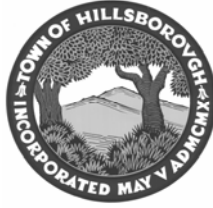


TOWN OF HILLSBOROUGH

San Mateo County

Thomas M. Kasten, Mayor
Catherine U. Mullooly, Vice Mayor
D. Paul Regan
John J. Fannon
Christine M. Krolik

1600 Floribunda Avenue
Hillsborough, CA 94010



A G E N D A

MONDAY, December 12, 2005

4:30 p.m. CLOSED SESSION

6:00 p.m. CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (4:30 p.m.)

A. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6

Agency negotiator: Kathy Leroux, Assistant City Manager

Employee organization: Public Works/Clerical Unit – Teamsters Local 856, Firefighters Local 2400 & Fire Administrators and Unrepresented Employees

City Manager, Police Chief, Police Captains, Executive Assistant, Public Works Director, Chief Building Official, City Planner, Associate/Assistant Planner, Public Works Assistant Superintendent, Public Works Supervisors, Finance Director, Assistant City Manager, Assistant to the City Manager, Assistant Finance Director, City Clerk and Deputy City Clerk

B. CONFERENCE WITH LABOR NEGOTIATOR Section 54957.6

Agency negotiator: Katharine Leroux, Assistant City Manager and Matthew O'Connor, Police Chief

Employee organization: Hillsborough Police Officers Association - Teamsters Local 856

REGULAR CITY COUNCIL MEETING (6:00 p.m.)

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: November 14, 2005

IV. ELECTION OF MAYOR

V. ADMINISTRATION OF OATH OF OFFICE: Mayor Elect

VI. ELECTION OF VICE MAYOR

VII. ADMINISTRATION OF OATH OF OFFICE: Vice Mayor Elect

VIII. PRESENTATION: Johnny Wilson, who swam between Alcatraz Island and the San Francisco shoreline, and six of his friends, who raised \$40,000 in pledges for Hurricane Katrina victims, will be recognized.

IX. CONSENT CALENDAR:

The Consent Calendar includes routine items, which do not require discussion. A Councilmember may remove an item for discussion, and any member of the audience may request a Councilmember to remove an item for discussion. The items are approved in one motion.

1. MONTHLY CLAIMS: NOVEMBER 1 THROUGH NOVEMBER 30, 2005
2. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR UNREPRESENTED EMPLOYEES, PUBLIC WORKS/CLERICAL UNIT, IAFF FIRE UNIT
3. RESOLUTION AUTHORIZING THE PURCHASE OF TWO REPLACEMENT PATROL POLICE VEHICLES, ONE ADMINISTRATIVE VEHICLE, AND ONE EXPEDITION SPECIAL SERVICE VEHICLE
4. RESOLUTION APPROVING THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE RECONSTRUCTION OF A DAMAGED STORM DRAIN LINE AT THE BELLEVUE/PEPPER INTERSECTION AND ALLOCATING UP TO \$10,000 FOR THE EMERGENCY REPAIR
5. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE RECONSTRUCTION OF A DAMAGED SANITARY SEWER MAIN ADJACENT TO ROWAN TREE LANE AND ALLOCATING UP TO \$22,000 FOR THE EMERGENCY REPAIR
6. RESOLUTION AUTHORIZING \$100,000 TO FUND THE BACKFLOW DEVICE REIMBURSEMENT PROGRAM
7. RESOLUTION ACCEPTING AS COMPLETE THE SHADY CREEK RETAINING WALL/EROSION REPAIR PROJECT
8. RESOLUTION AUTHORIZING THE PURCHASE OF A FORKLIFT
9. RESOLUTION APPROVING THE CSG WORK ORDER FOR ENGINEERING DESIGN FOR THE UPGRADE OF THE SKYFARM AND TOURNAMENT PUMP STATIONS

X. NEW BUSINESS:

10. PRESENTATION OF CONSULTANT'S REPORT PREPARED FOR THE HILLSBOROUGH CITIZEN'S TRUST: RESIDENTIAL ZONING STANDARDS
11. RESOLUTION APPROVING THE ISSUANCE AND FINANCING OPTION AND AUTHORIZING THE FINANCE DIRECTOR TO SIGN RELATED CONTRACTS FOR THE 2006 \$12M BONDS – WATER AND SEWER IMPROVEMENT PROJECTS
12. RESOLUTION APPROVING THE SWAP AGREEMENT FOR THE 2006 \$12M BONDS – WATER AND SEWER IMPROVEMENT PROJECTS
13. RESOLUTION AWARDED A CONTRACT TO ICOMMM, INC. FOR MAINTENANCE MANAGEMENT SOFTWARE SYSTEM
14. RESOLUTION APPROVING THE FIRST AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
15. ORDINANCE ADDING CHAPTER 15.32 TO THE HILLSBOROUGH MUNICIPAL CODE REGARDING WIRELESS COMMUNICATIONS FACILITIES AND AMENDING SECTIONS 2.12.070 AND 17.13.010 OF THE HILLSBOROUGH MUNICIPAL CODE – INTRODUCTION
16. ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE INTERNAL CONTROL FOR YEAR ENDED JUNE 30, 2005

XI. PUBLIC HEARING:

17. POSTPONEMENT OF PUBLIC HEARING REGARDING AN ENCROACHMENT PERMIT REQUESTED BY HILLSBOROUGH CITY SCHOOL DISTRICT FOR THE REMOVAL OF EUCALYPTUS TREES ON RALSTON AVENUE
18. ORDINANCE AMENDING SECTIONS 13.20.030 AND 13.20.040 OF THE HILLSBOROUGH MUNICIPAL CODE TO INCREASE WATER CONNECTION CHARGES AND SERVICE RATES EFFECTIVE FOR BILLINGS AFTER JANUARY 1, 2006
19. RESOLUTION APPROVING THE 2005 URBAN WATER MANAGEMENT PLAN
20. ORDINANCE AMENDING TITLE 6 OF THE HILLSBOROUGH MUNICIPAL CODE TO CONFORM TO THE DANGEROUS ANIMAL ORDINANCE REVISIONS ADOPTED BY THE COUNTY OF SAN MATEO
21. ORDINANCE AMENDING CHAPTER 8.32 (NOISE REGULATIONS) OF THE HILLSBOROUGH MUNICIPAL CODE FOR CLARITY AND SIMPLIFICATION

XII. PUBLIC COMMENT:

Under Government Code 54954.3, members of the public have the right to address the City Council on any matter within the Council's jurisdiction. However, the Council may not take action on any non-agenda item (except in emergency circumstances). Before addressing the Council, speakers are requested to complete a yellow speaker's card and submit it to the City Clerk. Please come to the podium, state your name and address, limit remarks to 3 minutes, and do not repeat comments by other speakers.

XIII. CITY COUNCIL ITEMS:

This section of the agenda provides the City Council an opportunity to ask questions on any project of interest. No action can be taken on any item not on the agenda.

XIV. ADJOURN

SPECIAL ACCOMMODATIONS:

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the City Council meeting, or if you need an agenda in an alternate form, please contact the City Clerk's Office at 375-7412 at least 24 hours before the scheduled City Council meeting.

MINUTES:

A copy of the unapproved minutes will be made available the Friday before the next regularly scheduled City Council meeting. Once minutes are approved by the City Council they will be made available the following day. City Council Agendas and approved minutes are available at the Town's website, www.hillsborough.net.



AGENDA – REPORTS

HILLSBOROUGH CITY COUNCIL

Monday, December 12, 2005

6:00 p.m.

Hillsborough Town Hall

1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

1. MONTHLY CLAIMS: NOVEMBER 1 THROUGH NOVEMBER 30, 2005 (Finance Director)

Summary: The monthly claims for the month of November 2005 in the amount of \$3,476,210.64 are submitted for approval.

Recommendation: Approve the monthly claims for November 2005 as submitted.

2. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR UNREPRESENTED EMPLOYEES, PUBLIC WORKS/CLERICAL UNIT, IAFF FIRE UNIT
(Assistant City Manager)

Summary: This resolution that is included in the Council's agenda packet memorializes changes in compensation for the Unrepresented Employees, Public Works/ Clerical Unit, and IAFF Fire Unit and Fire Administrators. Salary increases are based on Memoranda of Understanding (MOU) provisions, Consumer Price Index, and survey data.

Recommendation: Adopt the resolution authorizing compensation adjustments for Unrepresented Employees, Public Works/Clerical Unit, IAFF Fire Unit and Fire Administrators.

3. RESOLUTION AUTHORIZING THE PURCHASE OF TWO REPLACEMENT PATROL POLICE VEHICLES, ONE ADMINISTRATIVE VEHICLE, AND ONE EXPEDITION SPECIAL SERVICE VEHICLE (Police Captain)

Summary: In the 2005/2006 Capital Budget, the Police Vehicle Replacement Fund has \$98,000 reserved for the replacement of one administrative and two black and white patrol vehicles. The Police Department is scheduled to replace one police package unmarked Ford Crown Victoria for the Chief of Police and two black and white patrol units. The administrative vehicle is a 2001 Crown Victoria that has been in service for over 5 years and has over 87,000 miles on it. The black and white patrol units are also 2001 year models and have over 66,000 and 68,000 respective miles and both are over 4 years old. At the time the vehicles are rotated out of service (early 2006) the units will have gone beyond their expected service life. One Ford Expedition Special Service Vehicle will be purchased to replace an administrative unmarked unit.

The following Ford dealers have been contacted regarding the availability of replacement police vehicle packages: S&C Ford of San Francisco, South City Ford of South San Francisco, and Towne Ford of Redwood City. The request for bid participation was mailed out on November 18, 2005 with a requested response deadline of November 28, 2005. Towne

Ford and South City Ford declined to submit a bid, although S&C Ford of San Francisco provided a bid. The S&C Ford bid was \$22,990.22 each for the marked Crown Victorias and \$22,927.44 for the unmarked Crown Victoria, which totals \$68,907.88. The Expedition Special Service Vehicle bid was \$29,996.16. The bid comparisons came in as follows:

FORD DEALERS	2 CROWN VIC PATROL	1 CROWN VIC ADMIN	1 EXPEDITION SPEC SERVICE	TOTALS
Towne Ford	Declined	Declined	Declined	0
South City Ford	Declined	Declined	Declined	0
S&C Ford	\$45,980.44	\$22,927.44	\$29,996.16	\$98,904.04

Recommendation: Adopt the resolution authorizing the purchase of two black and white 2006 Crown Victoria units and one administrative 2006 Crown Victoria for the bid of \$68,907.88 from S&C Ford of San Francisco from the Vehicle Replacement Fund and one 2006 Expedition Special Service Vehicle for the bid amount of \$29,996.16 from S&C Ford, which would be funded through the SLESF Grant.

4. RESOLUTION APPROVING THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE RECONSTRUCTION OF A DAMAGED STORM DRAIN LINE AT THE BELLEVUE/PEPPER INTERSECTION AND ALLOCATING UP TO \$10,000 FOR THE EMERGENCY REPAIR (Public Works Director)

Summary: In the spring of 2005, staff was notified of a sinkhole at the intersection of Bellevue and Pepper Avenues and immediately patched the area. In successive months the sinkhole was again reported at the same location, as the asphalt patch had settled. After the second repair another larger sinkhole developed, and staff started to investigate the source of the underlying problem. A storm drain line in the immediate area was inspected and the corrugated metal pipe was found in a severely deteriorated condition. Since storm waters were not flowing during the summer, and the storm drain pipe did not collapse any further, it does not explain why the sinkhole continues to expand. Some other source such as a decayed root mass or abandoned pipe is more likely the source of the problem. Because the damage to the street presents an immediate hazard, and the storm drain needs to be repaired, staff sought informal bids from contractors, and authorized Fermin Sierra Construction, Inc. to begin the repair of the storm drain and perform additional excavation that may be needed to repair the sinkhole. Fermin has recently performed work for the Town, and had equipment mobilized in the area.

Recommendation: Adopt the resolution approving the contract with Fermin Sierra Construction, Inc. for the reconstruction of a damaged storm drain line at the Bellevue/Pepper intersection and allocate up to \$10,000 for the emergency repair.

5. RESOLUTION APPROVING THE CONTRACT WITH PACIFIC TRENCHLESS, INC. FOR THE RECONSTRUCTION OF A DAMAGED SANITARY SEWER MAIN ADJACENT TO ROWAN TREE LANE AND ALLOCATING UP TO \$22,000 FOR THE EMERGENCY REPAIR
(Public Works Director)
-

Summary: In April of 2005 staff was notified of a landslide behind the homes of 95 and 105 Rowan Tree Lane. Staff discovered an 8" sanitary sewer main was damaged as a result of the landslide and installed a temporary 4" bypass hose that would allow for resumption of normal sewer service. As winter approaches, the temporary 4" bypass must be replaced with an 8" pipe to allow for increased flow due to upstream rain water infiltration. The landslide area also needs to be covered with plastic to minimize movement of the hillside. Because the property owners have not yet installed repairs and the Town must ensure the safe conveyance of sewerage, the Director of Public Works authorized an emergency repair. Staff requested three informal bids on this work and only received two return proposals as follows:

<u>CONTRACTOR</u>	<u>BID PRICE</u>
Pacific Trenchless, Inc.	\$ 18,932
Pacific Liners	\$ 27,600

Upon learning about the damage to the sewer main, staff contacted attorney Glenn Martin of Howard, Rome and Martin to assess the Town's potential loss and liability. Staff also retained the services of Cotton, Shires & Associates (CSA) to perform geotechnical services to investigate the mechanics of this slide on behalf of the Town. The installation of a non-permitted retaining wall appears to have contributed to the landslide, and subsequent failure of the Town's sewer main. Staff will continue to work with legal counsel and residents to create a plan for permanent repairs to the hillside and sanitary sewer facilities.

Recommendation: Adopt the resolution approving the contract with Pacific Trenchless, Inc. for the reconstruction of the damaged sanitary sewer main adjacent to Rowan Tree Lane, and allocate up to \$22,000 for the emergency repair.

6. RESOLUTION AUTHORIZING \$100,000 TO FUND THE BACKFLOW DEVICE REIMBURSEMENT PROGRAM
(Public Works Director)
-

Summary: Since January 2003, the Public Works Department has operated a reimbursement program to encourage residents to install sewer backflow devices. The Town provides reimbursements of 50% of a resident's cost up to \$500 for most properties, and up to \$1,000 for certain higher risk properties. To date 317 applications have been received and 200 reimbursements paid. The original allocation for the program was \$100,000. Staff is requesting a new allocation of up to \$100,000 to fund the program through December 2006.

Recommendation: Adopt the resolution authorizing \$100,000 to fund the backflow device reimbursement program.

7. RESOLUTION ACCEPTING AS COMPLETE THE SHADY CREEK RETAINING WALL/EROSION REPAIR PROJECT (City Engineer)

Summary: This project consisted of installing or replacing parts of a failed soldier pile retaining wall system along a sanitary sewer line easement between Hayne Road and Marlborough Road, including repairs to the easement roadway, storm drain system and some critical erosion control repairs.

The project was awarded to Templeton Engineering Contractors, Inc. with an original budget of \$429,732, which included a 20% contingency. The project was completed for \$425,753.20.

The work is complete and staff is requesting City Council's acceptance of this project in order to file the Notice of Completion with the County Recorder. This request is exempt from CEQA.

The source of funding for this project is the 2003 Water and Sewer Bond.

Recommendation: Adopt the resolution accepting as complete the Shady Creek Retaining Wall/Erosion Repair Project, and authorize staff to file a Notice of Completion for the project.

8. RESOLUTION AUTHORIZING THE PURCHASE OF A FORKLIFT (Public Works Director)

Summary: The approved 2005/2006 Water Department Budget includes \$22,000 for the purchase of a new forklift. A forklift was requested as a means of reducing trips from the Municipal Service Center by the backhoe and loader. Currently, when heavy equipment such as water meters or hydrants must be loaded off a truck in the Municipal Service Center, the backhoe or loader must be recalled from the field and a forklift attachment is used to move the equipment to its staging area. If approved, the new forklift will be used exclusively in the Municipal Service Center. This purchase will help reduce noise and traffic at the Municipal Service Center.

The comparison of quotes is below:

<u>COMPANY</u>	<u>BID AMOUNT</u>
Pape Material Handling	\$21,623
Crown Lift Trucks	\$21,645
Budget Estimate	\$22,000
Yale Pacific, Inc.	\$24,789

Following publication of the November agenda a proposal error was discovered which changed the recommendation for the lowest bid.

Recommendation: Adopt the resolution allocating funds from the Water Fund and authorize the purchase of one forklift from Pape Material Handling in the amount of \$21,623.

9. RESOLUTION APPROVING THE CSG WORK ORDER FOR ENGINEERING DESIGN FOR THE UPGRADE OF THE SKYFARM AND TOURNAMENT PUMP STATIONS
(Public Works Director)

Summary: CSG has submitted a proposal for the engineering design of the upgrade of the Skyfarm and Tournament Pump Stations. CSG will develop plans, specifications and a cost estimate to construct the upgrades to the Skyfarm and Tournament Pump Stations. Based on preliminary studies completed in 2005, this project will replace the outdated pumps, add new fire pumps and provide emergency generator backup to each station with the ancillary work required to integrate them into the Town's water distribution system. Construction cost is estimated at just over \$1,000,000 and the engineering and surveying costs are estimated at \$128,800, which can be funded with the 2003 Water and Sewer Bond proceeds.

Recommendation: Adopt the resolution approving the CSG service order in the total amount of \$128,800 and authorize funds from the 2003 Water and Sewer Bond for the same.

NEW BUSINESS:

10. PRESENTATION OF CONSULTANT'S REPORT PREPARED FOR THE HILLSBOROUGH CITIZEN'S TRUST: RESIDENTIAL ZONING STANDARDS (City Manager)

Summary: The Hillsborough Citizen's Trust, a group of Hillsborough residents, has contracted with the firm of Dyett and Bhatia to compare the Town's residential standards with "peer communities." Representatives from this group originally explored partnering with the Town for this study. The Town's request for proposal (RFP) procedures and public input process would have delayed this report by requiring competitive bidding, development of specific proposal parameters, criteria for determining cities to evaluate, etc. As a result, the resident's group decided to proceed with the evaluation and present the results to the City Council. The intent of the Hillsborough Citizen's Trust is to provide an independent review and possibly offer some recommendations for the City Council to consider.

A representative of the consulting firm will present their findings and representatives of the citizen's group have asked to present their viewpoint at the meeting. Prior to considering any action, the Council can ask questions or seek clarifications. The Council can select one or more of these suggested options or select another action that is deemed appropriate, (1) accept the report and consider action at a future time, (2) direct staff and/or the Architecture Design Review Board to evaluate the report and make recommendations to the Council, (3) direct that specified provisions be incorporated into the Municipal Code, (4) form a citywide impartial resident committee to meet and discuss the report and return to the Council with recommendations, or (5) retain a consultant to review the report and facilitate a citizen's committee. The Dyett and Bhatia report includes "Next Steps" that the Council can also consider.

The report prepared by Dyett and Bhatia is included in the Council's agenda packets. The Town has completed two previous reviews of the residential zoning standards: a FAR

subcommittee in 2001 and a Citizen's Advisory Committee in 1991. These studies are also included in the Council's agenda packets.

Recommendation: Hear presentation and advise staff accordingly.

11. RESOLUTION APPROVING THE ISSUANCE AND FINANCING OPTION AND AUTHORIZING THE FINANCE DIRECTOR TO SIGN RELATED CONTRACTS FOR THE 2006 \$12M BONDS – WATER AND SEWER IMPROVEMENT PROJECTS (Finance Director)

Summary: As Council was previously informed, Public Works staff is seeking additional financing to continue the water and sewer Capital Improvement Program previously approved in 2001, as the remaining bond proceeds from the 2003 issue are projected to be spent.

The Public Works Director initially presented a “needs” assessment to the Financial Advisory Committee (FAC) at their September 2005 meeting. The FAC, at their subsequent meetings, approved for recommendation to Council, the issuance of \$12M in bonds to continue the Capital Improvement Program.

Staff also recommended seeking “request for proposals” (RFPs) for underwriting services, bond counsel, trustee, printer, remarketing agent, disclosure and liquidity facility counsel and other bond-related services. Staff has gone out for bids and the FAC subsequently approved utilizing the services of JP Morgan to underwrite the bonds and Holland and Knight to serve as bond counsel.

On November 30, 2005 JP Morgan presented to the FAC several financing options, which were approved for Council recommendation, to issue \$12M “68% of LIBOR Swap-to-Fixed” bonds and further approved to enter into a “forward swap” to lock in current rates since the bonds are to be issued early next year. Attached are excerpt reports from that presentation containing 1) the summary of financing options whereby Option C is being recommended for approval; and 2) forward premiums rates.

Staff will be requesting RFPs for other bond players including trustee, liquidity facility banks, if needed, disclosure counsel, printer, etc. in the near future.

Recommendation: Adopt the resolution approving the issuance and financing option and authorizing the Finance Director to sign bond-related contracts for the 2006 \$12M Bonds – Water and Sewer Improvement Projects.

12. RESOLUTION APPROVING THE SWAP AGREEMENT FOR THE 2006 \$12M BONDS – WATER AND SEWER IMPROVEMENT PROJECTS (Finance Director)

Summary: On November 30, 2005 JP Morgan presented to the Financial Advisory Committee several financing options, which were approved for recommendation to Council, to issue \$12M “68% of LIBOR Swap-to-Fixed” bonds and further approved to enter into a “forward swap” to lock in current rates since the bonds are to be issued early next year.

The attached swap agreements allowed the Town to enter into swap agreements with JP Morgan from a variable to a “forward 68% of LIBOR Swap-to-Fixed”. The rate will be announced at the December 12, 2005 City Council meeting.

Recommendation: Adopt the resolution approving the swap agreement for the 2006 \$12M Bonds - Water and Sewer Improvement Projects

13. RESOLUTION AWARDING A CONTRACT TO ICOMMM, INC. FOR MAINTENANCE
MANAGEMENT SOFTWARE SYSTEM (Public Works Director)

Summary: This project involves the purchase and implementation of an ICOMMM, Inc. maintenance management software system for the Town’s wastewater collection system. The new system, the ICOM3 Management System, will serve a significant role in the Public Works Department’s efforts to implement a Sewer System Master Plan (SSMP), as mandated by the State Water Resources Control Board.

The system will, among other features:

1. Provide a robust platform for preventive maintenance scheduling.
2. Track sewer system overflows and help identify vulnerable locations in the wastewater collection network.
3. Provide analysis tools for risk assessment and capital improvement planning.
4. Interact with the Town’s GIS database.
5. Enable staff to more rapidly locate and mitigate wastewater collection system failures in order to reduce the likelihood of damage to public and private property.

The Town solicited eight bidders for the project. Six bidders provided product demonstrations, and only one bidder submitted a full proposal. ICOMMM, Inc. provided a proposal totaling \$36,500 for the first year and \$18,000 for subsequent years. The bid breakdown is as follows for the first year of service:

Set up, installation, GIS integration, and training	\$18,500
First year software service license, unlimited technical support, and all version updates	18,000
Total	\$36,500

As a fully hosted program, the ICOM3 Management System will require neither the purchase of a server nor any increase in computer support.

The Public Works staff, in conjunction with CSG Consultants, conducted a thorough analysis of ICOMMM, Inc. and its product and verified that its qualifications and experience are satisfactory for providing this service to the Town. Other public agencies using the ICOMMM product include Pacific Grove, Sausalito and Millbrae.

Recommendation: Adopt the resolution awarding ICOMMM, Inc. the contract for providing a maintenance management software system for the wastewater collection system for one year in the amount of \$36,500 and authorize funds from the 2003 Water and Sewer Bond.

14. RESOLUTION APPROVING THE FIRST AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
(Public Works Director)

Summary: In 1982, Peninsula agencies formed a Joint Powers Authority (JPA) called the South Bayside Transfer Station Authority (SBTSA) to assist with the administration of refuse franchise agreements. The SBTSA was transformed into the South Bayside Waste Management Authority (SBWMA) effective December 9, 1999, when the JPA acquired ownership of the San Carlos Transfer Station and Recyclery through a bond issue. Hillsborough is one of 12 local agencies in the SBWMA, which includes the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, San Mateo, West Bay Sanitary District and the County of San Mateo. All SBWMA members have individual franchise agreements with Allied Waste (formerly BFI) for solid waste, recyclable and plant material collection. The SBWMA has a Board of Directors and Public Works Director Martha DeBry has served as the Town's representative for the past 9 years.

Since the acquisition of the transfer station, management of the SBWMA contracts with Allied Waste for the operation of the transfer station and for the disposal of waste at Ox Mountain has become a time intensive activity. For that reason, the SBWMA Board voted to create a full-time Executive Director position. Recruitment for that position is now underway.

The SBWMA Board is recommending that member agencies approve an amendment to the Joint Powers Agreement to implement the following changes:

1. Section 7.1.1 was added removing from the Board of Director's powers the ability to do certain things without the two-thirds approval of the Member Agencies. These actions include:
 - (a) Acquisition of real property;
 - (b) Disposal of real property;
 - (c) Entering into or amending franchise agreements for operation of the Facilities; and
 - (d) Issuance or refinancing of bonds.

Authority to decide routine matters such as the operation of the transfer station and purchases will be left with Board of Directors.

2. Section 8.5 dealing with the Chairperson of the SBWMA has been revised to delegate certain duties to the Executive Director and allow for the rotation of the chairmanship.
3. Section 8.7 provides for compensation for the Finance Director, who is contracted through the City of San Carlos.

4. Section 8.10 establishes a list of duties for the Executive Director.

Other “cleanup language” changes are shown in the attachment by strikeouts and/or underline.

Under the existing SBWMA JPA Agreement, Section 10.8, two-thirds of the governing bodies of the SBWMA agencies must vote in favor of the revisions to be implemented. To date three agencies have voted in favor of the amendment: Atherton, Foster City, and West Bay Sanitary District. The City of Belmont has voted against the revision, as they continue to lobby for elected officials to serve on the Board of Directors.

Recommendation: Adopt the resolution approving the First Amended and Restated Joint Exercise of Powers Agreement.

15. **ORDINANCE ADDING CHAPTER 15.32 TO THE HILLSBOROUGH MUNICIPAL CODE REGARDING WIRELESS COMMUNICATIONS FACILITIES AND AMENDING SECTIONS 2.12.070 AND 17.13.010 OF THE HILLSBOROUGH MUNICIPAL CODE – INTRODUCTION**
(Public Works Director)

Summary: This ordinance creates an application and permit process for the installation of wireless communications facilities in the Town. Recent experience with the location of a microcell facility on Longview Drive demonstrated that the Town’s informal procedure is not adequate to deal with the issues and that an ordinance setting forth the process with specificity will benefit everyone. The ordinance also amends two other sections of the municipal code to clarify that wireless communications facilities are a permitted use within the residence district and that ADRB review will be required for wireless communication facilities that are proposed for installation on private property.

The proposed Chapter 15.32 is carefully drawn to comply with federal law while taking into account the Town’s unusual characteristics. Undergrounding of ancillary equipment is preferred and encouraged because of the rural nature of the Town, which the residents and the municipal government have assiduously maintained and which is a valued part of the Town’s ambiance. As part of the rural character, the Town has virtually no sidewalks or street lights, is heavily wooded and extensively landscaped, with native plants encouraged, and is almost exclusively residential, the only exceptions being school and governmental structures. All streets in town are residential and no wider than two lanes. There is no commercial area.

The contents of the permit application, as set forth in the ordinance, are designed to encourage collocation and to avoid unnecessary duplication of facilities, which detracts from the rural ambiance. The semi-annual application schedule is designed to smooth the process for applicants, to encourage long range, effective planning of service needs by applicants, to minimize disruption to Town residents and Town staff, and to encourage effective and accurate exchange of information so that residents understand the extent of the Town’s discretion under the law and so that applicants understand the concerns of residents and can take positive steps to accommodate those concerns where possible. The permit application fee and permit renewal fee are required by law to cover only the Town’s administrative costs of processing the application or renewal. Staff is aware of this requirement, and fee amounts presented to the city council for adoption by resolution adhere to that requirement.

The changed circumstances requiring revocation or modification of the permit, as set forth in the ordinance, are those changes that will potentially adversely affect the Town's rural aspect or impinge upon aesthetic factors which the Architecture and Design Review Board or staff have carefully considered. The natural beauty of the Town is one of its greatest assets and a major factor in the maintenance of property values and property taxation that supports governmental services. Unregulated change in previously approved wireless communications facilities could have a deleterious effect on the Town's aesthetic environment, which could prove damaging to the Town's character and financial situation.

This ordinance is crafted to protect the Town's historical beauty and livability while at the same time accommodating the installation of wireless communications facilities in compliance with law and in a manner that will help wireless communications providers and the Town and its residents work successfully together.

Staff discussed a draft ordinance with Council at the November 14, 2005, meeting. Following that discussion, consultation with the Town's advisor, Mr. Jonathan Kramer, and additional review by staff have produced the ordinance now before the Council. Features of the proposed ordinance include:

1. A detailed review process that includes third party review of plans for FCC conformance both in project design and installation.
2. Noticing requirements and comment opportunity.
3. A hierarchy of preferred sites, including collocation requirements and the option to locate on private property.
4. Design standards.
5. Permit requirement and provisions for renewal, modification, and revocation.

Recommendation:

1. Waive first reading of the ordinance.
2. Introduce the ordinance.
3. Set the public hearing date for January 9, 2006.

16. ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE
INTERNAL CONTROL FOR YEAR ENDED JUNE 30, 2005 (Finance Director)

Summary: Local ordinances and state statutes require that the Town publish a complete set of financial statements at the close of each fiscal year presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, the Town's CAFR, audited by Vavrinek, Trine, Day & Co., LLP, Pleasanton, CA., is hereby submitted.

The Town has received an unqualified opinion on the financial statements.

The report was presented and reviewed by the Financial Advisory Committee, which approved it for recommendation to Council for approval at the November 30, 2005 meeting.

Recommendation: Accept and file the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

PUBLIC HEARING:

17. POSTPONEMENT OF PUBLIC HEARING REGARDING AN ENCROACHMENT PERMIT REQUESTED BY HILLSBOROUGH CITY SCHOOL DISTRICT FOR THE REMOVAL OF EUCALYPTUS TREES ON RALSTON AVENUE (Public Works Director)

Summary: At their meeting of December 7, 2005, the Board of Trustees of the Hillsborough City School District (HCSD) directed their staff to postpone the encroachment permit application to the Town of Hillsborough for removal of 43 Eucalyptus trees located on the north side of Ralston Avenue at Crocker Middle School. The Board is requesting the postponement because it intends to engage in a more active community education process prior to determining the timing and scope of the project.

HCSD has retained an urban forest consultant, Robert Osterling, to further study the condition of the Eucalyptus trees. His report will provide more specific data regarding the condition of the trees to identify any immediate hazards. Should the report indicate a need to immediately remove some trees, HCSD has indicated that they may request an encroachment permit specifically to remove hazardous trees. Typically such encroachment permits are issued administratively. However, given the public interest in this project, the Council can direct that there be an opportunity for public input prior to the issuance of the permit unless there is an immediate danger. If an application is made to remove certain trees, the Town will require HCSD to post notice boards on the street to advise residents of the limited scope of work.

Recommendation: No action required.

18. ORDINANCE AMENDING SECTIONS 13.20.030 AND 13.20.040 OF THE HILLSBOROUGH MUNICIPAL CODE TO INCREASE WATER CONNECTION CHARGES AND SERVICE RATES EFFECTIVE FOR BILLINGS AFTER JANUARY 1, 2006 (Finance Director)

Summary: The Town's water rates have not changed since July 2004 due to the previous periods' healthy operations and the decrease in wholesale water rates starting April 2005. However, the consumption level has changed drastically during the last 15 months. Usage has gone down 14% during fiscal year 2004-2005 and the trend continues to the first quarter of fiscal year 2005-2006.

The Town's enterprise operations include fixed debt service costs to pay the debt issued to finance its extensive capital improvement program approved in 2001. Additionally, staff is seeking approval to issue additional debt in early 2006 to continue the program. Covenants covering these debts required a certain level of revenues to cover operating expenses and the

debt service. In order to meet these legal requirements and to ensure that the Town maintains its credit ratings, it is necessary to request a water rate change to raise revenues as required. A 15% rate increase for water connection charges and service rates is requested to allow the Town to meet its legal obligations.

Changes to the water connection charges and service rates require a modification of the Hillsborough Municipal Code.

The new rates, if approved, go into effect for billings after January 1, 2006. A water insert discussing the rate change and a short discussion of the capital improvement program and its financing requirement, is included in the November and December water billings.

The ordinance was introduced at the November 14, 2005 Council meeting.

Recommendation:

1. Open the public hearing and accept comments;
2. Close the public hearing; and
3. Adopt the ordinance amending Sections 13.20.030 and 13.20.040 of the Hillsborough Municipal Code to increase water connection charges and service rates effective January 1, 2006.

19. **RESOLUTION APPROVING THE 2005 URBAN WATER MANAGEMENT PLAN**
(Public Works Director)

Summary: State law requires that all urban water providers serving more than 3,000 customers submit a plan for management of water within their system to the Department of Water Resources. Hillsborough's first Urban Water Management Plan (UWMP) was prepared in 2001. The UWMP is a long-range planning document that provides data to regional water planning agencies, outlines the availability of water resources, projects water usage and describes conservation programs. UWMP's must be updated in years that end with "0" or "5". Hillsborough's UWMP has been updated in cooperation with the San Francisco Public Utilities Commission (SFPUC) and the Bay Area Water Supply and Conservation Agency (BAWSCA). This hearing and the previous hearing at the November 14, 2005 City Council meeting were noticed in accordance with State law, and the document has been available for review by the public.

Recommendation:

1. Open the public hearing and accept comments;
2. Close the public hearing; and
3. Adopt the resolution approving the 2005 Urban Water Management Plan.

20. ORDINANCE AMENDING TITLE 6 OF THE HILLSBOROUGH MUNICIPAL CODE TO CONFORM TO THE DANGEROUS ANIMAL ORDINANCE REVISIONS ADOPTED BY THE COUNTY OF SAN MATEO (Police Chief)

Summary: San Mateo County and its contract agents provide animal control services to the Town. The Town's dangerous animal ordinance is therefore required to conform substantially to the County's ordinance and when the County amends its ordinance, the Town must do likewise. The County recently revised its animal control ordinance on September 20, 2005. The proposed Town ordinance amends the Hillsborough Municipal Code accordingly. A redlined copy of the Town's existing provisions is included in the packet to indicate the proposed changes.

This ordinance was introduced at the November 14, 2005 City Council meeting.

Recommendation:

1. Open the public hearing and accept comments;
2. Close the public hearing; and
3. Adopt the ordinance amending Title 6 of the Hillsborough Municipal Code to conform to the Dangerous Animal Ordinance revisions adopted by the County of San Mateo.

21. ORDINANCE AMENDING CHAPTER 8.32 (NOISE REGULATIONS) OF THE HILLSBOROUGH MUNICIPAL CODE FOR CLARITY AND SIMPLIFICATION (Assistant City Attorney)

Summary: Chapter 8.32 sets forth the noise regulations of the Town. The ordinance was originally drafted and adopted in 1987 and minor amendments to Chapter 8.32 were made in 1994, 1997, and 1998. At a recent meeting of the City Council, there was some confusion about the specifics of the Town's noise regulations. Staff reviewed the current language of Chapter 8.32 and concluded that the existing provisions could be written more simply to make them easier to understand and enforce without changing the substance of the regulations. The ordinance does that and also incorporates a few additional administrative and general plan clarifications.

This ordinance was introduced at the November 14, 2005 City Council meeting.

Recommendation:

1. Open the public hearing and accept comments;
2. Close the public hearing; and
3. Adopt the ordinance amending Chapter 8.32 (Noise Regulations) of the Hillsborough Municipal Code for clarity and simplification.