



Critical Information You Need to Know About the State of Milpitas' Sewer System

The City of Milpitas Department of Public Works is dedicated to providing you, your family, your community and the businesses in our city with reliable sewer services. We efficiently manage, operate and maintain all parts of Milpitas' sewer collection system for our over 77,000 customers.

WHAT SERVICES ARE PAID FOR BY THE SEWER CHARGES?

As part of its primary responsibilities to the residents of Milpitas, staff must ensure that it can continue to protect public health and safeguard the environment by providing Milpitas residents and businesses with a reliable, high-quality, and cost-effective sewer system. Milpitas staff maintain the sewer system to ensure all infrastructure is in good working condition. Staff clean the sewer pipes and remove buildup, repair and replace aging pipes and maintain the pump stations 24 hours a day, 365 days a year. In addition, Milpitas staff work hard to eliminate the

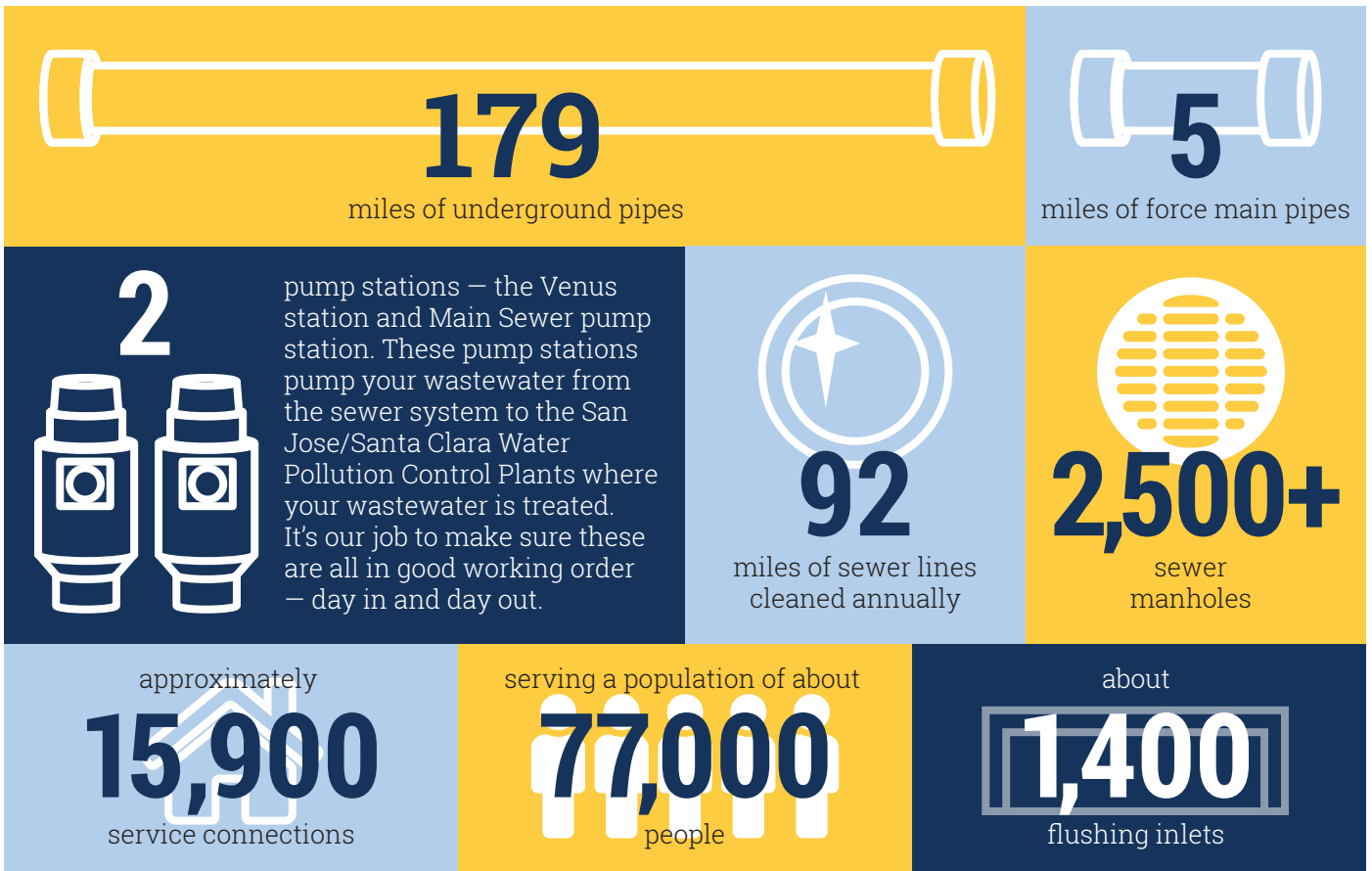
number of sanitary sewer overflows and provide emergency response to overflows in order to quickly mitigate impacts to you and the environment.

CHALLENGES FACING MILPITAS' SEWER SYSTEM

Milpitas directly provides sewer collection services and contracts with the City of San Jose for the treatment of wastewater. The City of San Jose wastewater treatment facility is over 50 years old and has reached the end of its life cycle. Major facility reconstruction is needed over the next decade. Milpitas is expected to fund its share of the City of San Jose's cost to operate and upgrade the wastewater treatment facility.

Milpitas also needs to address its own collection system capital projects that will be constructed over the next five years. This will allow Milpitas to replace aging infrastructure while continuing to maintain a safe, reliable system 24/7.

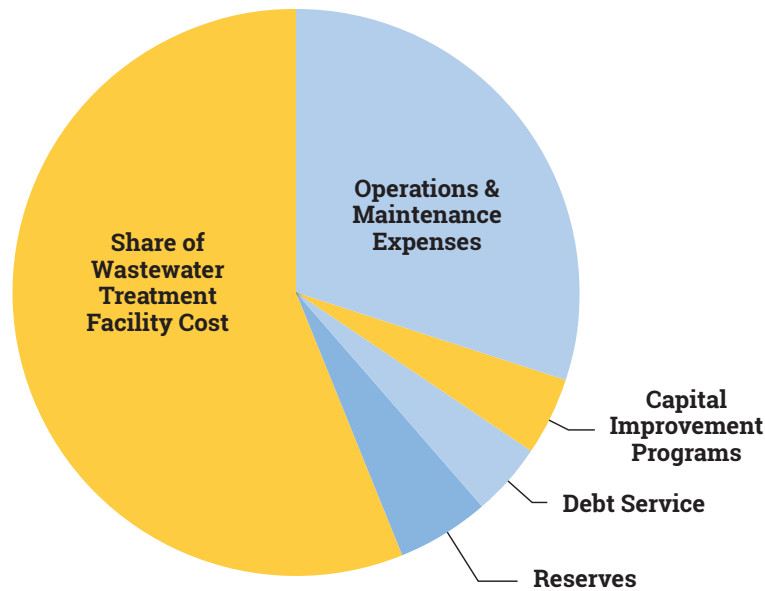
OUR SEWER SYSTEM BY THE NUMBERS



A LOOK AT YOUR SEWER BUDGET

Your sewer bill pays for important wastewater system functions. The sewer budget ensures adequate revenue for the following:

- **City's Operations and maintenance expenses** to pay for personnel cost, supplies, and repairs to pipelines and facilities.
- **City's Capital improvement programs** to pay for infrastructure replacement and renewal.
- **City's debt service** to pay for repayment of interest and principal on wastewater bonds.
- **Reserves** includes money needed for emergencies, debt issuance and to maintain our credit rating; we are required to have a reserve fund by our bond holders.
- **City's share of the City of San Jose wastewater treatment facility cost** for operation and maintenance, and the cost for the treatment facility capital projects.



NEXT STEPS

We will reach out to neighborhoods, community organizations and customers to provide details about the state of our sewer system and how you can provide input. If you want a presentation, please email militasworks@ci.milpitas.ca.gov or call (408) 586-2600. Thank you!