										
Foothill 770 from Lower 770-Madden Station	L	L	L	M	L	L	L	L	9	Discussed In Workshop
Upper Golden Eagle to Mid 770 - North	L	L	L	M	L	L	L	L	9	WY Estimate
Upper Golden Eagle to Mid 770 - South	L	L	L	M	L	L	L	L	9	WY Estimate
Twelve Oaks Drive - Deer Oaks from 770	L	L	L	M	L	L	L	L	9	WY Estimate
Serenity Terrace	L	L	L	M	L	L	L	L	9	WY Estimate
Moller Ranch Rd @ EVA	L	L	L	M	L	L	L	L	9	WY Estimate
Kilkare #1	L	L	L	M	L	L	L	L	9	WY Estimate
Kilkare #2	L	L	L	M	L	L	L	L	9	WY Estimate
Kilkare #3	L	L	L	M	L	L	L	L	9	WY Estimate
JP Station	L	L	L	M	L	L	L	L	9	WY Estimate
Nipper Station	L	L	L	M	L	L	L	L	9	WY Estimate
Grapevine Drive @ Vineyard	L	L	L	M	L	L	L	L	9	WY Estimate
El Capitan Drive @ Vineyard	L	L	L	M	L	L	L	L	9	WY Estimate
Laurel Creek to Dublin Canyon Zone	L	L	L	M	L	L	L	L	9	WY Estimate
Finished Water Transmission Main										
277 miles 6-in to 27-in										
T4 at Stone Ridge and Hopyard (~3 miles)	M	M	L	M	L	M	L	L	12	WY Estimate
T5 to Sycamore	M	M	L	M	M	M	L	L	13	WY Estimate
Mains associated with turnouts										WY Estimate
T3 (West Las Pacitas)	L	L	L	L	L	M	L	L	9	WY Estimate
Main up the ridge to Killkare	L	L	L	M	L	L	L	L	9	WY Estimate
Pleasanton Canal Crosstown Main (out of T2)	L	L	L	L	L	L	L	L	8	WY Estimate
T7 to Ruby Hill	M	M	L	M	M	M	L	L	13	WY Estimate
Castlewood and Foothill Road (770 Zone)	M	L	L	M	L	L	L	L	10	WY Estimate
Distribution System	M	M	L	M	M	M	L	L	13	WY Estimate
Admin and Ops Building										
Operations Service Center (incl main SCADA)	H	M	L	H	L	L	L	L	13	WY Estimate
Generators	H	H	L	H	H	H	L	L	18	Per City: to match Foothill tank due to PSPS events
SCADA System	H	H	M	H	H	H	L	M	20	Per City comments - to match TO#5 plus "M" for impacts to environment
Business/IT System	H	L	L	H	L	M	L	L	13	WY Estimate
Organization/Water System Field/Operations Staff	H	L	L	M	L	L	L	M	12	WY Estimate
Worst Reasonable Consequences:										
Estimate the worst reasonable consequences resulting from the destruction or loss of each asset, without regard to threat. For each of the assets, determine if the destruction or loss of the asset has a high, medium or low potential to cause the associated consequence. Enter H, M or L in the cooresponding cells. :										
1) High - (H) The destruction or loss of this asset has a high likelihood of causing the consequence. Quantitative score: 3.										
2) Medium - (M) The destruction or loss of this asset has a medium likelihood of causing the consequence. Quantitative score: 2.										
3) Low - (L) The destruction or loss of this asset has a low likelihood of causing the consequence. Quantitative score: 1.										
4) N/A - (N) This consequence is not applicable to the asset. Quantitative score: 0.										
Prioritize the critical assets using the sum of the estimated consequences. The sum of the associated quantitative score can be found in column I. The higher the score, the more critical the asset.										

APPENDIX E

WATER FACILITY CAPITAL IMPROVEMENT PROJECT

Water Facility 10-Year CIP

CIP Project	Asset_Name	POF	Year	Sum of Project Cost
Decommission of Grey Eagle	Grey Eagle Booster Station 3-in Butterfly Valve, Pump 1	1	2031	\$ 8,873
	Grey Eagle Booster Station 3-in Butterfly Valve, Pump 2	4	2031	\$ 8,873
	Grey Eagle Booster Station 6" Pump Control Valve	2	2031	\$ 8,873
	Grey Eagle Booster Station 8" Pump Control Valve	2	2031	\$ 8,873
	Grey Eagle Booster Station 8-in Check Valve	2	2031	\$ 8,873
	Grey Eagle Booster Station Air Compressor	5	2031	\$ 8,873
	Grey Eagle Booster Station Air Compressor Control Panel	5	2031	\$ 35,490
	Grey Eagle Booster Station Automatic Transfer Switch (ATS)	4	2031	\$ 35,490
	Grey Eagle Booster Station Building	2	2031	\$ 295,750
	Grey Eagle Booster Station Check Valve, Pump 1	1	2031	\$ 8,873
	Grey Eagle Booster Station Check Valve, Pump 2	1	2031	\$ 8,873
	Grey Eagle Booster Station Control Panel LP-1	3	2031	\$ 35,490
	Grey Eagle Booster Station Controller/RTU	5	2031	\$ 2,958
	Grey Eagle Booster Station Exhaust Fan	2	2031	\$ 2,958
	Grey Eagle Booster Station Flow Meter	3	2031	\$ 8,873
	Grey Eagle Booster Station Hydropneumatic Tank	2	2031	\$ 35,490
	Grey Eagle Booster Station Lighting Panel	2	2031	\$ 8,873
	Grey Eagle Booster Station Lighting Transformer	5	2031	\$ 35,490
	Grey Eagle Booster Station MCC-A	4	2031	\$ 118,300
	Grey Eagle Booster Station Piping	3	2031	\$ 8,873
	Grey Eagle Booster Station Pump 1	3	2031	\$ 88,725
	Grey Eagle Booster Station Pump 2	4	2031	\$ 88,725
	Grey Eagle Booster Station Pump 3 Fire Pump	3	2031	\$ 88,725
	Grey Eagle Booster Station Site Security	3	2031	\$ 35,490
	Grey Eagle Booster Station Spare parts: pump, motor, check	5	2031	\$ 8,873
	Grey Eagle Booster Station Switchboard	2	2031	\$ 295,750
Decommission of McCloud Tank/PS	McCloud Booster Station Building	5	2025	\$ 295,750
	McCloud Booster Station Pump 1	5	2025	\$ 215,475
	McCloud Booster Station Pump 2	5	2025	\$ 215,475
	McCloud Booster Station Pump 3	5	2025	\$ 215,475
	McCloud Reservoir Tank	5	2025	\$ 295,750
Decommission of Well 5 and 6	Well 5	4	2028	\$ 88,725
	Well 5 Check Valve	2	2028	\$ 8,873
	Well 5 Dump Control Valve	2	2028	\$ 8,873
	Well 5 Dump Isolation Valve	2	2028	\$ 8,873
	Well 5 Flowmeter	2	2028	\$ 8,873
	Well 5 Pump	3	2028	\$ 88,725
	Well 5&6 Lighting Panel	4	2028	\$ 35,490
	Well 5&6 MCC	4	2028	\$ 2,958
	Well 5&6 Motor Control Center	4	2028	\$ 118,300
	Well 5&6 PLC Panel	4	2028	\$ 118,300
	Well 6	4	2028	\$ 88,725
	Well 6 Check Valve	2	2028	\$ 8,873
	Well 6 Dump Control Valve	2	2028	\$ 8,873
	Well 6 Dump Isolation Valve	2	2028	\$ 8,873
	Well 6 Flowmeter	2	2028	\$ 8,873
	Well 6 Pump	5	2028	\$ 88,725
Decommission of Well 7	Well 7	5	2026	\$ 88,725
	Well 7 Building	4	2026	\$ 295,750
	Well 7 Generator Transfer Switch	5	2026	\$ 35,490
	Well 7 Main Switchboard	5	2026	\$ 295,750
	Well 7 Portable Generator Connection	5	2026	\$ 2,958
	Well 7 Pump	5	2026	\$ 88,725
Decommission of Well 8	Well 7 RTU	5	2026	\$ 2,958
	Well 8	5	2032	\$ 88,725
	Well 8 Ammonia Dosing System Components	3	2032	\$ 2,958
	Well 8 Ammonia Injection Vault	3	2032	\$ 88,725
	Well 8 Ammonia Storage Shed	5	2032	\$ 8,873
	Well 8 Building	3	2032	\$ 295,750

Water Facility 10-Year CIP

CIP Project	Asset_Name	POF	Year	Sum of Project Cost
Decommission of Well 8	Well 8 Chlorine Dosing System Components	5	2032	\$ 35,490
	Well 8 Chlorine Dosing System Shed	5	2032	\$ 8,873
	Well 8 Chlorine/Fluoride Injection Vault	3	2032	\$ 88,725
	Well 8 Dump Control Valve	2	2032	\$ 8,873
	Well 8 Dump Isolation Valve	2	2032	\$ 8,873
	Well 8 Flow Meter	1	2032	\$ 8,873
	Well 8 Flow Switch 1	3	2032	\$ 2,958
	Well 8 Flow Switch 2	3	2032	\$ 2,958
	Well 8 Fluoride Analyzer 1	2	2032	\$ 8,873
	Well 8 Fluoride Analyzer 2	4	2032	\$ 8,873
	Well 8 Fluoride Dosing System Components	4	2032	\$ 35,490
	Well 8 Free Chlorine Analyzer	2	2032	\$ 8,873
	Well 8 Generator Hookup	3	2032	\$ 2,958
	Well 8 PLC Panel	4	2032	\$ 118,300
	Well 8 Pressure Transducer	2	2032	\$ 2,958
	Well 8 Pump	1	2032	\$ 88,725
	Well 8 Pump Check Valve	2	2032	\$ 8,873
	Well 8 Pump Pressure Switch High	3	2032	\$ 2,958
	Well 8 Pump Pressure Switch Low	3	2032	\$ 2,958
	Well 8 Pump VFD	2	2032	\$ 35,490
	Well 8 Switchboard	4	2032	\$ 295,750
	Well 8 Total Chlorine Analyzer	2	2032	\$ 8,873
	Well 8 Water Circulation Shed	1	2032	\$ 8,873
	Well 8 Water Circulation System Components	2	2032	\$ 35,490
Rehabilitation of Foothill Pump Station	Foothill Booster Station Diesel Fuel Tank	3	2026	\$ 86,190
	Foothill Booster Station Electric Sump Pump	5	2026	\$ -
	Foothill Booster Station Flow Meter	4	2026	\$ -
	Foothill Booster Station Generator Transfer Switch (000719)	4	2026	\$ 86,190
	Foothill Booster Station Lighting Panel (LP-1)	3	2026	\$ 21,548
	Foothill Booster Station Lighting Transformer	3	2026	\$ 86,190
	Foothill Booster Station MCC	4	2026	\$ 287,300
	Foothill Booster Station Pressure Switch	4	2026	\$ 7,183
		3	2026	\$ 7,183
	Foothill Booster Station Pressure Transmitter 1	4	2026	\$ 7,183
	Foothill Booster Station Pressure Transmitter 2	4	2026	\$ 7,183
	Foothill Booster Station Pump 1	2	2026	\$ 215,475
	Foothill Booster Station Pump 2	2	2026	\$ 215,475
	Foothill Booster Station Pump 3	5	2026	\$ 88,725
	Foothill Booster Station Pump 4	5	2026	\$ 88,725
	Foothill Booster Station RTU 7	1	2026	\$ 7,183
	Foothill Booster Station Site Security	3	2026	\$ 86,190
	Foothill Booster Station Surge Anticipator Valve	2	2026	\$ 21,548
Rehabilitation of Kottinger Ranch Pump Station	Kottinger Ranch Booster Station ARVs	1	2028	\$ 7,183
	Kottinger Ranch Booster Station Butterfly Valves	2	2028	\$ 21,548
	Kottinger Ranch Booster Station Control Valve, Pump 1	2	2028	\$ 21,548
	Kottinger Ranch Booster Station Control Valve, Pump 2	2	2028	\$ 21,548
	Kottinger Ranch Booster Station Crane/Hoist	2	2028	\$ 86,190
	Kottinger Ranch Booster Station Diesel Engine	5	2028	\$ 35,490
	Kottinger Ranch Booster Station Exhaust Fan	3	2028	\$ 7,183
	Kottinger Ranch Booster Station Exterior 10" Butterfly Valve	3	2028	\$ 21,548
	Kottinger Ranch Booster Station Exterior Piping	3	2028	\$ 21,548
	Kottinger Ranch Booster Station Flow Meter	1	2028	\$ 21,548
	Kottinger Ranch Booster Station Lighting Panel	4	2028	\$ 21,548
	Kottinger Ranch Booster Station Lighting Transformer	4	2028	\$ 86,190
	Kottinger Ranch Booster Station MCC	4	2028	\$ 287,300
	Kottinger Ranch Booster Station Pressure Transmitter	3	2028	\$ 7,183
	Kottinger Ranch Booster Station Pump 1	3	2028	\$ 215,475
	Kottinger Ranch Booster Station Pump 2	4	2028	\$ -

Water Facility 10-Year CIP

CIP Project	Asset_Name	POF	Year	Sum of Project Cost
Rehabilitation of Kottinger Ranch	Kottinger Ranch Booster Station Site Security	3	2028	\$ -
	Kottinger Ranch Booster Station Sump Pump	5	2028	\$ 7,183
	Kottinger Ranch Booster Station Switchboard	5	2028	\$ 718,250
	Kottinger Ranch PLC	3	2028	\$ 287,300
	Kottinger Ranch Pump Station RTU	1	2028	\$ 7,183
Rehabilitation of Laurel Creek Pump Station	Laurel Creek Booster Station Diesel Fuel Tank	4	2029	\$ 86,190
	Laurel Creek Booster Station Flow Meter	2	2029	\$ 21,548
	Laurel Creek Booster Station Pump 1	2	2029	\$ 215,475
	Laurel Creek Booster Station Pump 1 Cla-Val	2	2029	\$ 57,460
	Laurel Creek Booster Station Pump 2	2	2029	\$ 215,475
	Laurel Creek Booster Station Pump 2 Cla-Val	2	2029	\$ 57,460
	Laurel Creek Booster Station Pump 3	2	2029	\$ 215,475
	Laurel Creek Booster Station Pump 3 Cla-Val	2	2029	\$ 57,460
	Laurel Creek Booster Station RTU	3	2029	\$ 7,183
	Laurel Creek Booster Station Site Security	2	2029	\$ 7,183
	Laurel Creek Booster Station Surge Anticipator	2	2029	\$ 21,548
	Laurel Creek Booster Station Switchboard	3	2029	\$ 718,250
Rehabilitation of Ruby Hill Pump Station	Ruby Hills Booster Station Chemical Injection Control Panel	5	2029	\$ 86,190
	Ruby Hills Booster Station Cla-Val 3	3	2029	\$ 57,460
	Ruby Hills Booster Station Cla-Val 4	3	2029	\$ 57,460
	Ruby Hills Booster Station Cla-Val 5	3	2029	\$ 57,460
	Ruby Hills Booster Station Crane	3	2029	\$ 86,190
	Ruby Hills Booster Station Electrical Panel Board	3	2029	\$ 21,548
	Ruby Hills Booster Station Fan Control Panel	2	2029	\$ 86,190
	Ruby Hills Booster Station Generator Transfer Switch	3	2029	\$ -
	Ruby Hills Booster Station Main Circuit Breaker	5	2029	\$ 21,548
	Ruby Hills Booster Station MCC	3	2029	\$ 287,300
	Ruby Hills Booster Station PLC	4	2029	\$ 287,300
	Ruby Hills Booster Station Pump 1	2	2029	\$ 88,725
	Ruby Hills Booster Station Pump 2	5	2029	\$ 215,475
	Ruby Hills Booster Station Pump 3	2	2029	\$ 215,475
	Ruby Hills Booster Station Pump 4	2	2029	\$ 215,475
	Ruby Hills Booster Station Pump 5	2	2029	\$ 215,475
	Ruby Hills Booster Station RTU	4	2029	\$ 7,183
	Ruby Hills Booster Station VFD Control Panel	5	2029	\$ 35,490
Rehabilitation of Tank 1300	Tank 1300	4	2025	\$ 718,250
	Tank 1300 Booster Station Building	2	2025	\$ 718,250
	Tank 1300 Booster Station Generator Docking Station	3	2025	\$ 7,183
	Tank 1300 Booster Station Main Service Panel	1	2025	\$ 21,548
	Tank 1300 Booster Station MCC 13	2	2025	\$ 287,300
	Tank 1300 Booster Station Pump 1	2	2025	\$ 215,475
	Tank 1300 Booster Station Pump 1 Cla-Val	2	2025	\$ 57,460
	Tank 1300 Booster Station Pump 2	1	2025	\$ 215,475
	Tank 1300 Booster Station Pump 2 Cla-Val	2	2025	\$ 57,460
	Tank 1300 Booster Station Recirculation Pump	2	2025	\$ 215,475
	Tank 1300 Booster Station RTU 13	2	2025	\$ 7,183
	Tank 1300 Booster Station Surge Anticipator	2	2025	\$ 21,548
Rehabilitation of Tanks Placeholder	Tank Rehabilitation Placeholder	5	2030	\$ 2,873,000
Rehabilitation of Vineyard Pump Station	Vineyard Booster Station 10" Control Valve 1	2	2027	\$ -
	Vineyard Booster Station 10" Control Valve 2	2	2027	\$ 21,548
	Vineyard Booster Station Automatic Transfer Switch	3	2027	\$ 86,190
	Vineyard Booster Station Butterfly Valve 1	2	2027	\$ 21,548
	Vineyard Booster Station Butterfly Valve 2	2	2027	\$ 21,548
	Vineyard Booster Station Butterfly Valve 3	2	2027	\$ 21,548
	Vineyard Booster Station Butterfly Valve 4	2	2027	\$ 21,548
	Vineyard Booster Station Butterfly Valve 5	2	2027	\$ 21,548

Water Facility 10-Year CIP

CIP Project	Asset_Name	POF	Year	Sum of Project Cost
Rehabilitation of Vineyard Pump	Vineyard Booster Station Exhaust fan	3	2027	\$ 7,183
	Vineyard Booster Station Flow Meter	2	2027	\$ 21,548
	Vineyard Booster Station Lighting Panel	5	2027	\$ 21,548
	Vineyard Booster Station Lighting Transformer	4	2027	\$ 86,190
	Vineyard Booster Station MCC	5	2027	\$ 287,300
	Vineyard Booster Station PLC	5	2027	\$ 287,300
	Vineyard Booster Station Pump 1	5	2027	\$ 215,475
	Vineyard Booster Station Pump 1 ARV	2	2027	\$ 7,183
	Vineyard Booster Station Pump 2	5	2027	\$ 215,475
	Vineyard Booster Station Pump 2 ARV	2	2027	\$ 7,183
	Vineyard Booster Station RTU	5	2027	\$ 7,183
	Vineyard Booster Station Service Switchboard	3	2027	\$ 718,250
	Vineyard Booster Station Sump Piping	3	2027	\$ 21,548
	Vineyard Booster Station Sump Pump	4	2027	\$ 7,183
Tank Inspection	Bonde I Tank	3	2027	\$ 84,500
	Bonde II Tank	4	2027	\$ 84,500
	Dublin Canyon Reservoir Tank	2	2027	\$ 84,500
	Foothill Reservoir Tank	3	2027	\$ 84,500
	Happy Valley Reservoir Tank	2	2027	\$ 84,500
	Kottinger Ranch Reservoir Tank	2	2027	\$ 84,500
	Laurel Creek Reservoir Tank	1	2027	\$ 84,500
	Lower Ruby Hills Tank	2	2027	\$ 84,500
	Lund Reservoir Tank	2	2027	\$ 84,500
	Moller Ranch Reservoir Tank	2	2027	\$ 84,500
	Sycamore Reservoir Tank	3	2027	\$ 84,500
	Tank 1160	2	2027	\$ 84,500
	Tank 1600	2	2027	\$ 84,500
	Tank 510	2	2027	\$ 84,500
	Tank 770 I	3	2027	\$ 84,500
	Tank 770 II	2	2027	\$ 84,500
	Tank 900	2	2027	\$ 84,500
	Upper Ruby Hills Tank	2	2027	\$ 84,500
	Vineyard Hills Reservoir Tank	2	2027	\$ 84,500

APPENDIX F

WATER FACILITY OPERATIONS AND MAINTENANCE FORECAST

CIP Project	Asset_Name	Asset_ID	POF	Year	Sum of Project Cost
Booster Station O&M	Dublin Canyon Booster Station Building	BS-DC-01	2	2045	\$ 718,250
	Dublin Canyon Booster Station Crane 2 Ton	BS-DC-18	2	2034	\$ 86,190
	Dublin Canyon Booster Station Flow Meter	BS-DC-05	1	2032	\$ 21,548
	Dublin Canyon Booster Station Generator	BS-DC-06	5	2026	\$ 7,183
	Dublin Canyon Booster Station Hydropneumatic Tank	BS-DC-07	5	2028	\$ 35,490
	Dublin Canyon Booster Station Lighting Panel	BS-DC-08	3	2027	\$ 21,548
	Dublin Canyon Booster Station LP-1 Transformer	BS-DC-09	4	2024	\$ 86,190
	Dublin Canyon Booster Station Main Switchboard	BS-DC-10	3	2028	\$ 718,250
	Dublin Canyon Booster Station MCC-A	BS-DC-11	2	2034	\$ 287,300
	Dublin Canyon Booster Station Pressure Transmitters	BS-DC-12	1	2033	\$ 7,183
	Dublin Canyon Booster Station Pump 1	BS-DC-02	2	2038	\$ 215,475
	Dublin Canyon Booster Station Pump 1 Cla-Val	BS-DC-13	1	2034	\$ 57,460
	Dublin Canyon Booster Station Pump 2	BS-DC-03	2	2032	\$ 215,475
	Dublin Canyon Booster Station Pump 2 Cla-Val	BS-DC-14	1	2034	\$ 57,460
	Dublin Canyon Booster Station Pump 3	BS-DC-04	5	2026	\$ 88,725
	Dublin Canyon Booster Station RTU 15	BS-DC-15	3	2026	\$ 7,183
	Dublin Canyon Booster Station Surge Anticipator	BS-DC-16	3	2026	\$ 21,548
	Dublin Canyon Booster Station Transfer Switch	BS-DC-17	5	2024	\$ 86,190
	Dublin Canyon Site Security	BS-DC-19	3	2028	\$ 7,183
	Longview Booster Station Control Valve 1	BS-LV-02	2	2027	\$ 21,548
	Longview Booster Station Control Valve 2	BS-LV-03	2	2027	\$ 21,548
	Longview Booster Station Control Valve 3	BS-LV-04	2	2027	\$ 21,548
	Longview Booster Station Discharge Piping	BS-LV-09	3	2033	\$ 21,548
	Longview Booster Station Exhaust Fans	BS-LV-21	2	2029	\$ 7,183
	Longview Booster Station Flow Meter	BS-LV-15	2	2027	\$ 21,548
	Longview Booster Station Gate Valve 1	BS-LV-17	2	2027	\$ 21,548
	Longview Booster Station Gate Valve 2	W_BS_LV-24	2	2027	\$ 21,548
	Longview Booster Station Gate Valve 3	W_BS_LV-23	2	2027	\$ 21,548
	Longview Booster Station Lighting Panel	BS-LV-16	2	2029	\$ 21,548
	Longview Booster Station Lighting Transformer	BS-LV-22	3	2030	\$ 86,190
	Longview Booster Station MCC	BS-LV-11	2	2033	\$ 287,300
	Longview Booster Station Power Panel	BS-LV-20	2	2029	\$ 21,548
	Longview Booster Station Pump 1	BS-LV-12	3	2027	\$ 215,475
	Longview Booster Station Pump 2	BS-LV-13	3	2031	\$ 215,475
	Longview Booster Station Pump 3	BS-LV-14	3	2031	\$ 215,475
	Longview Booster Station RTU	BS-LV-18	3	2025	\$ 7,183
	Longview Booster Station Service Entrance Switchboa	BS-LV-07	3	2027	\$ 718,250
	Longview Booster Station Site Security	BS-LV-01	3	2027	\$ 86,190
	Longview Booster Station Surge Valve	BS-LV-05	2	2027	\$ 21,548
	Longview Booster Station Temporary Bypass Pump St	BS-LV-06	4	2027	\$ 88,725
	Sycamore Booster Station Building	BS-S-01	2	2045	\$ 718,250
	Sycamore Booster Station Check Valve	BS-S-06	3	2026	\$ 21,548
	Sycamore Booster Station Chlorine Injection Vault	BS-S-07	2	2045	\$ 215,475
	Sycamore Booster Station Cla-Val 1	BS-S-08	2	2028	\$ 57,460
	Sycamore Booster Station Cla-Val 2	BS-S-09	2	2028	\$ 57,460
	Sycamore Booster Station Cla-Val 3	BS-S-10	2	2028	\$ 57,460
	Sycamore Booster Station Control Valve Vault	BS-S-14	2	2045	\$ 215,475
	Sycamore Booster Station Flow Meter	BS-S-11	2	2028	\$ 21,548
	Sycamore Booster Station Flowmeter Vault	BS-S-15	2	2045	\$ 215,475
	Sycamore Booster Station Pressure Transmitter	BS-S-12	1	2032	\$ 7,183
	Sycamore Booster Station Pump 1	BS-S-02	2	2032	\$ 215,475
	Sycamore Booster Station Pump 2	BS-S-03	2	2032	\$ 215,475
	Sycamore Booster Station Pump 3	BS-S-04	2	2032	\$ 215,475
	Sycamore Booster Station Surge Valve	BS-S-13	2	2028	\$ 21,548
	Tank 900 Booster Station Building	BS-T900-02	2	2045	\$ 718,250
	Tank 900 Booster Station MCC 9	BS-T900-01	2	2036	\$ 287,300
	Tank 900 Booster Station MSB 9	BS-T900-05	1	2038	\$ 718,250
	Tank 900 Booster Station Portable Generator Docking	BS-T900-06	3	2029	\$ 7,183
	Tank 900 Booster Station Pump 1	BS-T900-03	2	2032	\$ 215,475
	Tank 900 Booster Station Pump 1 Cla-Val	BS-T900-07	2	2028	\$ 57,460
	Tank 900 Booster Station Pump 2	BS-T900-04	2	2032	\$ 215,475
	Tank 900 Booster Station Pump 2 Cla-Val	BS-T900-08	2	2028	\$ 57,460
	Tank 900 Booster Station RTU 9	BS-T900-09	1	2032	\$ 7,183
	Tank 900 Booster Station Surge Anticipator	BS-T900-10	2	2028	\$ 21,548
	Vineyard Hills Booster Station Building	BS-VH-02	2	2045	\$ 718,250
	Vineyard Hills Booster Station Cla-Val 1	BS-VH-07	3	2026	\$ 57,460

Water Facility 10-Year O and M

CIP Project	Asset_Name	Asset_ID	POF	Year	Sum of Project Cost
Booster Station O&M	Vineyard Hills Booster Station Cla-Val 2	BS-VH-08	3	2026	\$ 57,460
	Vineyard Hills Booster Station Cla-Val 3	BS-VH-09	3	2026	\$ 57,460
	Vineyard Hills Booster Station Diesel Fuel Tank	BS-VH-10	2	2041	\$ 86,190
	Vineyard Hills Booster Station Flowmeter Vault	BS-VH-11	2	2045	\$ 215,475
	Vineyard Hills Booster Station Fuel Oil Day Tank	BS-VH-12	5	2028	\$ -
	Vineyard Hills Booster Station MCC	BS-VH-01	1	2041	\$ 287,300
	Vineyard Hills Booster Station Meter for Ruby Hills	BS-VH-14	3	2026	\$ 21,548
	Vineyard Hills Booster Station Meter for Vineyard Hill	BS-VH-15	3	2026	\$ 21,548
	Vineyard Hills Booster Station Pump 1	BS-VH-04	2	2032	\$ 215,475
	Vineyard Hills Booster Station Pump 2	BS-VH-05	2	2032	\$ 215,475
	Vineyard Hills Booster Station Pump 3	BS-VH-06	2	2032	\$ 215,475
	Vineyard Hills Booster Station RTU	BS-VH-16	2	2028	\$ 7,183
	Vineyard Hills Booster Station Site Security	BS-VH-17	2	2032	\$ -
	Vineyard Hills Booster Station Surge Anticipator	BS-VH-18	3	2026	\$ 21,548
	Vineyard Hills Booster Station Valve Vault	BS-VH-19	2	2045	\$ 215,475
Reservoir O&M	Bonde I 10" Altitude Valve	Res-B I-01	5	2024	\$ 21,548
	Bonde I Air and Vacuum Valve Assembly	Res-B I-02	5	2024	\$ 21,548
	Bonde I Bypass Valve (10" Butterfly Valve)	Res-B I-04	5	2024	\$ 21,548
	Bonde I Control Panel	Res-B I-11	2	2029	\$ 86,190
	Bonde I Main In-Outlet Valve Vault	Res-B I-05	2	2044	\$ 215,475
	Bonde I Main Power Panel	Res-B I-15	2	2029	\$ 21,548
	Bonde I PLC & Relays	Res-B I-12	1	2031	\$ 287,300
	Bonde I Pressure Transmitter	Res-B I-13	2	2028	\$ 7,183
	Bonde I RTU & Main Radio Repeater	Res-B I-08	1	2031	\$ 7,183
	Bonde I Shutoff Valve 1 (10" Butterfly Valve)	Res-B I-06	5	2024	\$ 21,548
	Bonde I Shutoff Valve 2 (10" Butterfly Valve)	Res-B I-07	5	2024	\$ 21,548
	Bonde I Site Security	Res-B I-10	1	2044	\$ -
	Bonde I Tank Overflow Pipe	Res-B I-09	3	2033	\$ -
	Bonde II 12" Altitude Valve	Res-B II-01	2	2027	\$ 21,548
	Bonde II 12" Check Valve	Res-B II-02	2	2027	\$ 21,548
	Bonde II Air and Vacuum Relief Valve	Res-B II-03	2	2027	\$ 21,548
	Bonde II Metering and Service Disconnect Panel	Res-B II-05	5	2024	\$ 86,190
	Bonde II Pressure Transmitter	Res-B II-06	3	2025	\$ 7,183
	Bonde II Site Security	Res-B II-07	3	2027	\$ 86,190
	Bonde II Tank RTU Panel	Res-B II-08	3	2026	\$ 86,190
	Bonde II Valve Vault	Res-B II-09	3	2043	\$ 215,475
	Dublin Canyon Reservoir Check Valve	Res-DC-01	4	2025	\$ 21,548
	Dublin Canyon Reservoir Globe Valve	Res-DC-02	4	2025	\$ 21,548
	Dublin Canyon Reservoir Main Panel	Res-DC-03	5	2025	\$ 21,548
	Dublin Canyon Reservoir RTU	Res-DC-04	5	2025	\$ 7,183
	Dublin Canyon Reservoir Vault	Res-DC-06	2	2045	\$ 215,475
	Foothill Reservoir Intrusion Level Switch	Res-F-09	2	2033	\$ 7,183
	Foothill Reservoir Level Switch	Res-F-02	2	2033	\$ 7,183
	Foothill Reservoir Road	Res-F-05	3	2028	\$ 21,548
	Foothill Reservoir Site Security	Res-F-15	4	2025	\$ 86,190
	Foothill Reservoir Valve Vault	Res-F-06	3	2042	\$ 215,475
	Foothill Reservoir Valve Vault 16" BV No. 1	Res-F-10	3	2025	\$ 21,548
	Foothill Reservoir Valve Vault 16" BV No. 2	Res-F-11	3	2025	\$ 21,548
	Foothill Reservoir Valve Vault 16" BV No. 3	Res-F-12	3	2025	\$ 21,548
	Foothill Reservoir Valve Vault 16" BV No. 4	Res-F-13	3	2025	\$ 21,548
	Foothill Reservoir Valve Vault 16" BV No. 5	Res-F-14	3	2025	\$ 21,548
	Foothill Reservoir Valve Vault 16" Check Valve No. 1	Res-F-07	2	2027	\$ 21,548
	Foothill Reservoir Valve Vault 16" Check Valve No. 2	Res-F-08	2	2027	\$ 21,548
	Foothill Reservoir Vault Actuator	Res-F-03	1	2031	\$ 21,548
	Foothill Reservoir Vault Pressure Transmitter	Res-F-04	2	2027	\$ 7,183
	Happy Valley Reservoir Altitude Valve	Res-HV-02	2	2028	\$ 21,548
	Happy Valley Reservoir Check Valve	Res-HV-03	2	2028	\$ 21,548
	Happy Valley Reservoir Main Electrical Panel	Res-HV-04	2	2030	\$ 21,548
	Happy Valley Reservoir Retention Wall and Drainage	Res-HV-05	2	2032	\$ 21,548
	Happy Valley Reservoir RTU	Res-HV-06	3	2026	\$ 7,183
	Happy Valley Reservoir Site Security	Res-HV-07	2	2032	\$ 86,190
	Happy Valley Reservoir Valve Vault	Res-HV-08	2	2045	\$ 215,475
	Kottinger Ranch Reservoir Altitude Valve	Res-KR-02	3	2026	\$ 21,548
	Kottinger Ranch Reservoir Cathodic Protection	Res-KR-03	3	2029	\$ -
	Kottinger Ranch Reservoir Check Valve	Res-KR-04	3	2026	\$ 21,548
	Kottinger Ranch Reservoir Main Electrical Panel	Res-KR-05	1	2035	\$ 21,548
	Kottinger Ranch Reservoir RTU	Res-KR-06	1	2035	\$ 7,183

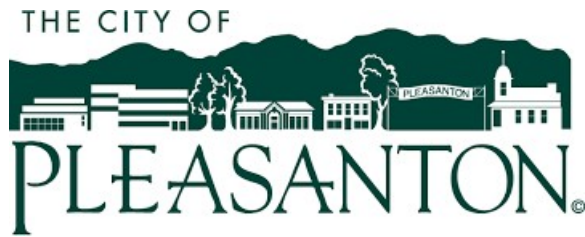
CIP Project	Asset_Name	Asset_ID	POF	Year	Sum of Project Cost
Reservoir O&M	Kottinger Ranch Reservoir Site Security	Res-KR-07	2	2032	\$ 86,190
	Kottinger Ranch Reservoir Vault	Res-KR-08	2	2045	\$ 215,475
	Laurel Creek Booster Station Check Valve	Res-LC-01	3	2026	\$ 21,548
	Laurel Creek Booster Station Globe Valve	Res-LC-02	2	2028	\$ 21,548
	Laurel Creek Reservoir Main Service Panel	Res-LC-03	3	2027	\$ 21,548
	Laurel Creek Reservoir PLC	Res-LC-04	3	2026	\$ 287,300
	Laurel Creek Reservoir RTU	Res-LC-05	3	2026	\$ 7,183
	Laurel Creek Reservoir Site Security	Res-LC-07	2	2032	\$ 86,190
	Laurel Creek Reservoir Vault	Res-LC-08	2	2045	\$ 215,475
	Lower Ruby Hills Altitude Valve	Res-LRH-02	3	2026	\$ 21,548
	Lower Ruby Hills Control Panel - RTU and Breakers	Res-LRH-03	4	2025	\$ 86,190
	Lower Ruby Hills Enclosure for Elec Panel	Res-LRH-04	5	2026	\$ 8,873
	Lower Ruby Hills Site Security	Res-LRH-05	2	2032	\$ 86,190
	Lower Ruby Hills Sump Pump	Res-LRH-06	5	2024	\$ 7,183
	Lower Ruby Hills Tank Check Valve	Res-LRH-07	3	2026	\$ 21,548
	Lower Ruby Hills UPS, Tank Level Sensors	Res-LRH-08	5	2025	\$ 86,190
	Lower Ruby Hills Vault	Res-LRH-09	2	2045	\$ 215,475
	Lund Reservoir Altitude Valve	Res-L-02	3	2026	\$ 21,548
	Lund Reservoir Cathodic Protection	Res-L-03	2	2034	\$ -
	Lund Reservoir Check Valve	Res-L-04	2	2028	\$ 21,548
	Lund Reservoir Irrigation Booster Pump	Res-L-05	5	2026	\$ 215,475
	Lund Reservoir Main Service Panel	Res-L-06	2	2030	\$ 21,548
	Lund Reservoir RTU	Res-L-07	3	2026	\$ 7,183
	Lund Reservoir Site Security	Res-L-08	2	2032	\$ 86,190
	Lund Reservoir Valve Vault	Res-L-09	2	2059	\$ 215,475
	Lund Reservoir Vault	Res-L-10	2	2045	\$ 215,475
	Moller Ranch Reservoir Check Valve	Res-MR-01	3	2026	\$ 21,548
	Moller Ranch Reservoir Globe Valve	Res-MR-02	2	2028	\$ 21,548
	Moller Ranch Reservoir Main Service Panel	Res-MR-03	4	2025	\$ 21,548
	Moller Ranch Reservoir RTU	Res-MR-05	3	2026	\$ 7,183
	Moller Ranch Reservoir Site Security	Res-MR-06	2	2032	\$ 86,190
	Moller Ranch Reservoir Vault	Res-MR-07	3	2036	\$ 215,475
	Sycamore Reservoir Control Panel	Res-S-12	3	2026	\$ 86,190
	Sycamore Reservoir Leak Detection Vault	Res-S-03	1	2079	\$ 215,475
	Sycamore Reservoir MCC	Res-S-04	4	2025	\$ 118,300
	Sycamore Reservoir PAX Mixer	Res-S-01	1	2039	\$ 21,548
	Sycamore Reservoir PG&E Transformer	Res-S-05	1	2043	\$ 86,190
	Sycamore Reservoir PLC	Res-S-09	1	2033	\$ 287,300
	Sycamore Reservoir Power Panel	Res-S-08	5	2024	\$ 21,548
	Sycamore Reservoir Pressure Transmitter	Res-S-15	5	2024	\$ 7,183
	Sycamore Reservoir RTU	Res-S-13	1	2033	\$ 7,183
	Sycamore Reservoir Site Security	Res-S-07	1	2037	\$ 86,190
	Sycamore Reservoir Submersible Pump	Res-S-06	1	2044	\$ 215,475
	Sycamore Reservoir Valve Vault Fan	Res-S-14	5	2024	\$ -
	Sycamore Reservoir Valve Vault Sump Pump 1	Res-S-10	5	2024	\$ 7,183
	Sycamore Reservoir Valve Vault Sump Pump 2	Res-S-11	5	2024	\$ 7,183
	Tank 1160 RTU Panel	Res-T1160-02	2	2028	\$ 7,183
	Tank 1160 Vault	Res-T1160-03	3	2036	\$ 215,475
	Tank 1600 RTU	Res-T1600-03	2	2028	\$ 7,183
	Tank 900 MCC-9	Res-T900-02	1	2041	\$ 287,300
	Tank 900 MSB-9	Res-T900-03	2	2032	\$ 718,250
	Tank 900 RTU	Res-T900-04	1	2032	\$ 7,183
	Upper Ruby Hill Vault	Res-URH-02	2	2045	\$ 215,475
	Upper Ruby Hills Altitude Valve	Res-URH-03	2	2028	\$ 21,548
	Upper Ruby Hills Check Valve	Res-URH-04	1	2032	\$ 21,548
	Upper Ruby Hills Main Circuit Breaker, UPS	Res-URH-05	5	2025	\$ 21,548
	Upper Ruby Hills PLC	Res-URH-06	5	2025	\$ 287,300
	Upper Ruby Hills Reservoir Butterfly Valve 1	Res-URH-07	2	2028	\$ 21,548
	Upper Ruby Hills Reservoir Butterfly Valve 2	Res-URH-08	2	2028	\$ 21,548
	Upper Ruby Hills Site Security	Res-URH-09	1	2046	\$ -
	Vineyard Hills Reservoir Altitude Valve	Res-VH-02	2	2028	\$ 21,548
	Vineyard Hills Reservoir Check Valve	Res-VH-03	2	2028	\$ 21,548
	Vineyard Hills Reservoir Drain Valve	Res-VH-04	1	2032	\$ 21,548
	Vineyard Hills Reservoir Drainage	Res-VH-11	2	2032	\$ 21,548
	Vineyard Hills Reservoir Inlet Butterfly Valve	Res-VH-05	1	2032	\$ 21,548
	Vineyard Hills Reservoir Main Service Panel	Res-VH-06	3	2027	\$ 21,548
	Vineyard Hills Reservoir Outlet Butterfly Valve	Res-VH-07	1	2032	\$ 21,548

Water Facility 10-Year O and M

CIP Project	Asset_Name	Asset_ID	POF	Year	Sum of Project Cost
Reservoir O&M	Vineyard Hills Reservoir RTU	Res-VH-08	3	2026	\$ 7,183
	Vineyard Hills Reservoir Site Security	Res-VH-09	2	2032	\$ 86,190
	Vineyard Hills Reservoir Vault	Res-VH-10	2	2045	\$ 215,475
	Tank 1160 Battery	W_Res_T1160-04	5	2024	\$ 21,548
	Tank 1600 Battery	W_Res_T1600-04	5	2024	\$ 21,548
	Turnout 2 14" Butterfly Valve	Turnout-T2-03	5	2025	\$ 21,548
	Turnout 2 16" Butterfly Valve	Turnout-T2-02	5	2025	\$ 21,548
	Turnout 2 16" Plug Valve with Electric Motor Operato	Turnout-T2-04	2	2028	\$ 21,548
	Turnout 2 20" Butterfly Valve	Turnout-T2-05	5	2025	\$ 21,548
	Turnout 2 Acid Building	Turnout-T2-01	4	2030	\$ 718,250
	Turnout 2 Electrical Meter Box	Turnout-T2-06	4	2025	\$ 7,183
	Turnout 2 Electrical Panel	Turnout-T2-07	5	2025	\$ 21,548
	Turnout 2 Exhaust Fan	Turnout-T2-08	3	2027	\$ 7,183
	Turnout 2 Flow Meter	Turnout-T2-09	2	2028	\$ 21,548
	Turnout 2 Fluoride Analyzer	Turnout-T2-10	2	2028	\$ 21,548
	Turnout 2 Free Chlorine Analyzer	Turnout-T2-11	2	2028	\$ 21,548
	Turnout 2 Metering Pump	Turnout-T2-12	2	2027	\$ 7,183
	Turnout 2 RTU	Turnout-T2-13	2	2028	\$ 7,183
	Turnout 2 Total Chlorine Analyzer	Turnout-T2-14	2	2028	\$ 21,548
	Turnout 3 Building	Turnout-T3-03	3	2035	\$ 718,250
	Turnout 3 Fluoridation Vault	Turnout-T3-02	3	2035	\$ 215,475
	Turnout 3 Fluorosilic Acid Tank	Turnout-T3-06	3	2033	\$ 86,190
	Turnout 3 Lighting Panel	Turnout-T3-04	3	2026	\$ 21,548
	Turnout 3 Metering Pump	Turnout-T3-01	3	2024	\$ 7,183
	Turnout 3 RTU	Turnout-T3-05	2	2027	\$ 7,183
	Turnout 5 Field Instrument IO Terminal Box	Turnout-T5-15	2	2030	\$ 7,183
	Turnout 5 Flow Meter	Turnout-T5-06	2	2028	\$ 21,548
	Turnout 5 Fluoride Analyzer	Turnout-T5-07	3	2028	\$ 21,548
	Turnout 5 Fluoride Pump House	Turnout-T5-02	2	2045	\$ 718,250
	Turnout 5 Free Chlorine Analyzer	Turnout-T5-08	3	2026	\$ 21,548
	Turnout 5 Lighting Panel	Turnout-T5-09	5	2025	\$ 21,548
	Turnout 5 Line Valve Vault	Turnout-T5-04	2	2045	\$ 215,475
	Turnout 5 Metering Pump	Turnout-T5-10	3	2025	\$ 7,183
	Turnout 5 PG&E Transformer	Turnout-T5-03	5	2027	\$ 86,190
	Turnout 5 Rate Control Station Vault	Turnout-T5-05	2	2045	\$ 215,475
	Turnout 5 RTU	Turnout-T5-11	3	2026	\$ 7,183
	Turnout 5 Site Security	Turnout-T5-12	3	2028	\$ 86,190
	Turnout 5 Total Chlorine Analyzer	Turnout-T5-13	3	2026	\$ 21,548
	Turnout 5 Valve	Turnout-T5-01	2	2028	\$ 21,548
	Turnout 5 Valve Actuator	Turnout-T5-16	2	2028	\$ 21,548
	Turnout 5 Zone 7 PLC	Turnout-T5-14	2	2028	\$ 287,300
	Turnout 6 10" Butterfly Valve	Turnout-T6-02	2	2028	\$ 21,548
	Turnout 6 10" Swing Check Valve	Turnout-T6-04	2	2028	\$ 21,548
	Turnout 6 Fluorosilic Acid Tank	Turnout-T6-12	2	2041	\$ 86,190
	Turnout 6 Flow Meter	Turnout-T6-03	3	2026	\$ 21,548
	Turnout 6 Fluoride Analyzer	Turnout-T6-06	3	2028	\$ 21,548
	Turnout 6 Fluoride Injection Pump Control Panel	Turnout-T6-07	2	2030	\$ 86,190
	Turnout 6 Free Chlorine Analyzer	Turnout-T6-09	3	2026	\$ 21,548
	Turnout 6 Metering Pump	Turnout-T6-08	3	2025	\$ 7,183
	Turnout 6 Sump Pump	Turnout-T6-05	2	2027	\$ 7,183
	Turnout 6 Valve	Turnout-T6-01	5	2025	\$ 21,548
	Turnout 6 Vault	Turnout-T6-10	2	2045	\$ 215,475
	Turnout 6 Zone 7 PLC/RTU	Turnout-T6-11	2	2028	\$ 7,183
	Turnout 7 Check Valve	Turnout-T7-02	2	2028	\$ 21,548
	Turnout 7 Detector Check Valve	Turnout-T7-03	2	2028	\$ 21,548
	Turnout 7 Flow Meter	Turnout-T7-04	1	2032	\$ 21,548
	Turnout 7 Fluoride Analyzer	Turnout-T7-05	3	2028	\$ 21,548
	Turnout 7 Fluoride Metering Pump	Turnout-T7-06	3	2025	\$ 7,183
	Turnout 7 Free Chlorine Analyzer	Turnout-T7-07	3	2026	\$ 21,548
	Turnout 7 Plug Valve	Turnout-T7-08	1	2032	\$ 21,548
	Turnout 7 Pressure Transmitter	Turnout-T7-09	2	2028	\$ 7,183
	Turnout 7 Strainer	Turnout-T7-01	2	2028	\$ 21,548
	Turnout 7 Total Chlorine Analyzer	Turnout-T7-10	3	2026	\$ 21,548
	Turnout 7 Valve Actuator	Turnout-T7-11	2	2028	\$ 21,548
	Turnout 7 Zone 7 PLC	Turnout-T7-13	2	2028	\$ 287,300

APPENDIX E

O&M EVALUATION MEMO



Water System Management Plan

TECHNICAL MEMORANDUM

Operations, Maintenance and Management of the Water Distribution System

September 2024

This document is released for the purpose of information exchange review and planning only under the authority of Timothy J. Loper, April 19, 2023, State of California, PE 70847.

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Abbreviations

AL	action level
AWIA	American Water Infrastructure Act
AWWA	American Water Works Association
Carollo	Carollo Engineers
CCL	Contaminant Candidate List
CCR	Consumer Confidence Reports
CCT	corrosion control treatment
CFU	colony forming units
City	City of Pleasanton
CMMS	Computerized Maintenance Management System
D/DBPR	Disinfectant and Disinfection By-Product Rules
DDW	California State Water Resources Control Board Division of Drinking Water
DVWTP	Del Valley Water Treatment Plant
EPA or USEPA	United States Environmental Protection Agency
GWR	groundwater rule
HA	health advisory
HAA5	haloacetic acids
IESWTR	Interim Enhanced Surface Water Treatment Rule
µg/L	micrograms per liter
µm	micrometer(s)
LCR	Lead and Copper Rule
LCRI	Lead and Copper Rule Improvements
LCRR	Lead and Copper Rule Revisions
LRAA	location running annual average
LSL	lead service line
LT1	Long Term 1 Enhanced Surface Water Treatment Rule
LT2ESWTR	Long-Term 2 Enhanced Surface Water Treatment Rule
MCLs	maximum contaminant levels
MCLGs	maximum contaminant level goals
M/DBPs	Microbial / Disinfection Byproducts Rules
mL	milliliter(s)
NA	not applicable
NDWAC	National Drinking Water Advisory Council
ng/L	nanogram per liter
NL	notification levels
NPDWR	National Primary Drinking Water Regulations
NSDWR	National Secondary Drinking Water Regulations
NTU	nephelometric turbidity unit

RRA	running annual average
SCADA	Supervisory Control and Data Acquisition
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SWTR	Surface Water Treatment Rule
SWRCB	State Water Resources Control Board Division
TCR	Total Coliform Rule
TT	treatment technique
TTHM	total trihalomethane
UCMR	Unregulated Contaminant Monitoring Rule
UV	ultraviolet
WQP	water quality parameter
WSMP	water system management plan
WTP	water treatment plant

SECTION 1 INTRODUCTION

The City of Pleasanton (City) is in the eastern San Francisco Bay Area region, south of Interstate 580, and west of Interstate 680 in Alameda County. The City owns and operates a potable water distribution system that serves approximately 80,000 residential customers as well as commercial and industrial users within its city limits. The City staff recognizes the need for a comprehensive evaluation of the current operations and management of the water system and selected Carollo Engineers (Carollo) to perform an assessment of the water system program. The evaluation not only includes a review of the operations of the water system, but also the City's ability to deliver potable water to customers at an adequate supply and pressure, implement capital improvement programs, communicate with internal and external stakeholder groups, finance existing and future operations and capital improvement projects, and predict and analyze the risks from existing and future regulatory drivers.

This technical memorandum reviews current operations, maintenance and management of the City's water distribution system. The memo reviews current practices using industry standards and includes recommendations to improve water distribution maintenance and water quality.

SECTION 2 DISTRIBUTION SYSTEM CHARACTERISTICS

The City of Pleasanton receives treated water from Zone 7 and treats its own groundwater wells operated by City staff. The sources of supply are included in **Error! Reference source not found..** A map of the City's distribution system is shown in Figure 1. The figure shows the location of the City's turnouts where Zone 7 water is delivered, the City owned wells, the storage tanks, and key distribution sample locations.

The City of Pleasanton has 22, 369 water connections and ____ miles of pipeline ranging in size from 6 inch to ____ inch water mains.

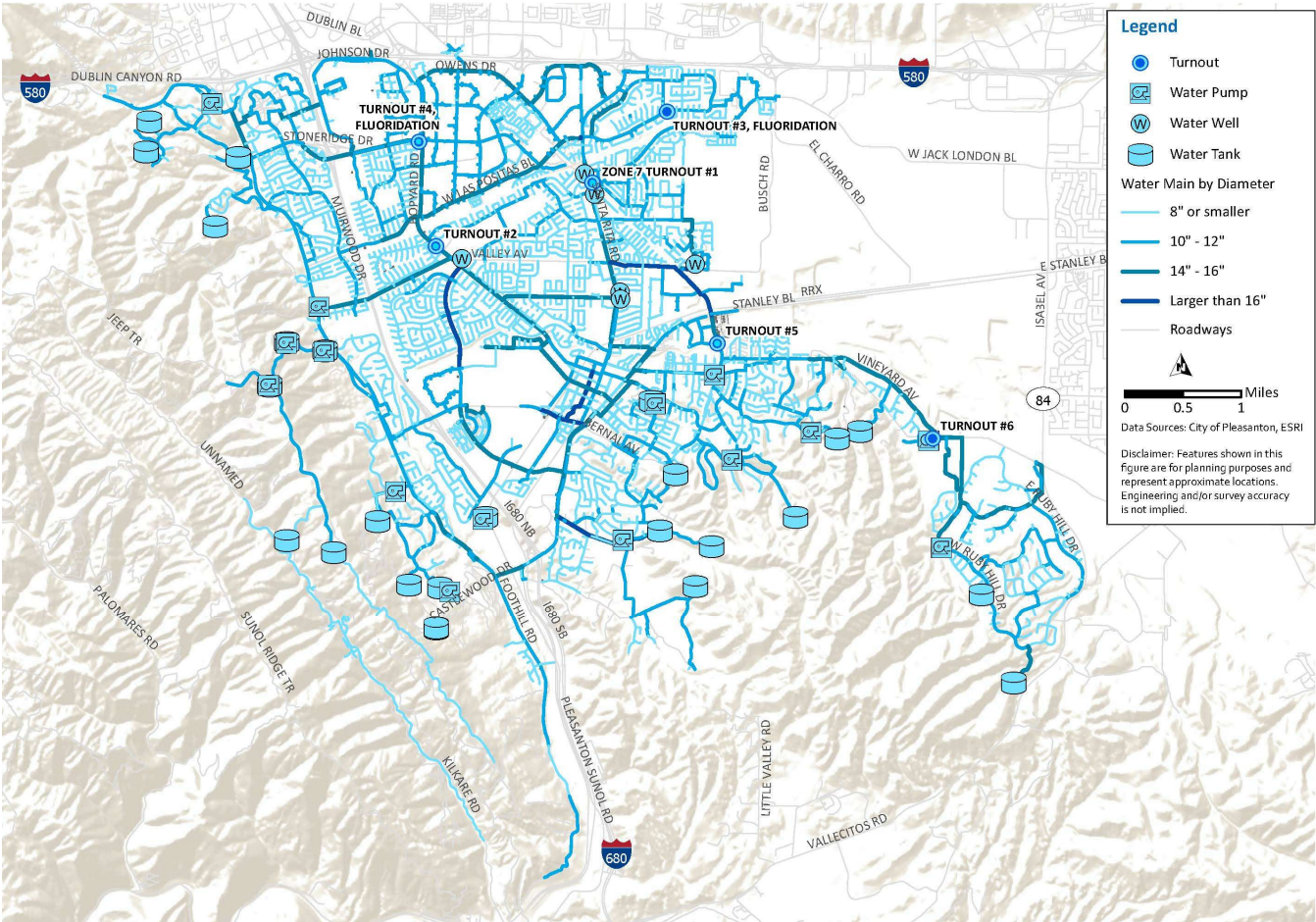


Figure 1 City of Pleasanton Distribution System

SECTION 3 DISTRIBUTION SYSTEM MAINTENANCE

This section focuses on a non-regulatory potable drinking water system using best practices and current levels of maintenance. A note of some of these maintenance activities are reported in the City's annual report to the State Water Resources Control Board Department of Health Services.

3.1 Valve Exercising, Main Flushing and Hydrant Maintenance

Per the City's revised water supply permit approved by the Department of Health services dated October 1997, "The City of Pleasanton shall conduct a program of regular valve exercise and maintenance to ensure the reliability of the distribution system. The City of Pleasanton shall conduct a program of regular distribution system flushing to maintain the quality of water delivered to the distribution system."

An annual unidirectional distribution system flushing is performed to maintain water quality by scouring pipes surfaces to remove loose sediment, biofilm and scale. Unidirectional flushing is a planned, organized, sequential technique that begins from a clean starting point moving which minimizes the spread of sediment and higher velocity flow. Flushing will lower disinfectant demand, heterotrophic bacterial counts and concentrations of disinfection byproducts.

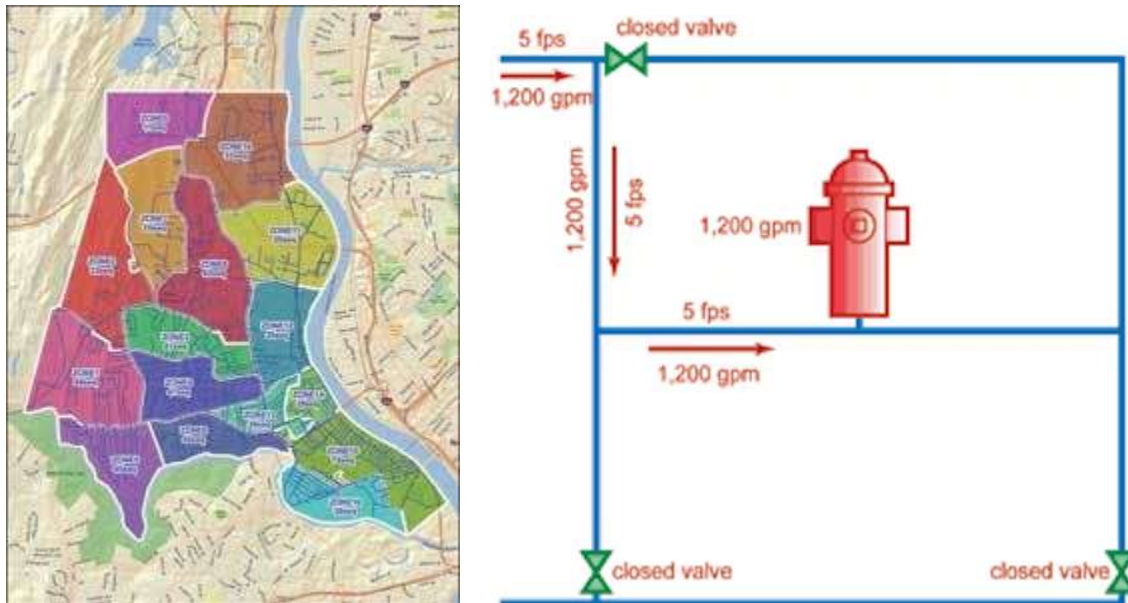


Figure 2. Examples of Unidirectional Flushing Program Zones

To minimize water quality complaints and optimize staffing, water distribution valve exercising, unidirectional flushing and hydrant maintenance activities are often completed simultaneously. Public notices are provided prior to flushing as sediment and color complaints are common. On-site dechlorination is required and storm drain maintenance crews should be notified prior to starting. GIS based hydraulic mapping software programs are available to develop scheduled distribution system maintenance and provide detailed mapping for field use.

Water main flushing programs consist of closing system valves and directing flows to obtain minimum of 2.5 ft/sec velocities, or greater and minimum flows per Figure 2. Hydrants can be inspected for flow and mechanical issues at time of flushing. Distribution system flushing is accomplished during low water demand months due to the amount of water required.

Table 64575-A. Minimum Flushing Flows for Different Size Water Mains.

<i>Nominal Main Size Diameter (inches)</i>	<i>Minimum Flushing Flow (gallons per minute)</i>
2	25
3	50
4	100
6	225
8	400
10	600
12	900
14	1200
16	1600

Figure 3 Minimum Flushing Velocities for Water Mains

The City GIS contains valve, water main and hydrant locations. The GIS system is a key for developing a unidirectional flushing plan and should be updated annually. The City is currently flushing dead ends on a needed basis to prohibit nitrification. The key to a valve exercising, hydrant maintenance, and flushing plan is a goal. The goal must be manageable given staffing levels and the size of distribution system. The program sets a goal for the number of transmission valves/hydrants to be exercised based on the percentage of total valves/hydrants in the system. The entire system flushing plan could take years to complete due to seasonal capacity restraints. The capital improvement plan (CIP) includes annual valve repair and replacement funding for valves/hydrants identified during the flushing program.

3.2 Potable Water Storage Tank Inspections

American Water Works Association (AWWA) recommends dewatering, diving or Remote Operated Vehicle (ROV) tank inspections every five (5) years. Tanks should be cleaned a minimum of every 5 years or as inspection dictates. Steel tank coating inspection results are evaluated against the current coating system design parameters per AWWA D102-21 to determine the lifespan of the coating. Annual tank inspections include a full external visual inspection seasonally to assess and repair external damage and verify integrity of vents, screens and security. Impressed current cathodic protection systems in storage tanks are recorded monthly and inspected annually. Failure to monitor current levels can cause premature coating and steel failures.



Figure 4 Foothill Water Storage Tank

The City routinely inspects potable water storage facilities according to AWWA standards through diving and visual inspections. Once the inspection video and report are final, the City currently has no mechanism to convert these findings to a capital improvement plan. Failure to recoat water tanks as needed leads to costly structural rehabilitation or replacement and degrades water quality. Integrating an operations and maintenance plan for a cathodic protection system for both potable and recycled systems should be addressed.

3.3 Preventative Maintenance Program (CMSS)

Every well managed utility includes a preventative maintenance program, often in a software format such as a CMSS system. These programs require input from the manufacturer's O&Ms, historical system knowledge and industry standards. The program disseminates work orders for reoccurring maintenance and can log emergency responses to water leaks, pump station failures, etc. The number of water main leaks and repairs are calculated annually and reported to the SWRCB as part of the annual water system report. The CMSS assists in workload management and staffing deficiencies.

Pump station maintenance, hydrants, tanks, wells and water main replacement schedules are included in the CMSS. Each utility should include system maintenance in the annual operating budget allowing funding for routine and emergency repairs.

3.4 Residential and Commercial Meter Calibration Program

The City currently has over 23,000 residential water meters and commercial meters. The backbone of the water enterprise fund depends on accurate billing and collection. The meter calibration program ensures residential and commercial billing is accurate and defensible. Large meters should be calibrated biannually, and residential meters should be calibrated according to the manufacturer's recommendations.

Utility testing equipment is often capable of testing higher flow rates, such as commercial meters. A third-party contractor is the most cost-effective method to calibrate lower flow residential meters. All fire-service meters should be tested by a third-party contractor due to fire insurance requirements.

Record keeping is the critical component of a meter calibration and replacement system. Technicians, working with billing staff to identify abnormal monthly meter readings, is the number one reason for meter replacements. The water maintenance budget should include annual funding for maintenance and replacement of a percentage of residential and commercial water meters. Recording monthly meter readings will reduce water loss for rate payers and utility by identifying system leaks and large water users.

3.5 Energy Management Program

The City should have a robust energy management program to review and optimize energy usage at the pump stations and wells. The following are elements of a robust energy management plan.

- Identification of energy use trends and cost tracking versus time.
- Consideration of energy efficiency and costs in the evaluation of new distribution system facilities.
- Changes to the existing system to enhance effective utilization of energy.
- Record keeping for future federal and state energy grants.

The energy management system can be a simple recorded history of usage, trends and optimization plans. Other methods include a SCADA based energy management system that tracks energy usage in real time. This system will allow for the largest payback with the ability to optimize based on the electrical utility rate schedule.

3.6 Pipeline Rehabilitation and Replacement Program

Per AWWA and RWQCB operation and management standards, each utility shall have a program for evaluating and upgrading water distribution pipelines. Historically, pipelines have long life spans but are expensive to replace and are critical to maintaining water quality and fire flow standards. Below are the keys to a rehabilitation and replacement program for pipelines.

1. Base prioritization of transmission and distribution mains on critical infrastructure matrix. Which pipelines affects the most residents, firefighting capabilities and water quality.
2. Track water main breaks by area, size, pressure zone and soil type. Establish an annual tracking of benchmarks based on breaks/100 miles/year of distribution pipe.
3. Keep accurate electronic as-builts. Electronic as-builts can be utilized by multiple field crews during emergency or routine operations. Annually updating water modeling software and GIS systems are critical to maintaining distribution infrastructure.
4. Record flow and pressure readings during unidirectional flushing periods. Historical records can determine problem areas before a catastrophic water main break.

SECTION 4 CONCLUSIONS AND RECOMMENDATIONS

The City desires to develop a distribution maintenance program that meets industry standards. One of the critical components to a successful maintenance program is the staff's ability and desire to implement change. The recommendations are based on short- and long-term goals with an idea to build program momentum as additional funding and staffing are available.

Short Term Recommendations

1. Develop a single unidirectional flushing program section map with clean water source identified. Start in the first area closest to a clean water source. Using the new water model, identify valves to close to achieve 2.5 ft/sec and desired flow rates. Perform the flushing, valve exercising and hydrant inspections in this area. Record findings and notes for developing full unidirectional flushing program software. Identify staffing levels required, traffic control, public notification, and tools and equipment required.
2. Implement a commercial water meter testing section with equipment and record keeping capabilities. This team should work closely with water billing to determine inconsistent metering locations and focus initial testing.
3. Select a well and potable water pumping station to implement a monthly, quarterly, semi annual and annual maintenance program. Record all maintenance activities to include tasks required, number of staff to complete each task, number of hours to complete each task and record keeping. This can be used as a "template" to design a full CMMS maintenance program for all facilities and aid in utilities staffing plan.
4. Develop a standard management matrix for identifying planned and emergency projects, mechanism for budget inclusion, and responsibility for project completion.

Long Term Recommendations

1. Develop a multi-year capital improvement program for unidirectional flushing software, tools, equipment and staffing to implement. Design and procure unidirectional flushing software program and continue water distribution GIS data entry.
2. Develop a capital improvement program to staff and equip a water meter section to test all commercial meters annually. Solicit bids for third party residential water meter testing over multiple years as funding allows based on industry standards.
3. Procure a CMMS maintenance program for all water distribution mechanical locations.
Recommended staffing include a dedicated administrative position for record keeping and data input.
4. Implement an energy consumption record for each large electrical demand location in the distribution system. Work with local electrical utility on large user energy management plans which target peak cost reductions.
5. Develop a long-term staffing plan incorporating new maintenance programs, software and financing.
6. Develop a pipeline rehabilitation and replacement program utilizing water modeling software and GIS to identify capital improvement projects.

SECTION 5 REFERENCES

1. AWWA Standard M6 Meters – Selection, Installation, Testing and Maintenance (2021)
2. AWWA Standard D102-21 – Coating Steel Water Storage Tanks (2021)
3. City of Pleasanton. (2021). *2021 Annual Water Quality Report*.
4. City of Pleasanton Draft 2020 Urban Water Management Plan (2020)
5. City of Pleasanton Water Supply Permit
6. Carollo Engineers, Inc. – TM City of Pleasanton Regulatory Review (2022)
7. AWWA Management Standard G200-21 – Distribution Systems Operation and Management (2021)

APPENDIX F

SCADA MASTER PLAN

**CONFIDENTIAL
NOT FOR
DISTRIBUTION**

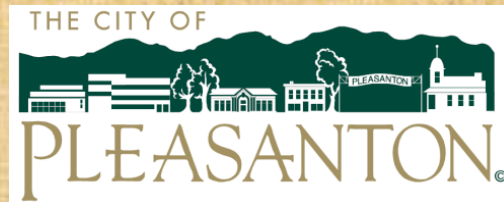
APPENDIX G

ENERGY MASTER PLAN

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APPENDIX H

GENERATOR RECOMMENDATIONS



Standby Generator Report

Preliminary Design and Standby Power Planning Review Workshop

October 1, 2024
Paul Giorsetto, P.E.
TJC and Associates



Workshop Agenda

- Introductions
- Project Scope of Work
- Approach
- Summary Results
- Results Breakdown by Department
- Results Breakdown: Ops and CIP
- Q&A

Generator Preliminary Design Scope of Work

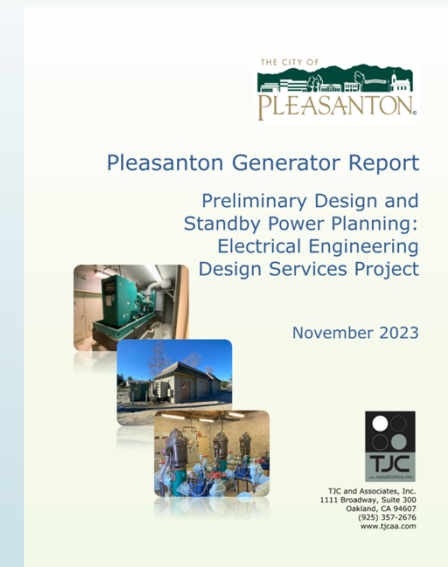
Replacement of ten stationary diesel generators that are past their expected operational life (Water and Sewer)

a. Water Sites (Stationary)

- 937 Sycamore Creek Way Booster
- 5875 Laurel Creek Booster
- 4301 Foothill Road, Foothill Booster
- 3033 West Ruby Hills Drive Booster
- 1202 Machado Vineyard Hills Booster

b. Sewer Sites (Stationary)

- 8019 Foothill Road, S-2
- 6900 West Las Positas, S-6
- 4950 Bernal Avenue, S-7
- 6890 Koll Center, S-8
- 302 Happy Valley Rd, S-12
- 3333 Busch Road, S-13
- 2299 Vineyard Ave, S-15



Generator Preliminary Design Scope of Work

Development of a City-wide Public Works strategy for portable generators used to support Water, Sewer, and Storm Water stations

► Water Sites (Portables)

- 3502 Vineyard Ave, Vineyard Booster
- 11599 Dublin Canyon Rd, Dublin Booster
- 1201 Hearst Drive, Kottinger Ranch Booster
- 8999 Longview Drive, Longview Booster
- 3998 Foothill Road
- 9000 Santos Road
- 9400 Santos Road

► Sewer Sites (Portables)

- Valley Business Park, S-4
- San Francisco, S-5
- OSC Gun Range, S-13
- Alisal, S-14

► Stormwater Sites (Portables)

- 4950 Bernal Avenue, SD-1
- 4000 Del Valle Parkway, SD-2
- 3090 Valley Avenue, SD-3
- 1040 Valley Avenue SD-4



Approach

- Task 1: Review Existing Documentation and Site Visits
 - Record Drawings from City
 - Large library of photographs for each site provided separately to City
- Task 2: Stationary Generators - Preliminary Design
 - Sizing calculations, schematic 1-line diagrams, runtime and fueling requirements, identify possible sensitive receptors (air quality and noise), final design criteria, lead time and alternative delivery methods, cost estimate
- Task 3: Portable Generators – Fleet Strategy
 - Sizing calculations, fleet configuration, site plans, schematic 1-line diagrams, connection methods and locations, runtime and fueling requirements, identify possible sensitive receptors (air quality and noise), lead times and alternative delivery methods, cost estimate
- Task 4: Preliminary Design Report

Final Report TOC

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Approach: Application Criteria

- Priority 1: Mission Critical Pump Station: Functionality during a PSPS or other power outage is required for meeting Utility Division objectives and performance criteria
 - Stationary generator may be required (unless insufficient space is available for unit installation or interim arrangement of portable is necessary for expediency); automatic transfer if paired with stationary; 24-hour minimum runtime
- Priority 2: Less-critical Pump Stations: Functionality during a PSPS or other power outage does not require immediate action
 - May require mobilization of a portable generator during an extended outage; manual (local) power transfer; 24-hour minimum runtime
- Priority 3: Important Sites (typically not pump stations): Functionality during a PSPS or other power outage does not require immediate action; temporary back-up battery power for basic functions is available (e.g., status monitoring and alarming)
 - Will require remote monitoring and periodic site visits during outages to replace batteries or connection of a small portable generator; manual (local) power transfer; 24-hour minimum runtime (if required)

*From: City Emergency Protocol-Public Safety Power Shut-Off
Appendix A*



Approach: Application Criteria

Table 1.1 – City of Pleasanton Standby Generator Summary Results

Site	Priority	Stationary / Portable	Recommended Size (kW)
WATER STATION GENERATORS			
N Sycamore PS - 937 Sycamore Creek Way	Priority 2	Stationary	350
Laurel Creek PS - 5800 Foothill Rd	Priority 2	Stationary	250
Foothill 2 PS - 4301 Foothill Rd.	Priority 2	Stationary	56
Ruby Hill PS - 3033 W Ruby Hills Dr.	Priority 1	Stationary	350
Vineyard Hills PS - 1202 Machado Pl.	Priority 1	Stationary	200
Vineyard Station - 3502 Vineyard Ave.	Priority 2	Portable ³	176
Dublin Canyon - 11599 Dublin canyon Rd.	Priority 2	Portable ³	240
Kollinger Ranch - 1201 Hearst Dr.	Priority 2	Portable ³	120
Longview PS - 8999 Longview Dr.	Priority 2	Portable ³	240
510, 3998 Foothill Rd.	Priority 2	Portable ³	176
900, 9000 Santos Ranch Road	Priority 2	Portable ³	176
1300, 9400 Santos Ranch Road	Priority 1	Stationary ⁴	176
SEWER STATION GENERATORS			
S-2 8019 Foothill Rd	Priority 2	Stationary	30
S-4 1065 Serpentine Lane	Priority 2	Portable ³	56
S-5 1723 Laguna Creek Lane	Priority 2	Portable ³	56
S-6 6900 W. Las Positas	Priority 1	Stationary	200
S-7 4950 Bernal Ave	Priority 1	Stationary	120
S-8 6890 Koll Center	Priority 1	Stationary	200
S-12 302 Happy Valley Rd.	Priority 2	Stationary	120
S-13 3333 Busch Road	Priority 2	Portable ³	56
S-14 6614 Alisal St.	Priority 2	Portable ³	120
S-15 2299 Vineyard Ave	Priority 2	Stationary	56
STORM STATION GENERATORS			
SD-1 - 4950 Bernal Ave.	Priority 3	Portable ³	120
SD-2 - 4000 Del Valle Pkwy	Priority 3	Portable ³	120
SD-3 - 3090 Valley Ave.	Priority 3	Portable ³	176
SD-4 - 1040 Valley Ave.	Priority 3	Portable ³	56

Table 1.1 Notes

1. Grey Eagle PS not included: "Fire Pump" is no longer functional.
2. S-10 facilities not included: shared facility with Alameda County.
3. Portable recommended size based on recommended fleet selection ratings per Appendix E.
4. Portable unit parked at site - recommend replacement with stationary.



Sizing Calculations

- Unit sizing using Caterpillar (> 150 kW) and Generac (< 150kW)
- All pumps in operation with nominal auxiliary loads
- Pump loads started in step to alleviate inrush current effects
- Electrical Criteria: 20% voltage dip and 20% frequency dip

CAT

Load Report

Project Name	1202 Machado Vineyard Hills Booster	Electricity Supply	60 Hz 480/277 V
Customer Name	CoP	Rating Type	Standby
Region	U.S.	Max. Ambient Temperature	50.0 C
Prepared By	TJC and Associates	Altitude	152.4 M.A.S.L.
Modified Date	8-Mar-2023	Humidity	30%
Engine Model	(1) of C9	Nameplate Rating	200.0 kW / 250.0 kVA / 0.8 PF

Load Details		Permitted		Predicted		Transient Inrush		Running		Resultant Peak		Cumulative Running	
Load Step	Load Description	FDip	VDip	FDip	VDip	SkVA	SkW	kVA	kW	SkVA	SkW	kVA	kW
Step 1													
1.1	1x15.00 kVA - Auxiliary Transformer: Steady State Magnetization, 95% Efficiency, 240V Secondary Voltage	-	-			0.0	0.0	0.8	0.1				
Step 1 Total		-	-			0.0	0.0	0.8	0.1				
Total Through Step 1										0.0	0.0	0.8	0.1
Step 2													
2.1	1x60.00 HP - Pump 1: NEMA, 3-Phase Motor, Soft Starter, 300% Current Limit, 29.1 THDI%	20%	20%			165.8	59.7	55.3	48.6				
Step 2 Total		20%	20%	<5%	11.6%	165.8	59.7	55.3	48.6				
Total Through Step 2										166.5	78.7	55.7	48.7
Step 3													
3.1	1x60.00 HP - Pump 2: NEMA, 3-Phase Motor, Soft Starter, 300% Current Limit, 29.1 THDI%	20%	20%			165.8	59.7	55.3	48.6				
Step 3 Total		20%	20%	<5%	11.6%	165.8	59.7	55.3	48.6				
Total Through Step 3										214.8	127.3	111.0	97.3
Step 4													
4.1	1x60.00 HP - Pump 3: NEMA, 3-Phase Motor, Soft Starter, 300% Current Limit, 29.1 THDI%	20%	20%			165.8	59.7	55.3	48.6				
Step 4 Total		20%	20%	<5%	11.6%	165.8	59.7	55.3	48.6				
Total Through Step 4										265.8	175.9	166.2	146.0
Load Analysis Summary : Generator set meets site requirements													

GENERAC®

S45W29290 Hwy 59 Waukesha, WI 53189

Page 2 of 9
03/17/2023

Generator and Load Summary

Selected Generator & Alternator			
Product Family Method :	Auto Select		
Product Family :	SD/MD Diesel		
Sizing Method :	Auto Select		
Generator :	1 x 130 kW, 6.7L		
Quantity :	1		
Alternator :	K0130124Y21 - 130kW		

Load Summary -- Connected Load of 82.50 kW			
	Running	Transients	Harmonics
kW:	82.5	kW (Step) : 26.64	kVA: 84.4
kVA:	93.48	kW (Peak) : 82.5	THID Cont: 0%
PF:	0.88	kVA (Step) : 139.2	THID Peak : 12.5%

Model 130 kW, 6.7L			
130 kw, Diesel Genset -- Site rated 127 kw 6.7 L Engine with Standard (K0130124Y21 - 130kW) Alternator			
Load Level	Transients		Harmonics
Running : 65 %	Fdip (Hz): 1.4	THVD Cont: 0.0 %	
Peak : 62	Vdip (%): 16.9	THVD Peak : 5.3 %	
Solution Limits			
Max Loading : 80 %	Fdip (Hz): 15	THVD Cont: 11 %	
	Vdip (%): 35	THVD Peak : 13 %	

Load List		Starting		Running		Harmonic Current Distortion		Limits	
Sequence	Description	kW	kVA	kW	kVA	Peak	Cont.	kVA	Fdip
Step 1	Resistive - XFMR 1 X 9.00 kVA @ 1.00 PF Harmonics: THID = 0.00%	9	9	9	9	0 %	0 %	0	20.00 % 12 Hertz
Step 1	All loads on (sequence starting) 9.0kW All loads on (sequence starting) 9 kW Application Peak	9	9	9	9	0 %	0 %	0	20 % 48 volts 12 hertz
Step 2	Motor - Pump 1 1 X 40.00 HP Code G (6 kVA/HP) 350% Current Limit Soft Starter Voltage Stepped Rated torque at start running at 100%.	26.64	139.2	36.75	42.24	25 %	0 %	42.2	20.00 % 12 Hertz
Step 2	All loads on (sequence starting) 36.8kW All loads on (sequence starting) 45.8 kW Application Peak	26.64	139.2	36.75	42.24	25 %	0 %	42.2	20 % 48 volts 12 hertz
Step 3	Motor - Pump 2 1 X 40.00 HP Code G (6 kVA/HP) 350% Current Limit Soft Starter Voltage Stepped Rated torque at start running at 100%.	26.64	139.2	36.75	42.24	25 %	0 %	42.2	20.00 % 12 Hertz
Step 3	All loads on (sequence starting) 36.8kW All loads on (sequence starting) 52.5 kW Application Peak	26.64	139.2	36.75	42.24	25 %	0 %	42.2	20 % 48 volts 12 hertz



Results Summary - Water

► Preliminary Design Report – Table 1

FACILITES								
WATER STATION GENERATORS	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW
937 Sycamore Creek Way Booster	30KVA	391	480V	350	88%	3	300	225
5875 Laurel Creek Booster	25KVA	254	480/277V	250	80%	3	150	113
4301 Foothill Rd. Foothill Booster	9KVA	50	480V	56	70%	4	40	30
3033 W Ruby Hills Dr. Booster	15KVA	332	480/277V	350	75%	5	305	229
1202 Machado Vineyard Hills Booster	15KVA	201	480V	200	79%	3	180	135
3502 Vineyard Ave.	9KVA	133	480V	176	60%	2	120	90
11599 Dublin canyon Rd.	15KVA	274	480V	240	90%	2	250	188
1201 Hearst Dr.	9KVA	92	480/277V	120	60%	2	80	60
8999 Longview Dr.	15KVA	248	480V	240	82%	3	225	169
3998 Foothill Rd.	9KVA	165	480V	176	74%	2	150	113
9000 Santos Ranch Road	9KVA	165	480V	176	74%	2	150	113
9400 Santos Ranch Road	9KVA	105	480/277V	176	47%	2	100	75

Bold denotes portable generator needed



Results Summary - Sewer

► Preliminary Design Report – Table 1

FACILITES								
SEWER STATION GENERATORS								
S-2 8019 Foothill Rd	15KVA	38	120/240V	30	50%	2	6	5
S-4 1065 Serpentine Lane	15KVA	19	480V	56	27%	2	6	5
S-5 1723 Laguna Creek Lane	15KVA	37	480V	56	51%	3	22.5	17
S-6 6900 W. Las Positas	30KVA	130	480V	200	51%	5	100	75
S-7 4950 Bernal Ave	15KVA	76	480V	120	50%	3	60	45
S-8 6890 Koll Center	15KVA	201	480V	200	79%	3	180	135
S-12 302 Happy Valley Rd.	75KVA	211	120/240V	120	69%	2	40	30
S-13 3333 Busch Road	45KVA	43	480/277V	56	60%	2	4	3
S-14 6614 Alisal St.	45KVA	119	120/240V	120	39%	2	20	15
S-15 2299 Vineyard Ave	10KVA	40	480V	56	56%	2	30	23

Bold denotes portable generator needed

Results Summary - Stormwater

► Preliminary Design Report – Table 1

FACILITES								
STORM STATION GENERATORS								
SD-1 - 4950 Bernal Ave.	45KVA	60	480V	120	39%	2	20	15
SD-2 - 4000 Del Valle Pkwy	45KVA	60	480V	120	39%	2	20	15
SD-3 - 3090 Valley Ave.	45KVA	195	480V	176	87%	2	150	113
SD-4 - 1040 Valley Ave.	15KVA	29	480V	56	40%	2	15	11

Bold denotes portable generator needed

Results Summary - Stationary

FACILITES								
WATER STATION GENERATORS	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW
937 Sycamore Creek Way Booster	30KVA	391	480V	350	88%	3	300	225
5875 Laurel Creek Booster	25KVA	254	480/277V	250	80%	3	150	113
4301 Foothill Rd. Foothill Booster	9KVA	50	480V	56	70%	4	40	30
3033 W Ruby Hills Dr. Booster	15KVA	332	480/277V	350	75%	5	305	229
1202 Machado Vineyard Hills Booster	15KVA	201	480V	200	79%	3	180	135
SEWER STATION GENERATORS								
S-2 8019 Foothill Rd	15KVA	38	120/240V	30	50%	2	6	5
S-6 6900 W. Las Positas	30KVA	130	480V	200	51%	5	100	75
S-7 4950 Bernal Ave	15KVA	76	480V	120	50%	3	60	45
S-8 6890 Koll Center	15KVA	201	480V	200	79%	3	180	135
S-12 302 Happy Valley Rd.	75KVA	211	120/240V	120	69%	2	40	30
S-13 3333 Busch Road	45KVA	43	480/277V	56	60%	2	4	3
S-15 2299 Vineyard Ave	10KVA	40	480V	56	56%	2	30	23
STORM STATION GENERATORS				(NONE)				

Results Summary - Portables

FACILITIES								
WATER STATION GENERATORS	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW
3502 Vineyard Ave.	9KVA	133	480V	176	60%	2	120	90
11599 Dublin canyon Rd.	15KVA	274	480V	240	90%	2	250	188
1201 Hearst Dr.	9KVA	92	480/277V	120	60%	2	80	60
8999 Longview Dr.	15KVA	248	480V	240	82%	3	225	169
3998 Foothill Rd.	9KVA	165	480V	176	74%	2	150	113
9000 Santos Ranch Road	9KVA	165	480V	176	74%	2	150	113
9400 Santos Ranch Road	9KVA	105	480/277V	176	47%	2	100	75
SEWER STATION GENERATORS								
S-4 1065 Serpentine Lane	15KVA	19	480V	56	27%	2	6	5
S-5 1723 Laguna Creek Lane	15KVA	37	480V	56	51%	3	22.5	17
S-14 6614 Alisal St.	45KVA	119	120/240V	120	39%	2	20	15
STORM STATION GENERATORS								
SD-1 - 4950 Bernal Ave.	45KVA	60	480V	120	39%	2	20	15
SD-2 - 4000 Del Valle Pkwy	45KVA	60	480V	120	39%	2	20	15
SD-3 - 3090 Valley Ave.	45KVA	195	480V	176	87%	2	150	113
SD-4 - 1040 Valley Ave.	15KVA	29	480V	56	40%	2	15	11

Results Summary – Portable Fleet Strategy

- Minimize number of unit ratings to four
 - Two @ 56 kW for coverage of three sites
 - Two @ 120 kW for coverage of four sites
 - Three @ 176 kW for coverage of five sites
 - One @ 240 kW for coverage of two sites
- Ratings selected to avoid “wet stacking” of oversized equipment
- Attempt to limit total number (stationary and portable) ratings for commonality of spare parts and simplified maintenance
- Includes DOT highway rated trailers for portables
- Includes infrastructure for simplified and safe connection
 - “Cam-Lock” tap boxes with secure enclosures
 - Manual transfer switches

Results Summary – Portable Fleet Strategy

FACILITIES								
WATER STATION GENERATORS	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand		HP	Pump kW
3502 Vineyard Ave.	9KVA	133	480V	176	60%	2	120	90
11599 Dublin canyon Rd.	15KVA	274	480V	240	90%	2	250	188
1201 Hearst Dr.	9KVA	92	480/277V	120	60%	2	80	60
8999 Longview Dr.	15KVA	248	480V	240	82%	3	225	169
3998 Foothill Rd.	9KVA	165	480V	176	74%	2	150	113
9000 Santos Ranch Road	9KVA	165	480V	176	74%	2	150	113
9400 Santos Ranch Rd.	9KVA	105	480/277V	176	47%	2	100	75
SEWER STATION GENERATORS								
S-4 1065 Serpentine Lane	15KVA	11	480V	56	27%	2	6	5
S-5 1723 Laguna Creek Lane	15KVA	11	480V	56	51%	3	22.5	17
S-14 6614 Alisal St.	45KVA	195	120/240V	120	39%	2	20	15
STORM STATION GENERATORS								
SD-1 - 4950 Bernal Ave.	45KVA	60	480V	120	39%	2	20	15
SD-2 - 4000 Del Valle Pkwy	45KVA	60	480V	120	39%	2	20	15
SD-3 - 3090 Valley Ave.	45KVA	195	480V	176	87%	2	150	113
SD-4 - 1040 Valley Ave.	15KVA	29	480V	56	40%	2	15	11

Results Summary – Site Specific Costs (Water)

WATER STATION GENERATORS	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW	Estimated Site Specific Costs
937 Sycamore Creek Way Booster	30KVA	391	480V	350	88%	3	300	225	\$1,160,000
5875 Laurel Creek Booster	25KVA	254	480/277V	250	80%	3	150	113	\$526,000
4301 Foothill Rd. Foothill Booster	9KVA	50	480V	56	70%	4	40	30	\$241,000
3033 W Ruby Hills Dr. Booster	15KVA	332	480/277V	350	75%	5	305	229	\$1,160,000
1202 Machado Vineyard Hills Booster	15KVA	201	480V	200	79%	3	180	135	\$526,000
3502 Vineyard Ave.	9KVA	133	480V	176	60%	2	120	90	\$280,000
11599 Dublin canyon Rd.	15KVA	274	480V	240	90%	2	250	188	\$284,000
1201 Hearst Dr.	9KVA	92	480/277V	120	60%	2	80	60	\$215,000
8999 Longview Dr.	15KVA	248	480V	240	82%	3	225	169	\$284,000
3998 Foothill Rd.	9KVA	165	480V	176	74%	2	150	113	\$280,000
9000 Santos Ranch Road	9KVA	165	480V	176	74%	2	150	113	\$280,000
9400 Santos Ranch Road	9KVA	105	480/277V	176	47%	2	100	75	\$280,000

Results Summary – Site Specific Costs (Sewer)

	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW	Estimated Site Specific Costs
SEWER STATION GENERATORS									
S-2 8019 Foothill Rd	15KVA	38	120/240V	30	50%	2	6	5	\$158,000
S-4 1065 Serpentine Lane	15KVA	19	480V	56	27%	2	6	5	\$161,000
S-5 1723 Laguna Creek Lane	15KVA	37	480V	56	51%	3	22.5	17	\$161,000
S-6 6900 W. Las Positas	30KVA	130	480V	200	51%	5	100	75	\$526,000
S-7 4950 Bernal Ave	15KVA	76	480V	120	50%	3	60	45	\$383,000
S-8 6890 Koll Center	15KVA	201	480V	200	79%	3	180	135	\$526,000
S-12 302 Happy Valley Rd.	75KVA	211	120/240V	120	69%	2	40	30	\$383,000
S-13 3333 Busch Road	45KVA	43	480/277V	56	60%	2	4	3	\$241,000
S-14 6614 Alisal St.	45KVA	119	120/240V	120	39%	2	20	15	\$225,000
S-15 2299 Vineyard Ave	10KVA	40	480V	56	56%	2	30	23	\$241,000

Results Summary – Site Specific Costs (Storm)

	Aux. XFMR	Total Amps	System Voltage	Generator size kW	Generator Total Load Demand	No. of Pumps	Total Pump HP	Total Pump kW	Estimated Site Specific Costs
STORM STATION GENERATORS									
SD-1 - 4950 Bernal Ave.	45KVA	60	480V	120	39%	2	20	15	\$215,000
SD-2 - 4000 Del Valle Pkwy	45KVA	60	480V	120	39%	2	20	15	\$215,000
SD-3 - 3090 Valley Ave.	45KVA	195	480V	176	87%	2	150	113	\$280,000
SD-4 - 1040 Valley Ave.	15KVA	29	480V	56	40%	2	15	11	\$161,000

BAAQMD Developments

California Air District Requirements - Stationary, Emergency Standby Diesel Engines
Best Available Control Technology (BACT) Standard by EPA Tier

AIR DISTRICT	MAX ENGINE RATING (HP) / MAX GENERATOR ELECTRICAL RATING (kW)					MAX RATING - MINOR SOURCE	MAX RATING - MAJOR SOURCE	VERIFICATION DATE	COMMENTS
	> 50 hp > 37 kW	50 ≤ hp < 100 37 ≤ kW < 75	100 ≤ hp < 175 75 ≤ kW < 130	175 ≤ hp < 750 130 ≤ kW < 560	750 ≤ hp < 1,000 560 ≤ kW < 750				
						hp ≥ 1,000 kW ≥ 750	hp ≥ 1,000 kW ≥ 750		
California ARB - ATCM ⁽¹⁾	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	2/13/2023	See Note 1.
Amador County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per David Estey, no planned changes to current BACT
Antelope Valley AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Barbara Lods, no planned changes to current BACT
Bay Area AQMD - Current	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	2/13/2023	See proposed changes to BACT, below.
Bay Area AQMD - Proposed	Exempt	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	3/6/2023	Per Isis Virrueta, AQMD drafting new guideline, effective date pending
Butte County AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	2/13/2023	Per Riley Peacock, no planned changes to current BACT
Calaveras County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Michelle Turner, no planned changes to current BACT
Colusa County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Casey Ryan, no planned changes to current BACT
Eastern Kern APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Samuel Johnson, no planned changes to current BACT
El Dorado County AQMD ⁽²⁾	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	2/21/2023	Per Lisa Petersen, latest EPA Tier available. See Note 2.
Feather River AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Robin Demma, no planned changes to current BACT
Glenn County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Pakou Cha, no planned changes to current BACT
Great Basin Unified APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Tom Schaniel, no planned changes to current BACT
Imperial County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Mario Gonzalez, no planned changes to current BACT
Lake County AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	3/8/2023	Per Doug Earhart, no planned changes to current BACT.
Lassen County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Erik Edholm, no planned changes to current BACT
Mariposa County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Rachelie Ziegenfuss, no planned changes to current BACT. See Note 6.
Mendocino County AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Doug Gearhart, no planned changes to current BACT
Modoc County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Jennifer White, no planned changes to current BACT
Mojave Desert AQMD ⁽³⁾	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 4	3/7/2023	Per Roseana Brasington, AQMD defers to BAAQMD, SJVAPCD & SCAQMD. See Note 3.
Monterey Bay ARD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	2/13/2023	Per Amy Clymo, no planned changes to current BACT
North Coast Unified AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/7/2023	Per Winslow Condon, no planned changes to current BACT
Northern Sierra AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/7/2023	Per Joe Fish, no planned changes to current BACT
Northern Sonoma County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/7/2023	Per Craig Tallman, no planned changes to current BACT
Placer County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/6/2023	Per Emmanuel Orozco, no planned changes to current BACT
Sac Metro AQMD - Current	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	2/16/2023	See proposed changes to BACT, below.
Sac Metro AQMD - Proposed	Exempt	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	3/5/2023	Per Jeff Weiss, AQMD drafting new guideline (expected adoption by 6/4/23)
San Diego County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/7/2023	Per John Annicchiarico, no planned changes to current BACT
San Joaquin Valley APCD	Exempt	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	2/15/2023	Tier 4F adopted as "Achieved in Practice" for engines ≥50 bhp 4/29/22
San Luis Obispo County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	3/9/2023	Per Sarah Wade, no planned changes to current BACT
Santa Barbara County APCD ⁽⁴⁾	Exempt	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	3/8/2023	Per William Sarraf, APCD will defer to SJVAPCD for BACT. See Note 4.
Shasta County AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/8/2023	Per Chad Peterson, no planned changes to current BACT
Siskiyou County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Irene Miranda, no planned changes to current BACT
South Coast AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 4	2/17/2023	Per Bahareh Farahani, no planned changes to current BACT
Tehama County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Brian Marquardt, no planned changes to current BACT
Tuolumne County APCD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/9/2023	Per Cheydi Gonzales, no planned changes to current BACT. See Note 6.
Ventura County APCD ⁽⁵⁾	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	3/8/2023	Per Chris Harlin, no planned changes to current BACT. See Note 5.
Yolo-Solano AQMD	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 2	Tier 2	3/7/2023	Per Christopher Goodwin, no planned changes to current BACT

PLEASANTON.

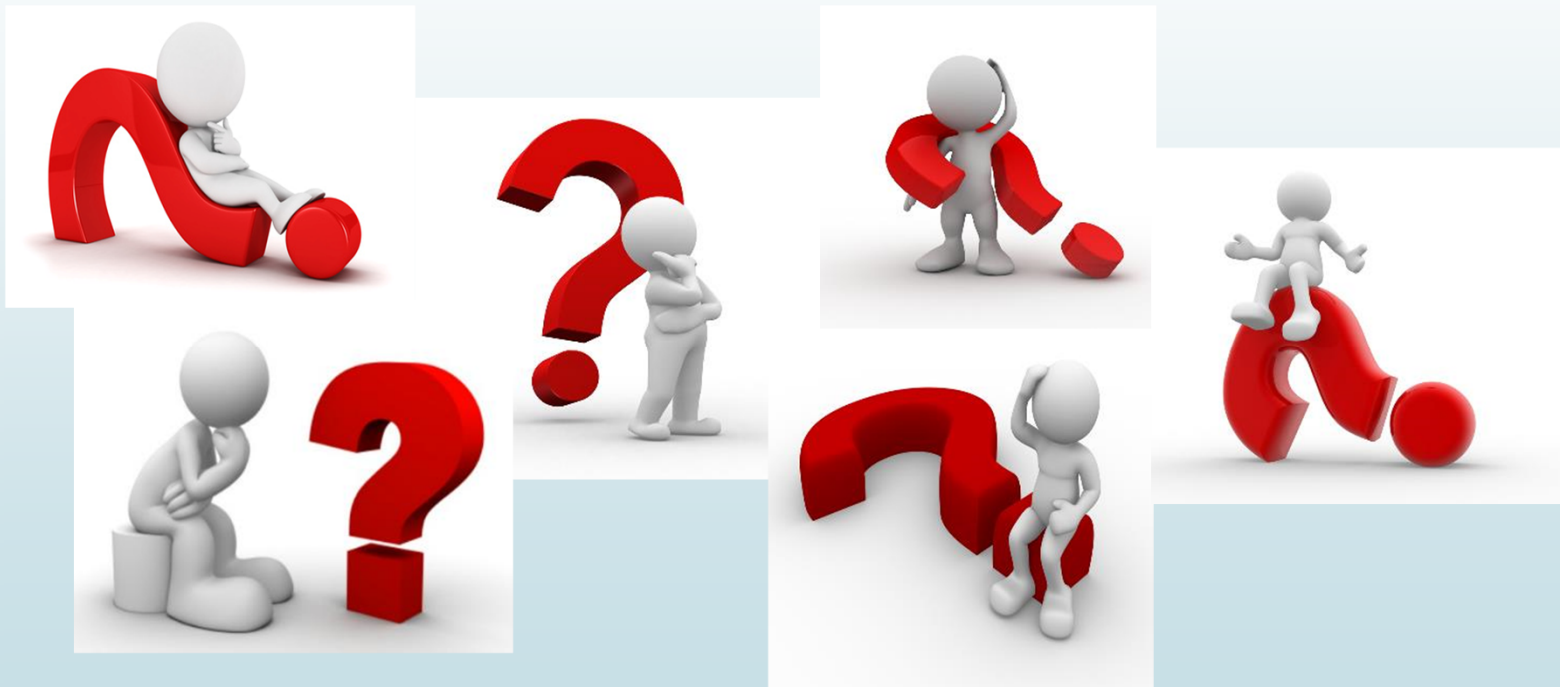
BAAQMD Developments

AIR DISTRICT	MAX ENGINE RATING (HP) / MAX GENERATOR ELECTRICAL RATING (kW)					MAX RATING - MINOR SOURCE	MAX RATING - MAJOR SOURCE	VERIFICATION DATE	COMMENTS
	> 50 hp	50 ≤ hp < 100	100 ≤ hp < 175	175 ≤ hp < 750	750 ≤ hp < 1,000	hp ≥ 1,000	hp ≥ 1,000		
	> 37 kW	37 ≤ kW < 75	75 ≤ kW < 130	130 ≤ kW < 560	560 ≤ kW < 750	kW ≥ 750	kW ≥ 750		
Bay Area AQMD - Current	Exempt	Tier 3	Tier 3	Tier 3	Tier 2	Tier 4	Tier 4	2/13/2023	See proposed changes to BACT, below.
Bay Area AQMD - Proposed	Exempt	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	Tier 4	3/6/2023	Per Isis Virrueta, AQMD drafting new guideline, effective date pending



- Enforcement date is unknown but could be as early as 1'st quarter 2025
- Manufacturers have limited options
- Option – Diesel with mitigation
 - Catalytic converter, passive particulate filter, active particulate filter
 - Additional maintenance
 - Reliability impacts
- Option – Natural gas fired
 - PG&E supply
 - Code exemption required to avoid on site propane storage tank (NEC 701.12(C)(3) limits systems that are "... solely dependent on a public gas service..."

Any Final Questions or Comments



APPENDIX I

NITRIFICATION EVALUATION

CITY OF PLEASANTON

Water System Management Plan

Project No.: 201264
Date: September 24, 2024
Prepared By: Tim Loper
Reviewed By:
Subject: Nitrification Evaluation

This document is released for the purpose of information exchange review and planning only under the authority of Timothy J Loper, September 24, 2024, CA PE C-70847.

1.0 BACKGROUND

Carollo Engineers (Carollo) evaluated nitrification in the City's distribution system as part of the Water Supply and Distribution Facilities Improvements Project (Project). The results of the nitrification evaluation are summarized in Technical Memorandum 2 – Nitrification Evaluation (Carollo, 2020). Recommendations and the status of each are summarized in Table 1.

Table 1 [Nitrification Evaluation Recommendations](#)

No.	Recommendation	Status
1	Develop a long-term nitrification monitoring plan.	Implemented as part of a future project.
2	Develop a hydraulic model of the distribution system.	Completed in 2023.
3	Install residual control systems in the Foothill and Sycamore storage tanks.	Completed in 2022.
4	Improve chemical feed control and increase chloramine dose at the City's wells.	City's wells are not operational due to PFAS concentrations above the MCL. Chemical feed and Chloramine residual will be optimized as part of ongoing regional well project.
5	Increase chloramine residual from Zone 7's groundwater supply.	Zone 7 began increasing the residual in the groundwater supply in January 2020.
6	Develop a nitrification response plan.	Preliminary plan completed in 2020 and updated in 2022. Finalized as part of a future project.

2.0 PROGRAM RECOMMENDATIONS

One of the key recommendations was to install chloramine boosting systems at the Foothill and Sycamore Reservoirs to allow the City to reduce the frequency of tank cycling currently required to maintain residuals in the distribution system. These systems allow both sodium hypochlorite, which is generated onsite, and liquid ammonium sulfate (LAS) to be dosed to maintain target chloramine residuals in the

storage reservoirs. These systems also consist of monitoring equipment with control algorithms to monitor and maintain the target residual without exceeding a 5:1 Cl_2/N ratio.

The RCS systems are set to maintain chloramine residuals between 2.5 and 2.75 in both the Foothill and Sycamore Tanks. Data from the distribution system before and after the RCS systems began operation were analyzed. Distribution system residual data is compared in Figure 1 – Figure 3 for three different time periods:

- Average residuals between January 2019 and April 2019 are shown in Figure 1. During this time period, a high percentage of groundwater was supplied at the turnouts by Zone 7 and the City's wells were also online. This resulted in low residuals across the system since chloramine decay in the local groundwater supplies is more rapid than in the surface water supplies.
- Average residuals between April 2019 and March 2020 are shown in Figure 2. During this time period, Zone 7 provided a high percentage of surface water to the City's turnouts and the City's wells were online. Comparing this data to Figure 1 illustrates the impact of Zone water supply (majority surface vs. majority groundwater) on chloramine residuals in the City's distribution system. Residuals were higher across the distribution system, but still low near the storage tanks.
- Average residuals between April 2023 and September 2023 are shown in Figure 3. During this time period, the RCS in the Sycamore and Foothill tanks were operational. Since consistent operation of the RCS began in 2023, residuals have increased in the distribution system, particularly near the foothill and sycamore storage tanks. The RCS systems have also allowed the City to reduce the frequency of tank cycling required to maintain distribution system residuals. Weekly fill and drain cycles are used in the lower zone to reduce the water age in the storage tanks. Prior to RCS installation, the tanks were cycled from 6 feet to 25-28 feet. Current operations, with the RCS systems in service and the City's wells offline, tanks are cycled from 18-25 feet.

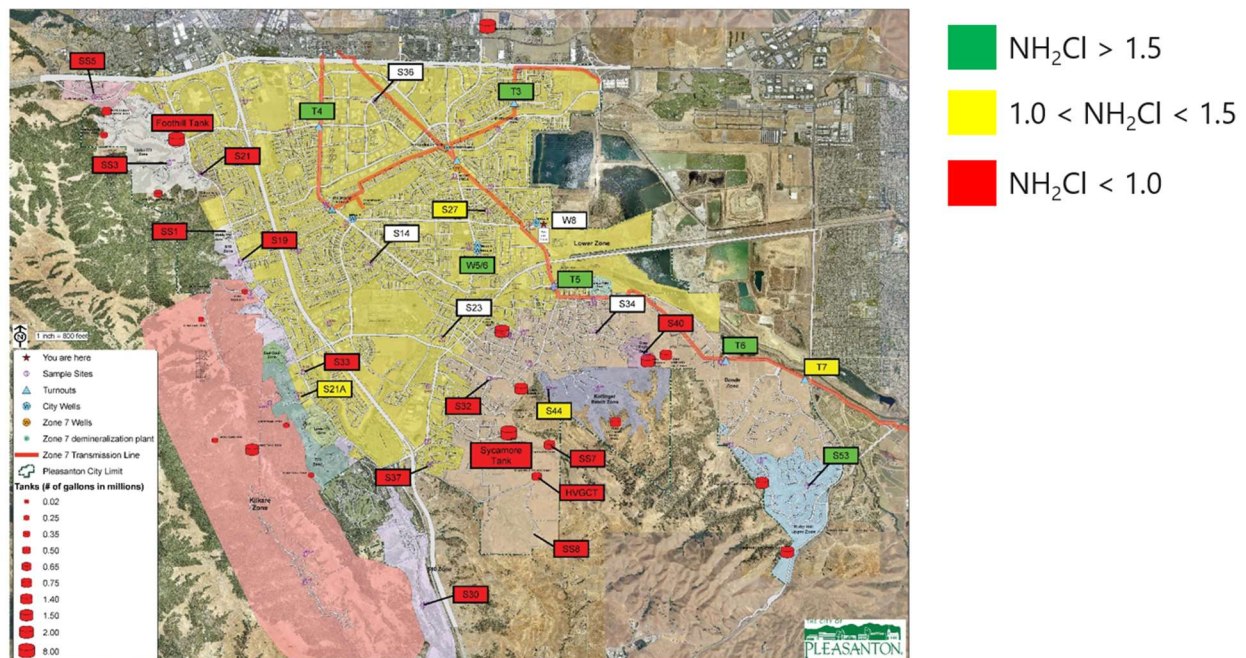


Figure 1 Average Distribution System Residuals (January 2019 – April 2019)

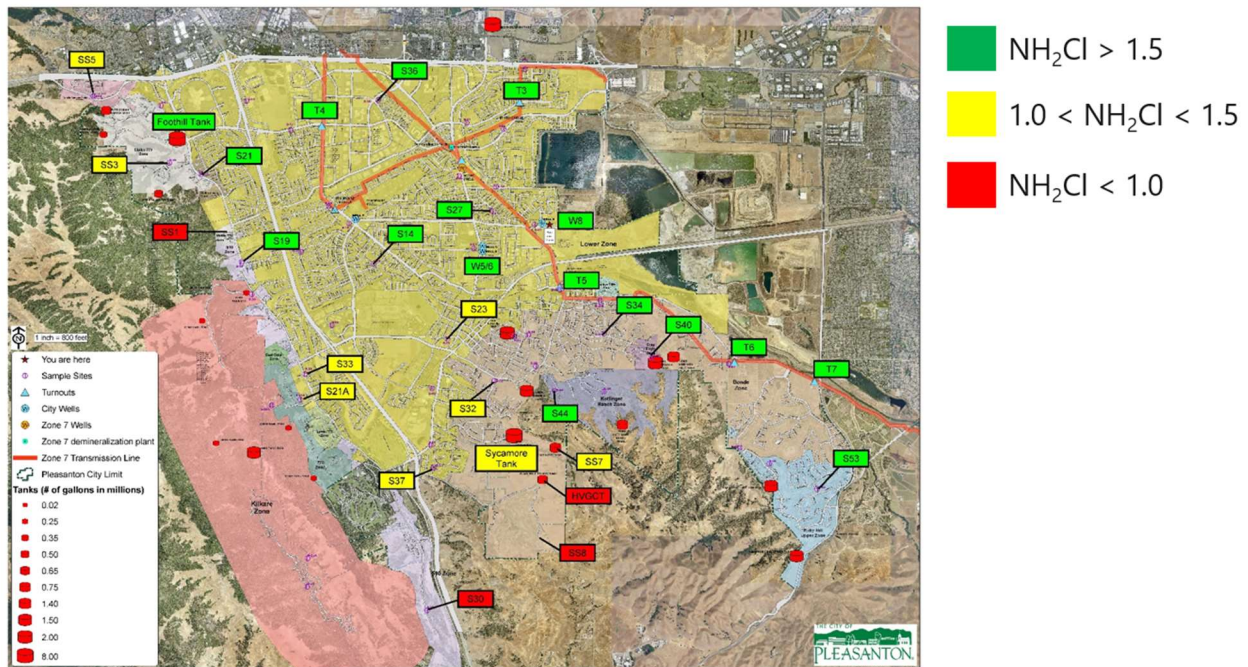


Figure 2 Average Distribution System Residuals (April 2019 – March 2020)

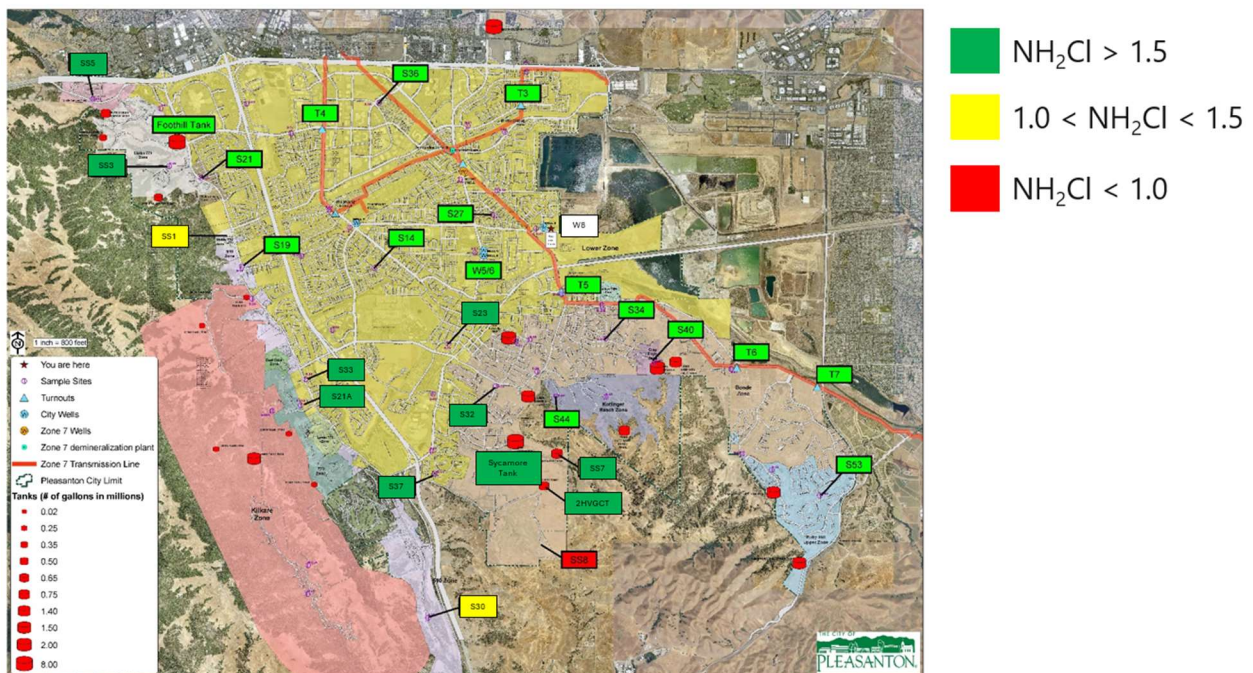


Figure 3 Average Distribution System Residuals (April 2023 – September 2023)

Implementation of the RCS systems in the Sycamore and Foothill Tanks was effective at increasing distribution system residuals and decreasing the tank cycling required. These installations are currently temporary and housed in trailers. It is recommended that these installations be upgraded to permanent installations.

A majority of the recommendations listed in Table 1 have been implemented since the completion of the Nitrification Evaluation in 2020. Based on reviewing distribution system residuals, the residuals have increased since the implementation of the RCS in the Sycamore and Foothill Tanks. The City also now has

a working hydraulic model to estimate source water blend (Zone 7 vs. City wells) and water age. Therefore, it is recommended that the City develop a formal nitrification monitoring and response plan that incorporates these changes. The plan should:

- Define monitoring frequency and locations for key water quality to track nitrification.
- Update and expand the preliminary response plan previously developed.
- Incorporate detailed plans and monitoring strategies for free chlorination of areas of the distribution to manage nitrification.
- Consider the installation of tank mixers in the upper zone reservoirs.

APPENDIX J

CIP IMPLEMENTATION MEMO

CITY OF PLEASANTON

Water System Management Plan

Project No.: 201264
Date: September 24, 2024
Prepared By: Tim Loper
Reviewed By:
Subject: CIP Rate Implementation Strategies



1.0 BACKGROUND

The City of Pleasanton (City) as part of the Water System Management Plan (WSMP) has identified both Capital and O&M projects and programs that have been recommended for the improvement and enhancement of the City water system utility operations. Critical to the implementation of the Capital and O&M projects and programs is the coordination with the City's rate consultant on the development of varying phased CIP program costs scenarios. This project memorandum summarizes the CIP and O&M recommendations, and three phased funding scenarios as well as a qualitative assessment of the pros and cons of each alternative.

2.0 CAPITAL PROJECTS

The Capital projects have been developed based on multiple assessments conducted by the City and as part of the WSMP. The CIP projects have been prioritized based on three priority definitions.

1. **Priority A** – These projects are ranked the highest if they are required for health and safety; required by law, regulation, or contract; are under construction; and/or are funded by applicants or outside funding source.
2. **Priority B** – These projects are those that provide measurable progress toward achieving the City's goals, but the City has a moderate level of control as to when these projects should be accomplished.
3. **Priority C** - Projects not meeting the criteria for priority level A or B are ranked as priority level C. These are projects that are anticipated to be needed, but may not yet have defined scopes and schedules.

The projects have also been categorized based on specific facility categories including:

1. Water Supply.
2. Water Distribution.
3. Rehabilitation and Replacement (Above Ground).
4. Rehabilitation and Replacement (Below Ground).
5. Other Projects.

The overall CIP project recommendations are summarized below in Table 1.

Table 1 Capital Improvement Plan Summary – Implementation Scenario 1

Project Type	Total Costs (\$Millions)
Water Supply Projects	\$52.00
Priority A Projects	\$40.00
WS -1 Near Term Improvements for Water Supply Change ³	\$13.50
WS-2 Long Term Improvements for Water Supply Change ⁴	\$26.50
Priority C Projects	\$12.00
WS-3 Future Water Supply Treatment	\$10.00
WS-4 RCS Permanent Installation	\$2.00
Distribution Capacity	\$81.50
Priority A Projects	\$44.06
DS-1 Existing Pipeline Deficiencies Improvements (I-1, I-4 through I-10 from Akel Report)	\$1.46
DS -2 Priority A Fire Flow (>30% Def)	\$16.71
DS-3 Killkare - Sunol Fire Flow	\$23.78
DS-4 Gray Eagle Connection to Kottinger Pressure Zone	\$1.86
DS -5 Lemoine Bypass Pipeline Project	\$0.25
Priority B Projects	\$26.06
DS-6 Priority B Fire Flow	\$9.43
DS-7 Tank 510 Site (Additional 0.25 MG)	\$2.14
DS-8 Tank 770 Site (Additional 0.15 MG)	\$1.68
DS-9 New 4.5 MG Tanks	\$12.81
Priority C Projects	\$11.38
DS -10 Priority C Fire Flow	\$9.88
DS - 11 Upper Zone Tank Mixers	\$1.50
Rehabilitation and Replacement (Above Ground Facilities)	\$50.59
Priority A Projects	\$12.04
RR-1 Tank 1300 Rehab	\$2.54
RR-2 McCloud Tank/PS Decommission	\$1.24
RR- 3 Foothill PS Rehab	\$1.32
RR - 4 Tank Inspections	\$1.62
RR- 5 Vineyard PS Rehab	\$ 2.13
RR- 6 Kottinger PS Rehab	\$1.90
RR- 7 Decommission of Grey Eagle PS	\$1.29
Priority B Projects	\$15.75
RR - 8 Customer Meter Replacement	\$9.30
RR- 9 Laurel Creek PS Rehab	\$1.68

Project Type	Total Costs (\$Millions)
RR - 10 Ruby Hill PS Rehab	\$2.04
RR- 11 Decommission Well No. 7	\$0.81
RR- 12 Decommission Well 5 and 6	\$0.71
RR- 13 Decommission Well No. 8	\$1.21
Priority C Projects	\$22.80
RR- 14 Other Facility Rehabilitation	\$22.80
Rehabilitation and Replacement (Below Ground Facilities)	\$71.28
Priority B Projects	\$31.68
RR - 15 Pipeline Rehabilitation Backlog (4.8-miles/year)	\$31.68
Priority C Projects	\$39.60
RR - 16 Pipeline Rehabilitation (3-miles/year)	\$39.60
Other Projects	\$6.73
Priority A Projects	\$6.53
SP - 1 Network Architecture (SCADA)	\$1.01
SP - 2 Generator Projects ⁵	\$5.52
Priority B Projects	\$0.20
SP - 3 DER Projects (Tassajara and TO3)	\$0.20
Project Total	\$262.10

Notes:

- (1) Projects are in 2024 dollars.
- (2) Costs are total project delivery costs. Increase in City engineering staff to manage is not included.
- (3) Project includes S-1, S-2, S-3, BS-1, I-2, and I-3 from Akel Report. "Costs provided by City supersede Akel Report."
- (4) City is considering one of two options: Project includes W-1, W-2, F-1, F-2, F-3, F-4, F-5 from Akel Report. Alternatively, City is evaluating a Regional Groundwater Facility project with Zone 7 with related distribution changes. "Costs provided by City supersede the Akel report."
- (5) Total costs for all generators including water, sewer, and storm is \$9.39 million. "Costs show in this table is just for water".

3.0 O&M PROJECT AND PROGRAMS

The O&M projects and programs were developed based on coordination with City Staff, and the O&M evaluation conducted by Carollo. The O&M programs were categorized based on the following:

1. Water Quality Regulations.
2. Water Conservation and Water Loss.
3. Rehabilitation and Replacement Assessment.
4. O&M Evaluations.
5. SCADA Master Plan.

The O&M project and programs are summarized in Table 2.

Table 2 O&M Project and Programs

Project Type	Project Descriptions	Total 20-Year Program Costs (\$ Million)	CIP Phasing (\$Million)						
			Near Term					Mid Term	Long Term
			2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030 - 2033/2034	2034/2035 - 2043/2044
Water Quality Regs									
WQ – 1 Lead and Copper Rule Program Tracking	Under the LCRR, after the initial survey has been completed the City will need to complete the following. Costs to be reevaluated after initial phases of the program are completed. - Develop and submit an LSL replacement plan. - Revised sampling plan that captures updated sample tiers - Start sampling in schools and childcare facilities - Comply with revised Action level Comply with updated public notification	\$0.25	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$-	\$-
WQ - 2 Cross Connection Control Plan	Initial budgetary estimates will need to be revised for adequacy after initial planning phases	\$0.25	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$-	\$-
WQ - 3 Nitrification Response Plan	Update and enhance nitrification response plan	\$0.05	\$-	\$0.05	\$-		\$-		\$-
Water Conservation and Water Loss									
WC- 1 Water Meter Testing Program:	Establish Water Meter Testing Program	\$0.24	\$	\$	\$0.05	\$0.02	\$0.02	\$0.05	\$0.10
WC- 2 Water Conservation Program	Enhance water conservation program based on developing California Regulations	\$0.25	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$-	\$-
WC - 3 Water Loss	Contracted leak detection of entire water system by 2028	\$0.55	\$0.05	\$ 0.25	\$0.25	\$-	\$-	\$-	\$-
WC – 4 Systematic Data Handling Error Audit:	Data error audit. Related to data accuracy and annually water loss audits.	\$0.05	\$-	\$0.05	\$-	\$-	\$-	\$-	\$-
Rehabilitation and Replacement Assessment									
RR-17 Asset Management Program	Funded for water system portion. Coordination with City-wide asset management efforts	\$0.40	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.10
RR - 4 Tank Inspection Program	Inspection of interior of all tanks and reservoirs	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
RR - 18 Corrosion Protection:	Annual inspection of cathodic protection systems	\$0.37	\$-	\$-	\$0.20	\$0.01	\$0.01	\$0.05	\$0.10
O&M Evaluation									
OM – 1 Unidirectional Flushing Program	Implement a Unidirectional Flushing pilot by hiring a consultant to develop an initial plan based on a single pressure zone. Includes valve exercising	\$0.98	\$-	\$0.08	\$0.05	\$0.05	\$0.05	\$0.25	\$0.50
OM – 2 Utility Training Program	Continue using contractors to conduct staff training, and develop SOPs	\$1.00	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.25	\$0.50
OM – 3 Water System Operations and Maintenance Manual	Hire consultant to develop electronic O&M manual	\$0.15	\$-	\$0.15	\$-	\$-	\$-	\$-	\$-
SCADA Master Plan									
SP - 4 SCADA Standards Development:	Development of SCADA stands	\$0.17	\$	\$0.17	\$	\$	\$	\$	\$
SP – 5 SCADA Preventive Maintenance Program	Development and Implementation of a preventative maintenance program	\$0.95	\$-	\$-	\$0.10	\$0.05	\$0.05	\$0.25	\$0.50
SP – 6 Backup Core Server Relocation	Relocate core SCADA servers to a cloud-based structure	\$0.21	\$-	\$-	\$0.21	\$	\$	\$	\$
SP – 7 Remote Access Improvements	Development of remote SCADA access options	\$0.37	\$	\$	\$	\$0.37	\$	\$	\$
SP- 8 OT System Monitoring Implementation	Implementation of OT focused cybersecurity monitoring	\$0.86	\$	\$	\$0.43	\$0.43	\$	\$	\$
Increased FTE Costs ⁽²⁾		\$12.00	\$	\$	\$0.67 ⁽³⁾	\$0.67	\$0.67	\$3.33	\$6.67
Total Costs		\$19.09	\$0.30	\$0.99	\$2.20	\$1.85	\$1.05	\$4.23	\$8.47

Notes:
Projects are in 2024 dollars.
(1) Five Operator FTEs to facilitate programs.
- 2 FTEs starting in FY24/25 which has already been approved and included in baseline operating expenses (not included here).
- 3 Additional FTEs starting in FY26/27 which is included in this line item.

4.0 IMPLEMENTATION SCENARIOS

Three project phasing scenarios were developed for the evaluation of rate increases. The implementation scenarios are summarized in Table 3.

Table 3 CIP Phasing Implementation Scenarios

Scenario 1 Deferrals to Steady ENG FTE Requirements (3 FTE / Year)	Scenario 2 No Deferrals	Scenario 3 Maximum Deferrals
▪ Priority A in Near- Term with some deferral into Mid-Term ▪ Priority B in Mid-Term with some deferral into Long-term ▪ Priority C in Long-Term	▪ All Priority A in Short-Term ▪ All Priority B in Mid-Term ▪ All Priority C in Long-Term	▪ Priority A spread between Near and Mid-Terms ▪ Priority B and C in Long-Term

4.1 Implementation Scenario Comparison

The implementation scenarios, pros, cons, and risks are summarized in Table 4. Detailed tables of each CIP scenario are included as attachments to this memorandum. As can be seen in Figure 1, Scenario 2 has the highest near-term costs, while Scenario 3 has the lowest with the highest costs in the long term. Scenario 1 slowly ramps up over the near and mid-terms, and then ramps down over the long term.

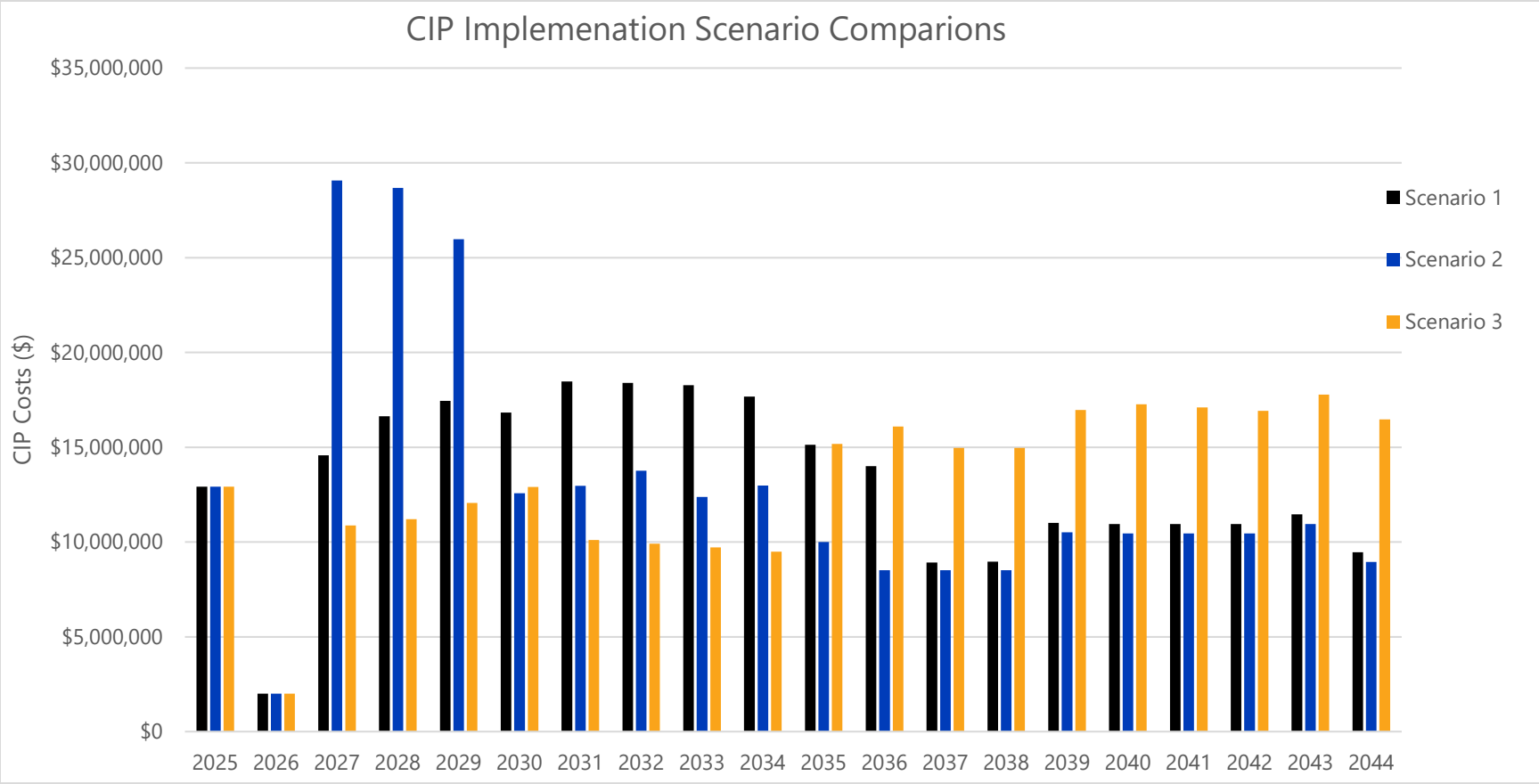
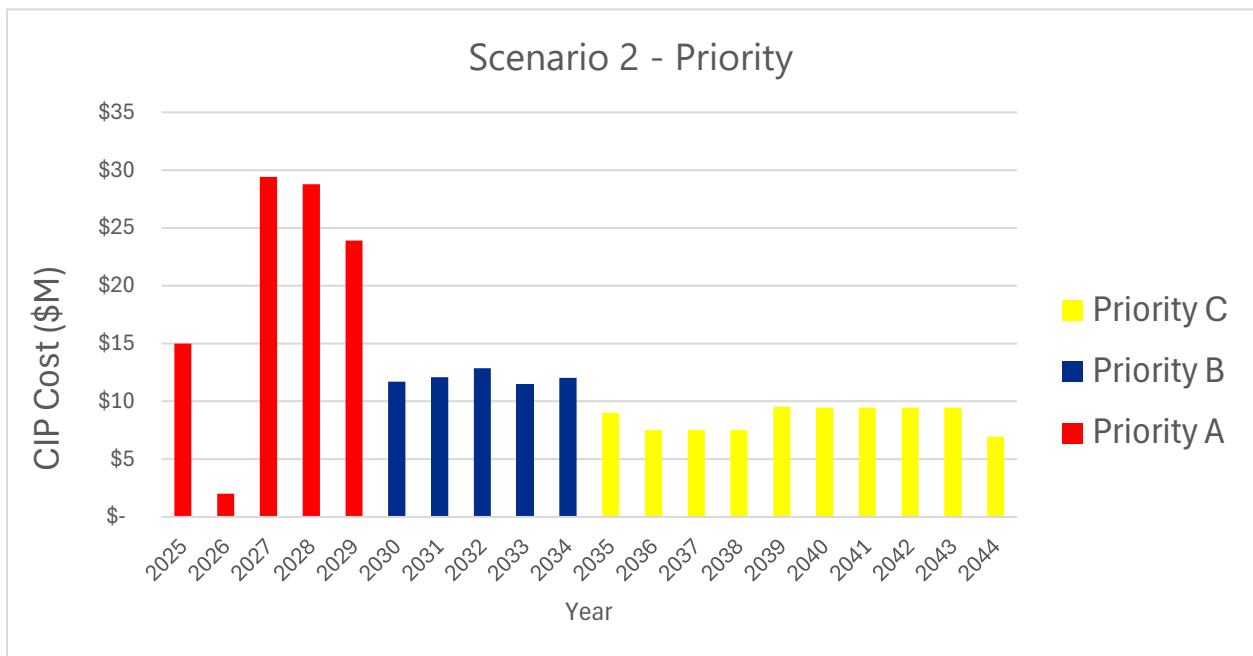
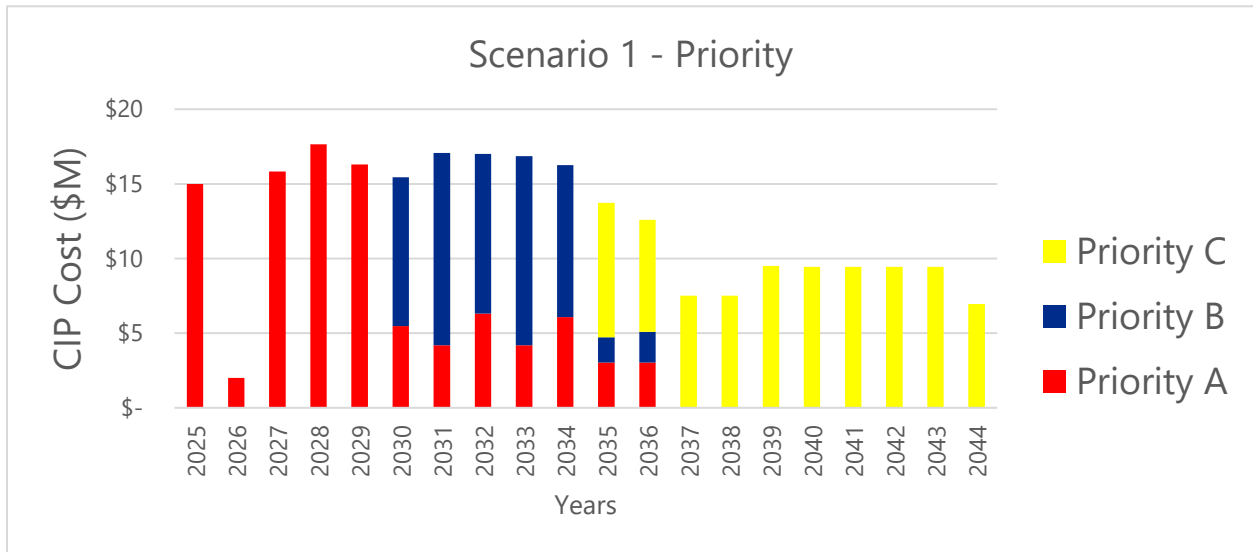


Figure 1 Summary of CIP Implementation Scenario Comparisons



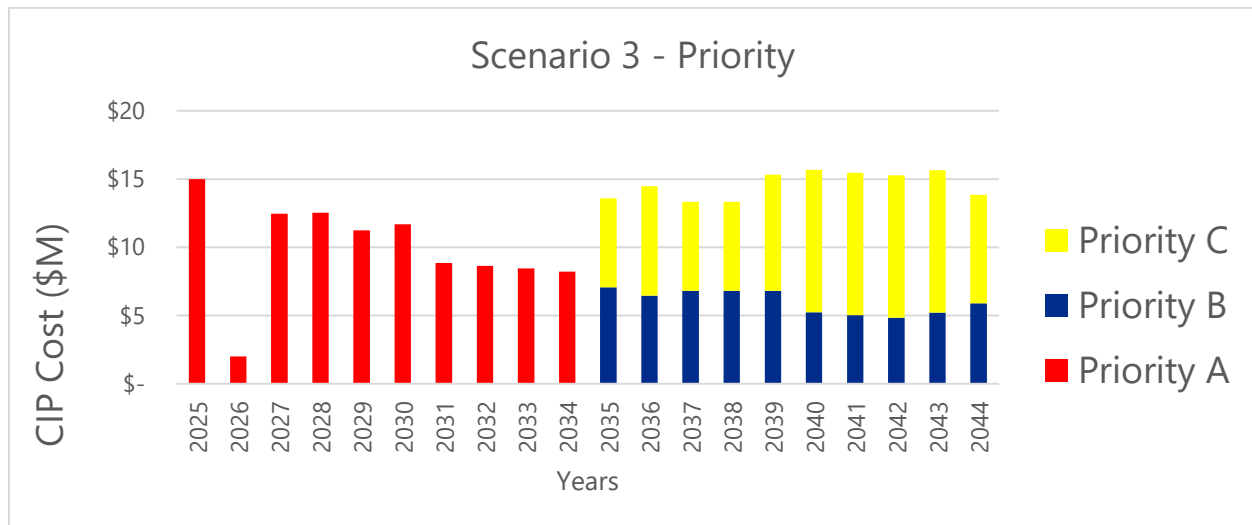


Table 4 CIP Phasing Implementation Risks, Pros, and Cons

Scenario 1 – Risks, Pros, Cons	Scenario 2 - Risks, Pros, Cons	Scenario 3 - Risks, Pros, Cons
Pros: - Program and project load can be handled by existing public works structure - Only partial deferment of Priority A R&R projects	Pros: - All priority A projects completed in the Near-Term - No Priority A R&R projects deferred beyond 2029	Pros: - Slowest implementation rate makes meeting CIP schedule more obtainable - Potentially lower near-term rate impacts
Cons: - While some Priority A projects are completed in the Near-term, some high risk R&R projects are deferred for over 5-years. - Risk of deferred could increase annual O&M costs for identified R&R projects	Cons: - Near Term Priority A project schedule will require outside engineering assistance (i.e., program manager) to complete all project by 2029 - Public impacts due to multiple projects being completed in Near-term - Highest Near-term rate impacts - Largest Financing Requirement	Cons: - Potential deferment of Priority A R&R projects for up to 10-years - Increased O&M cost due to deferment of Priority A R&R projects - Highest rate of spending over years 6-20 (2029 to 2044)
Risk: - Facility failure due to deferment - Increased O&M costs	Risk: Not meeting CIP schedules after high rates increases creates public and institutional challenges	Risks: - Facility failure due to deferment - Increased O&M costs

ATTACHMENT A CIP DETAIL SHEETS

CAPITAL IMPROVEMENT PLAN SUMMARY - IMPLEMENTATION SCENARIO 1											
City of Pleasanton											
Water System Management Plan											
											
Project Type	Total Costs (\$Millions)	CIP Phasing (\$Million)								Cost Sharing	
		Near Term						Mid Term		Long Term	
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029		2029/2030 - 3033/2034		2034/2035 - 2038/2044	
Water Supply Projects	\$ 52.00	\$ 15.00	\$ 2.00	\$ 12.00	\$ 11.00	\$ -		\$ -		\$ 12.00	
Priority A Projects	\$ 40.00	\$ 15.00	\$ 2.00	\$ 12.00	\$ 11.00	\$ -		\$ -		\$ -	
WS -1 Near Term Improvements for Water Supply Change ³	\$ 13.50	\$ 13.50	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
WS-2 Long Term Improvements for Water Supply Change ⁴	\$ 26.50	\$ 1.50	\$ 2.00	\$ 12.00	\$ 11.00	\$ -		\$ -		\$ -	
Priority C Projects	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 12.00	
WS-3 Future Water Supply Treatment	\$ 10.00	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 10.00	
WS-4 RCS Permanent Installation	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 2.00	
Distribution Capacity	\$ 81.50	\$ -	\$ -	\$ 3.80	\$ 4.34	\$ 7.87		\$ 35.19		\$ 30.30	
Priority A Projects	\$ 44.06	\$ -	\$ -	\$ 3.80	\$ 4.34	\$ 7.87		\$ 21.94		\$ 6.11	
DS-1 Existing Pipeline Deficiencies Improvements (I-1, I-4 through I-10 from Akel Report)	\$ 1.46	\$ -	\$ -	\$ 0.46	\$ 1.00	\$ -		\$ -		\$ -	
DS -2 Priority A Fire Flow (>30% Def)	\$ 16.71	\$ -	\$ -	\$ 3.34	\$ 3.34	\$ 3.34		\$ 6.69		\$ -	
DS-3 Kilkare - Sunol Fire Flow	\$ 23.78	\$ -	\$ -	\$ -	\$ -	\$ 2.42		\$ 15.25		\$ 6.11	
DS-4 Gray Eagle Connection to Kottinger Pressure Zone	\$ 1.86	\$ -	\$ -	\$ -	\$ -	\$ 1.86		\$ -		\$ -	
DS -5 Lemoine Bypass Pipeline Project	\$ 0.25	\$ -	\$ -	\$ -	\$ -	\$ 0.25		\$ -		\$ -	
Priority B Projects	\$ 26.06	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 13.25		\$ 12.81	
DS-6 Priority B Fire Flow	\$ 9.43	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 9.43		\$ -	
DS-7 Tank 510 Site (Additional 0.25 MG)	\$ 2.14	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2.14		\$ -	
DS-8 Tank 770 Site (Additional 0.15 MG)	\$ 1.68	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1.68		\$ -	
DS-9 New 4.5 MG Tanks	\$ 12.81	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 12.81	
Priority C Projects	\$ 11.38	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 11.38	
DS -10 Priority C Fire Flow	\$ 9.88	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 9.88	
DS - 11 Upper Zone Tank Mixers	\$ 1.50	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 1.50	
Rehabilitation and Replacement (Above Ground Facilities)	\$ 50.59	\$ -	\$ -	\$ 0.54	\$ 0.54	\$ 5.64		\$ 17.35		\$ 26.52	
Priority A Projects	\$ 12.04	\$ -	\$ -	\$ 0.54	\$ 0.54	\$ 5.64		\$ 5.32		\$ -	
RR-1 Tank 1300 Rehab	\$ 2.54	\$ -	\$ -	\$ -	\$ -	\$ 2.54		\$ -		\$ -	
RR-2 McCloud Tank/PS Decommission	\$ 1.24	\$ -	\$ -	\$ -	\$ -	\$ 1.24		\$ -		\$ -	
RR- 3 Foothill PS Rehab	\$ 1.32	\$ -	\$ -	\$ -	\$ -	\$ 1.32		\$ -		\$ -	
RR - 4 Tank Inspections	\$ 1.62	\$ -	\$ -	\$ 0.54	\$ 0.54	\$ 0.54		\$ -		\$ -	
RR- 5 Vineyard PS Rehab	\$ 2.13	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2.13		\$ -	
RR- 6 Kottinger PS Rehab	\$ 1.90	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1.90		\$ -	
RR- 7 Decommission of Grey Eagle PS	\$ 1.29	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1.29		\$ -	
Priority B Projects	\$ 15.75	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 12.03		\$ 3.72	
RR - 8 Customer Meter Replacement	\$ 9.30	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 9.30		\$ -	
RR - 9 Laurel Creek PS Rehab	\$ 1.68	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 1.68	
RR - 10 Ruby Hill PS Rehab	\$ 2.04	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 2.04	
RR - 11 Decommission Well No. 7	\$ 0.81	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 0.81		\$ -	
RR - 12 Decommission Well 5 and 6	\$ 0.71	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 0.71		\$ -	
RR- 13 Decommission Well No. 8	\$ 1.21	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1.21		\$ -	
Priority C Projects	\$ 22.80	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 22.80	
RR- 14 Other Facility Rehabilitation	\$ 22.80	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 22.80	
Rehabilitation and Replacement (Below Ground Facilities)	\$ 71.28	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 31.68		\$ 39.60	
Priority B Projects	\$ 31.68	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 31.68		\$ -	
RR - 15 Pipeline Rehabilitation Backlog (4.8-miles/year)	\$ 31.68	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 31.68		\$ -	
Priority C Projects	\$ 39.60	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 39.60	
RR - 16 Pipeline Rehabilitation (3-miles/year)	\$ 39.60	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ 39.60	
Other Projects	\$ 6.73	\$ -	\$ -	\$ -	\$ 2.76	\$ 3.77		\$ 0.20		\$ -	
Priority A Projects	\$ 6.53	\$ -	\$ -	\$ -	\$ 2.76	\$ 3.77		\$ -		\$ -	
SP - 1 Network Architecture (SCADA)	\$ 1.01	\$ -	\$ -	\$ -	\$ -	\$ 1.01		\$ -		\$ -	
SP - 2 Generator Projects ⁷	\$ 5.52	\$ -	\$ -	\$ -	\$ 2.76	\$ 2.76		\$ -		\$ -	
Priority B Projects	\$ 0.20	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 0.20		\$ -	
SP - 3 DER Projects (Tassajara and TO3)	\$ 0.20	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 0.20		\$ -	
Project Total	\$ 262.10	\$ 15.00	\$ 2.00	\$ 16.34	\$ 18.64	\$ 17.28		\$ 84.42		\$ 108.42	
Engineering/Administration FTE's ⁵	\$ 11.09			0.62	0.62	0.62		3.08		6.16	
Increased O&M Needs ⁶	\$ 15.02	\$ -	\$ -	\$ -	\$ 0.25	\$ 0.53		3.90		10.34	
Total CIP	\$ 288.23	\$ 15.00	\$ 2.00	\$ 16.96	\$ 19.51	\$ 18.43		91.40		124.92	
Notes:											
1. Projects are in 2024 dollars.											
2. Costs are total projectdelivery costs											
3. Project includes:											
"Project includes S-1, S-2, S-3, BS-1, I-2, and I-3 from Akel Report. Costs provided by City supersede Akel Report."											
4. City is considering one of two options:											
Project includes W-1, W-2, F-1, F-2, F-3, F-4, F-5 from Akel Report. Alternatively, City is evaluating a Regional Groundwater Facility project with Zone 7 with related distribution changes. Costs provided by City supersede the Akel report.											
5. Engineering FTE to Implement CIP											
- 1 FTE starting in FY24/25 which has already been approved and included in baseline operating expenses (not included here)											
- 2 Additional FTE starting in FY26/27 which is included in this line item.											
6. Includes increase in O&M for new facilities, and a 2.5% increase in O&M annually for project deferment.											
7. Total costs for all generators including water, sewer, and storm is \$9.39 million. "Costs show in this table is just for water".											

CAPITAL IMPROVEMENT PLAN SUMMARY - IMPLEMENTATION SCEANRIO 2

City of Pleasanton
Water System Management Plan



Project Type	Total Costs (\$Millions)	CIP Phasing (\$Million)								Cost Sharing		
		Near Term					Mid Term		Long Term		Existing Customers	Future Customers
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030 - 3033/2034	2034/2035 - 2038/2044	(\$Million)	(\$Million)		
Water Supply Projects	\$ 52.00	\$ 15.00	\$ 2.00	\$ 12.00	\$ 11.00	\$ -	\$ -	\$ 12.00	\$ 46.14	\$ 5.86		
Priority A Projects	\$ 40.00	\$ 15.00	\$ 2.00	\$ 12.00	\$ 11.00	\$ -	\$ -	\$ -	\$ 34.14	\$ 5.86		
WS -1 Near Term Improvements for Water Supply Change ³	\$ 13.50	\$ 13.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.42	\$ 2.08		
WS-2 Long Term Improvements for Water Supply Change ⁴	\$ 26.50	\$ 1.50	\$ 2.00	\$ 12.00	\$ 11.00	\$ -	\$ -	\$ -	\$ 22.72	\$ 3.78		
Priority C Projects	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.00	\$ 12.00	\$ -		
WS-3 Future Water Supply Treatment	\$ 10.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.00	\$ 10.00	\$ -		
WS-4 RCS Permanent Installation	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.00	\$ 2.00	\$ -		
Distribution Capacity	\$ 81.5	\$ -	\$ -	\$ 13.96	\$ 14.50	\$ 15.60	\$ 26.06	\$ 11.38	\$ 65.12	\$ 16.39		
Priority A Projects	\$ 44.06	\$ -	\$ -	\$ 13.96	\$ 14.50	\$ 15.60	\$ -	\$ -	\$ 41.49	\$ 2.58		
DS-1 Existing Pipeline Deficiencies Improvements (I-1, I-4 through I-10 from Akel Report)	\$ 1.46	\$ -	\$ -	\$ 0.46	\$ 1.00	\$ -	\$ -	\$ -	\$ 1.46	\$ -		
DS -2 Priority A Fire Flow (>30% Def)	\$ 16.71	\$ -	\$ -	\$ 5.57	\$ 5.57	\$ 5.57	\$ -	\$ -	\$ 14.21	\$ 2.50		
DS-3 Kilkare - Sunol Fire Flow	\$ 23.78	\$ -	\$ -	\$ 7.93	\$ 7.93	\$ 7.92	\$ -	\$ -	\$ 23.71	\$ 0.08		
DS-4 Gray Eagle Connection to Kottinger Pressure Zone	\$ 1.86	\$ -	\$ -	\$ -	\$ -	\$ 1.86	\$ -	\$ -	\$ 1.86	\$ -		
DS -5 Lemoine Bypass Pipeline Project	\$ 0.25	\$ -	\$ -	\$ -	\$ -	\$ 0.25	\$ -	\$ -	\$ 0.25	\$ -		
Priority B Projects	\$ 26.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26.06	\$ -	\$ 12.53	\$ 13.53		
DS-6 Priority B Fire Flow	\$ 9.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.43	\$ -	\$ 8.91	\$ 0.52		
DS-7 Tank 510 Site (Additional 0.25 MG)	\$ 2.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.14	\$ -	\$ 2.12	\$ 0.02		
DS-8 Tank 770 Site (Additional 0.15 MG)	\$ 1.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.68	\$ -	\$ 1.50	\$ 0.18		
DS-9 New 4.5 MG Tanks	\$ 12.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12.81	\$ -		\$ 12.81		
Priority C Projects	\$ 11.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.38	\$ 11.10	\$ 0.28		
DS -10 Priority C Fire Flow	\$ 9.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.88	\$ 9.60	\$ 0.28		
DS -11 Upper Zone Tank Mixers	\$ 1.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.50	\$ 1.50			
Rehabilitation and Replacement (Above Ground Facilities)	\$ 50.59	\$ -	\$ -	\$ 4.32	\$ 1.86	\$ 5.86	\$ 15.75	\$ 22.80	\$ 50.59	\$ -		
Priority A Projects	\$ 12.04	\$ -	\$ -	\$ 4.32	\$ 1.86	\$ 5.86	\$ -	\$ -	\$ 12.04	\$ -		
RR-1 Tank 1300 Rehab	\$ 2.54	\$ -	\$ -	\$ 2.54	\$ -	\$ -	\$ -	\$ -	\$ 2.54	\$ -		
RR-2 McCloud Tank/PS Decommission	\$ 1.24	\$ -	\$ -	\$ 1.24	\$ -	\$ -	\$ -	\$ -	\$ 1.24	\$ -		
RR- 3 Foothill PS Rehab	\$ 1.32	\$ -	\$ -	\$ -	\$ 1.32	\$ -	\$ -	\$ -	\$ 1.32	\$ -		
RR - 4 Tank Inspections	\$ 1.62	\$ -	\$ -	\$ 0.54	\$ 0.54	\$ 0.54	\$ -	\$ -	\$ 1.62	\$ -		
RR- 5 Vineyard PS Rehab	\$ 2.13	\$ -	\$ -	\$ -	\$ -	\$ 2.13	\$ -	\$ -	\$ 2.13	\$ -		
RR- 6 Kottinger PS Rehab	\$ 1.90	\$ -	\$ -	\$ -	\$ -	\$ 1.90	\$ -	\$ -	\$ 1.90	\$ -		
RR- 7 Decommission of Grey Eagle PS	\$ 1.29	\$ -	\$ -	\$ -	\$ -	\$ 1.29	\$ -	\$ -	\$ 1.29	\$ -		
Priority B Projects	\$ 15.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.75	\$ -	\$ 15.75	\$ -		
RR - 8 Customer Meter Replacement	\$ 9.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9.30	\$ -	\$ 9.30	\$ -		
RR- 9 Laurel Creek PS Rehab	\$ 1.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.68	\$ -	\$ 1.68	\$ -		
RR - 10 Ruby Hill PS Rehab	\$ 2.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.04	\$ -	\$ 2.04	\$ -		
RR- 11 Decommission Well No. 7	\$ 0.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.81	\$ -	\$ 0.81	\$ -		
RR- 12 Decommission Well 5 and 6	\$ 0.71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.71	\$ -	\$ 0.71	\$ -		
RR- 13 Decommission Well No. 8	\$ 1.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.21	\$ -	\$ 1.21	\$ -		
Priority C Projects	\$ 22.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.80	\$ 22.80	\$ -		
RR -14 Other Facility Rehabilitation	\$ 22.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.80	\$ 22.80	\$ -		
Rehabilitation and Replacement (Below Ground Facilities)	\$ 71.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31.68	\$ 39.60	\$ 71.28	\$ -		
Priority B Projects	\$ 31.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31.68	\$ -	\$ 31.68	\$ -		
RR - 15 Pipeline Rehabilitation Backlog (4.8-miles/year)	\$ 31.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31.68	\$ -	\$ 31.68	\$ -		
Priority C Projects	\$ 39.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39.60	\$ 39.60	\$ -		
RR - 16 Pipeline Rehabilitation (3-miles/year)	\$ 39.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39.60	\$ 39.60	\$ -		
Other Projects	\$ 6.7	\$ -	\$ -	\$ -	\$ 2.76	\$ 3.77	\$ 0.20	\$ -	\$ 6.73	\$ -		
Priority A Projects	\$ 6.53	\$ -	\$ -	\$ -	\$ 2.76	\$ 3.77	\$ -	\$ -	\$ 6.53	\$ -		
SP - 1 Network Architecture (SCADA)	\$ 1.01	\$ -	\$ -	\$ -	\$ -	\$ 1.01	\$ -	\$ -	\$ 1.01	\$ -		
SP - 2 Generator Projects ⁷	\$ 5.52	\$ -	\$ -	\$ -	\$ 2.76	\$ 2.76	\$ -	\$ -	\$ 5.52	\$ -		
Priority B Projects	\$ 0.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.20	\$ -	\$ 0.20	\$ -		
SP - 3 DER Projects (Tassajara and TO3)	\$ 0.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.20	\$ -	\$ 0.20	\$ -		
Project Total	\$ 262.10	\$ 15.00	\$ 2.00	\$ 30.28	\$ 30.12	\$ 25.23	\$ 73.69	\$ 85.78	\$ 239.86	\$ 22.25		
Engineering/Administration FTE's ⁵	\$ 9.24			1.54	1.54	1.54	1.54	3.08				
Increased O&M Needs ⁶	\$ 12.42	\$ -	\$ -	\$ -	\$ 0.25	\$ 0.53	\$ 2.95	\$ 8.69				
Total CIP	\$ 283.77	\$ 15.00	\$ 2.00	\$ 31.82	\$ 31.91	\$ 27.30	\$ 78.18	\$ 97.55				

Notes:

1. Projects are in 2024 dollars.

2. Costs are total projectdelivery costs

3. Project includes:

Project includes S-1, S-2, S-3, BS-1, I-2, and I-3 from Akel Report. Costs provided by City supersede Akel Report.

4. City is considering one of two options:

Project includes W-1, W-2, F-1, F-2, F-3, F-4, F-5 from Akel Report. Alternatively, City is evaluating a Regional Groundwater Facility project with Zone 7 with related distribution changes. Costs provided by City supersede the Akel report.

5. Engineering FTE to Implement CIP

- 1 FTE starting in FY24/25 which has already been approved and included in baseline operating expenses (not included here)

- 1 Additional FTE starting in FY26/27 which is included in this line item.

- 4 Limited duration FTE between FY26/27 and FY28/29

6. Includes increase in O&M for new facilities

7. Total costs for all generators including water, sewer, and storm is \$9.39 million. *Costs show in this table is just for water.



3

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3

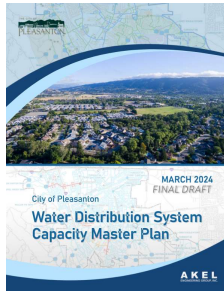
4

The image shows a construction site where a large blue pipe is being laid in a trench. A worker in a yellow safety vest and white hard hat is visible. Below the photo is a bar chart titled 'Costs' showing the project's cost over time. The chart includes a legend for 'Improv.' (green), 'Reg 85 Improv.' (yellow), and 'Facilitated Cost Est.' (grey). The Y-axis represents cost in millions of dollars (\$0M to \$20M). The X-axis shows years from 2020 to 2035. The chart shows a significant increase in cost starting in 2025, with a peak in 2035.

Year	Improv.	Reg 85 Improv.	Facilitated Cost Est.
2020	\$1.0M	\$1.0M	\$1.0M
2021	\$1.0M	\$1.0M	\$1.0M
2022	\$1.0M	\$1.0M	\$1.0M
2023	\$1.0M	\$1.0M	\$1.0M
2024	\$1.0M	\$1.0M	\$1.0M
2025	\$12.3M	\$8.0M	\$14.1M
2026	\$12.3M	\$10.7M	\$12.4M
2027	\$12.3M	\$10.7M	\$12.4M
2028	\$12.3M	\$10.7M	\$12.4M
2029	\$12.3M	\$10.7M	\$12.4M
2030	\$12.3M	\$10.7M	\$12.4M
2031	\$12.3M	\$10.7M	\$12.4M
2032	\$12.3M	\$10.7M	\$12.4M
2033	\$12.3M	\$10.7M	\$12.4M
2034	\$12.3M	\$10.7M	\$12.4M
2035	\$12.3M	\$10.7M	\$12.4M

4

WSMP evaluations included a wide range of areas



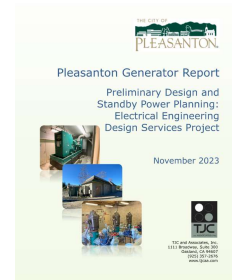
**Hydraulic Capacity
WDSCMP**



**Condition
Assessment**



SCADA and Energy



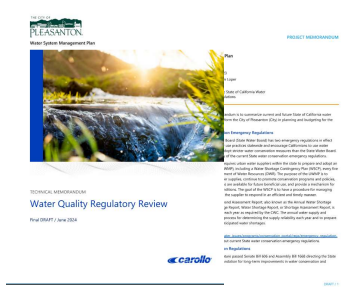
**Emergency
Generator**

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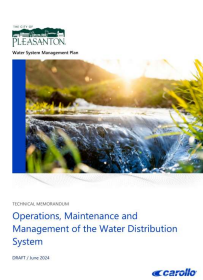
5

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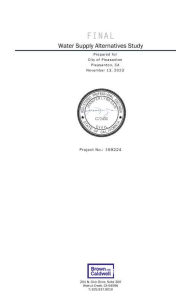
WSMP evaluations included a wide range of areas



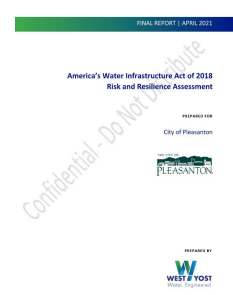
Regulatory Review



O&M Review



Supply Evaluation



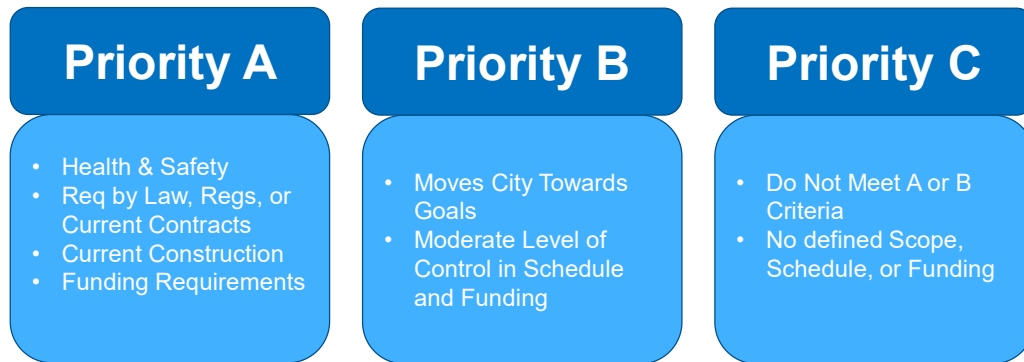
AWIA

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CIP project prioritization was developed based on three categories



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Water Supply Projects

Water Supply Projects		
Priority A	Priority B	Priority C
Near Term Improvements for Water Supply Change	None	Long Term Groundwater Supply Treatment
Long Term Improvements for Water Supply Change		Permanent Residual Control Systems

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Distribution Projects

Distribution Projects		
Priority A	Priority B	Priority C
Existing Pipeline Capacity Deficiencies	Tank Capacity Increases (Tank 510, Tank 770, Lower Zone)	Upper Zone Tank Mixers
Fire Flow Deficiencies (above 30%)	Fire Flow Deficiencies (15 - 30%)	Fire Flow Deficiencies (below 15%)
Gray Eagle Connection to Kottinger Pressure Zone		
Lemoine Bypass Pipeline		

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Rehabilitation and Replacement Projects

Rehabilitation and Replacement Projects		
Priority A	Priority B	Priority C
Facility Rehab (Tank 1300, Foothill PS, and Vineyard PS)	Facility Rehab (Laurel Creek & Ruby Hill PS)	Other Facility Rehabilitation
Facility Decommission (McCloud and Gray Eagle)	Facility Decommission (Well 5 through 8)	Other Pipeline Rehabilitation (3 miles / year)
Tank Inspections	Customer Meter Replacements	
	Pipeline Rehabilitation (4.8 miles / year of backlog)	

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Other Projects

Other Projects		
Priority A	Priority B	Priority C
SCADA Network Improvements	Distributed Energy Resources Piloting	None
Generator Improvements		

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CIP Project Costs and Category (20-year period)

Priority	Total Costs (\$Million)	CIP Cost (\$Million)			
		Water Supply	Distribution Capacity	Rehabilitation and Replacement	Other
A	\$102.6	\$40.0	\$44.0	\$12.1	\$6.5
B	\$73.7	\$0.0	\$26.1	\$47.4	\$0.2
C	\$85.8	\$12.00	\$11.4	\$62.4	\$0.0
Total Costs	\$262.1	\$52.0	\$81.5	\$121.9	\$6.7

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CIP Implementation Costs

1. Additional City Engineering Staff
 - \$8 to \$12 million over 20-year period⁽¹⁾
2. Additional O&M Requirements
 - Newly installed infrastructure
 - Aging existing infrastructure (until R&R projects completed)
 - \$12 to \$18 million over 20-year period

Total CIP Implementation ~ \$283 to \$289 million

Note 1: One Full Time Employee already approved in FY24/25 and not included in costs

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O&M Program Improvements Cost Summary

Category	20-year Costs (\$Million)
Water Quality Regulations	\$0.5
Water Conservations and Water Loss	\$1.1
Rehabilitation and Replacement Assessment	\$0.8
O&M Best Practices	\$2.1
SCADA and Power	\$2.6
Additional Operational Staff ⁽¹⁾	\$12.0
Total Costs	\$19.1

Note 1: Two Full Time Employees already approved in FY24/25 and not included in costs

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Next Steps – Evaluate Funding Impacts

1. Connection Fee Study (new customers)

- \$22.3 million of WSMP costs associated with new customers
- Schedule:
 - City Council Workshop - November 19, 2024
 - City Council Adoption - January 2025
 - Fees effective – March 2025

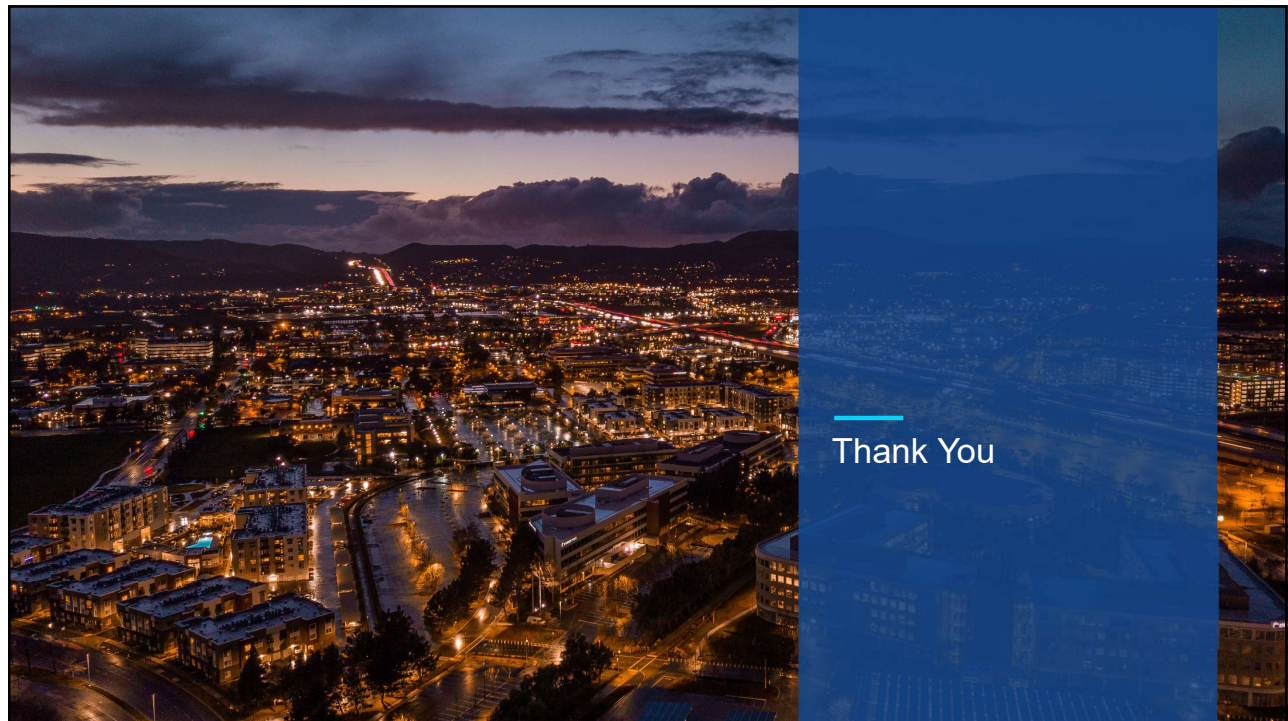
2. User Rate Study (existing customers)

- Evaluate project phasing strategies for CIP implementation
 - Near vs. long-term funding requirements, financing needs, risk to operations, resource impacts
- Schedule:
 - City Council Presentation of Rate Study – July 2025
 - Prop 218 Review Period (45 days)
 - City Council Adoption – September 2025
 - New Rates Effective – January 2026

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