TOWN OF HILLSBOROUGH

San Mateo County

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

1600 Floribunda Avenue
Hillsborough, CA 94010

A G E N D A

MONDAY, APRIL 9, 2007
5:30 p.m. CLOSED SESSION
6:00 p.m. CITY COUNCIL MEETING
Hillsborough Town Hall

CLOSED SESSION (5:30 p.m.)

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: One potential case

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

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: March 12, 2007

IV. PROCLAMATION:

- West Nile Virus and Mosquito and Vector Control Awareness Week, April 23-29, 2007

V. PRESENTATION:

- Lennie Gotcher of the Hillsborough Beautification Foundation will present Public Works Director Martha DeBry with the Hillsborough Beautification Foundation Professional Volunteer 2007 Award

VI. 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: MARCH 1 THROUGH MARCH 31, 2007

2. QUARTERLY TREASURER'S REPORT

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP REPORT)

4. RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH

5. ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH

6. RESOLUTION AUTHORIZING CONTINUED PARTICIPATION IN THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AND APPROVAL OF THE JOINT POWERS AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE JOINT POWERS AGREEMENT

7. RESOLUTION APPROVING THE WORK ORDERS FOR DESIGN SERVICES FOR THE NEW DARRELL WATER TANK, DESIGN SERVICES FOR THE FOREST VIEW PRV AND WATER MAIN INSTALLATION, AND CONSTRUCTION MANAGEMENT SERVICES FOR THE 2007 SANITARY SEWER CLEANING AND VIDEO INSPECTION – PHASE V

8. RESOLUTION APPROVING REPAIRS TO THE TOWN HALL IRRIGATION SYSTEM

9. RESOLUTION AWARDING A CONTRACT TO MAY AND ASSOCIATES AND ALLOCATING $26,180 FROM THE GENERAL FUND FOR THE DEVELOPMENT OF A VEGETATION MANAGEMENT PLAN

10. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH AGUILAR & SONS FOR THE 520 HILLSBOROUGH BOULEVARD STORM DRAIN REPAIR PROJECT

11. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE LA CUMBRE / LA CANADA ROAD STORM DRAIN INLET REPLACEMENT PROJECT

12. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH AGUILAR & SONS FOR THE STREET IMPROVEMENTS AT SUMMIT DRIVE AND SKYLINE BOULEVARD

13. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH JMB CONSTRUCTION, INC. FOR THE WATER MAIN REPLACEMENT – PHASE IV PROJECT

VII. NEW BUSINESS:

14. RESOLUTION APPROVING FUNDING FOR THE SAN MATEO WASTEWATER TREATMENT PLANT IMPROVEMENTS

15. RESOLUTION ENCOURAGING RESIDENTS TO PARTICIPATE IN THE TOWN OF HILLSBOROUGH'S COMPOST GIVE-AWAY AND E-WASTE COLLECTION EVENTS

16. DRAFT GREEN PURCHASING POLICY

VIII. OLD BUSINESS:

17. UPDATE ON REFUSE FRANCHISE AND OX MOUNTAIN SETTLEMENT

IX. 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.

X. 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.

XI. 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, April 9, 2007
6:00 p.m.
Hillsborough Town Hall
1600 Floribunda Avenue, Hillsborough

CONSENT CALENDAR:

1. MONTHLY CLAIMS: MARCH 1 THROUGH MARCH 31, 2007 (Finance Director)

Summary: The monthly claims for the month of March 2007 in the amount of $2,082,283.59 are submitted for approval.

Recommendation: Approve the monthly claims for March 2007 as submitted.

2. QUARTERLY TREASURER'S REPORT (Finance Director)

Summary: The Government Code 53646(b) requires that the Quarterly Investment Report be rendered to the City Council during public session within 30 days of the quarter's end.

Recommendation: Approve the Treasurer's Report for the quarter ending March 31, 2007.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT (Finance Director)

Summary: Pursuant to Government Code Section 5922(a) and the Town's Interest Rate Mitigation Policy, a quarterly report providing the status of all interest rate products will be provided to the City Council on a quarterly basis.

Recommendation: Accept the Interest Rate Products Report for the quarter ending March 31, 2007.

4. RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH (Assistant City Manager)

Summary: The current Memorandum of Understanding (contract) with Central County Fire, Local 2400, states that the Town shall implement the Public Employees' Retirement System (PERS) 3% @ 55 retirement plan effective July 1, 2007.

Government Code Section 7507 requires that the future annual costs of the proposed contract amendment be made public at a public meeting at least two weeks before the adoption of the final ordinance. The actuarial valuation for the adoption of this plan amendment is as follows:

1. Change in the Present Value of Benefits	$1,750,254
2. Change in the Accrued Liability	$1,190,818
3. Change in the Total Employer Rate	5.351%

The Town's annual cost for the 3% @ 55 plan will be approximately $979,908 based on current salaries and rates.

Implementation of the retirement plan requires the adoption of a resolution of intention to approve an amendment to the contract and an ordinance authorizing the amendment must be adopted. (The next item on the agenda is the introduction of the ordinance.)

Recommendation: Adopt the resolution of intention approving an amendment to the contract between the California Public Employees' Retirement System and the Town of Hillsborough.

5. ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) AND THE CITY COUNCIL OF THE TOWN OF HILLSBOROUGH (Assistant City Manager)

Summary: In order to implement a 3% @ 55 retirement plan for sworn Fire Department personnel, PERS requires that the Town adopt an ordinance authorizing the Mayor to execute the contract amendment.

Recommendation:

1. Introduce and waive the reading of the ordinance; and
2. Set May 14, 2007, as the public hearing date to consider adoption of the ordinance amending a contract between the Board of Administration of the California Public Employees' Retirement System and the City Council of the Town of Hillsborough.

6. RESOLUTION AUTHORIZING CONTINUED PARTICIPATION IN THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) AND APPROVAL OF THE JOINT POWERS AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE JOINT POWERS AGREEMENT (City Clerk)

Summary: The San Mateo County C/CAG was established in 1991 through a Joint Powers Agreement (JPA) between the twenty cities and San Mateo County. The role of C/CAG is to provide a forum for all agencies to work together on common issues, including Transportation, National Pollutant Discharge Elimination System (NPDES), Abandoned Vehicle Abatement, Solid Waste, Airport Land Use Commission, and Legislation; educate and elevate the decision making of local elected officials and technical professional staff to address countywide concerns in their local decisions; develop a consensus on the common issues of concern to the general public, solutions, and applicable funding recommendations and priorities; and act

as Program Manager for the Congestion Management Plan Transportation funds, both state and federal, and Air Quality funds. The current JPA expires on December 1, 2007. Therefore, it is necessary to execute a new JPA in order to continue C/CAG. An evaluation of the role, function and performance of C/CAG was performed by the C/CAG Board. Based on the results of this evaluation, the Board unanimously recommended the continuation of C/CAG.

Recommendation: Adopt the resolution authorizing continued participation in the City/County Association of Governments of San Mateo County (C/CAG) and approve of the Joint Powers Agreement and authorize the Mayor to execute the Joint Powers Agreement, subject to the City Attorney's legal review.

7. RESOLUTION APPROVING THE WORK ORDERS FOR DESIGN SERVICES FOR THE NEW DARRELL WATER TANK, DESIGN SERVICES FOR THE FOREST VIEW PRV AND WATER MAIN INSTALLATION, AND CONSTRUCTION MANAGEMENT SERVICES FOR THE 2007 SANITARY SEWER CLEANING AND VIDEO INSPECTION – PHASE V
(Public Works Director)

Summary: CSG has submitted proposals for design and construction management services for the following projects:

Preliminary Design of the New Darrell Water Tank - CSG will provide design services for this project, which includes preparation of preliminary plans to evaluate the alternatives and preferred layout to replace two of the existing water tanks with one new 2,000,000 gallon water tank. The total cost of the preliminary design service is estimated at $27,610 and will be funded through the 2006 Bond revenues.

Design for Forest View PRV and Water Main Installation - CSG will provide design services to prepare plans for the installation of approximately 300 linear feet of new water main and two pressure reducing valves. This improvement will provide additional redundancy to serve the Forest View Tank Zone. This new project will also demonstrate the viability of eliminating the Forest View Tanks and Oaks Pump Station. The total cost of the design services is estimated at $28,730 and will be funded through the 2006 Bond revenues.

Construction Management Services for the 2007 Sanitary Sewer Cleaning and Video Inspection - Phase V – CSG will provide construction support for the project, which includes a resident engineer and construction inspection services. The cost for the project is $1,573,863 with construction management costs of $23,840. The project will be funded through the 2006 Bond revenues.

Recommendation: Adopt the resolution approving the CSG work orders in the total amount of $80,180 and allocating funds from the 2006 Bond revenues.

8. RESOLUTION APPROVING REPAIRS TO THE TOWN HALL IRRIGATION SYSTEM (Public Works Director)

Summary: The irrigation system at Town Hall requires repair as many lines have been damaged by the sun and are not properly distributing water to plant materials. Several bids were solicited for the repairs. The bid results were as follows:

Contractor	Bid
Terra Ferma	$10,982
George's Landscaping	$21,330

Both firms perform work for the Town of Hillsborough and are capable of performing the tasks. Terra Ferma maintains Crossroads Park and George's Landscaping maintains the Town Hall facility and Hayne Island. Staff has confirmed that the scope of work and installation methods for the bids are similar.

Funds for the project will need to be allocated from the General Fund. A contingency of $3,000 is recommended to allow for the replacement of some plant materials.

Recommendation: Adopt the resolution awarding the bid to Terra Ferma for the repairs to the Town Hall irrigation system in the amount of $13,982.

9. RESOLUTION AWARDING A CONTRACT TO MAY AND ASSOCIATES AND ALLOCATING $26,180 FROM THE GENERAL FUND FOR THE DEVELOPMENT OF A VEGETATION MANAGEMENT PLAN (Public Works Director)

Summary: May and Associates has submitted a proposal to develop a vegetation management plan. This scope of work would include:

- Develop vegetation management guidelines with the Town of Hillsborough staff (a broad outline of management practices that will be employed in the open space management areas over time).
- Identify discreet vegetation management actions with the Town of Hillsborough staff.
- Develop a project prioritization system and rank vegetation management projects.
- Develop funding estimates and implementation schedules for top priority projects.
- Prepare a draft and final vegetation management strategy.
- Develop and implement a training program for the Town of Hillsborough staff.

This is a follow-up project to the vegetation mapping work, which was also performed by May and Associates. The mapping information identified issues within the 259 acres of open space, including areas of concern for fire management.

The proposed work is estimated to cost $26,180, which can be allocated from the General Fund.

Recommendation: Adopt the resolution awarding a contract to May and Associates and allocating $26,180 from the General Fund for the development of a vegetation management plan.

10. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH AGUILAR & SONS FOR THE 520 HILLSBOROUGH BOULEVARD STORM DRAIN REPAIR PROJECT (City Engineer)

Summary: This project installed two new storm drain boxes to replace the two existing, severely damaged boxes.

This project was awarded to Aguilar & Sons in September 2005 with a budget of $9,625, including contingencies. The work has been completed for a final amount of $9,625.

Recommendation: Adopt the resolution accepting as complete the contract with Aguilar & Sons for the 520 Hillsborough Boulevard Storm Drain Project in the amount of $9,625.

11. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH FERMIN SIERRA CONSTRUCTION, INC. FOR THE LA CUMBRE / LA CANADA ROAD STORM DRAIN INLET REPLACEMENT PROJECT (City Engineer)

Summary: This project was completed by Fermin Sierra Construction, Inc. (Contractor). The Contractor replaced nine storm drain inlets on La Cumbre and La Canada Roads to help prevent flooding of private property and decrease the annual maintenance of the storm drain system in this area.

This project was awarded to Fermin Sierra Construction, Inc. in October of 2006 with a budget of $39,960, including contingencies. The work has been completed under budget for a final amount of $39,600.

Recommendation: Adopt the resolution accepting as complete the contract with Fermin Sierra Construction, Inc. for the La Cumbre / La Canada Road Storm Drain Inlet Replacement Project in the amount of $39,600.

12. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH AGUILAR & SONS FOR THE STREET IMPROVEMENTS AT SUMMIT DRIVE AND SKYLINE BOULEVARD (City Engineer)

Summary: This project reconfigured the curbs at the intersection of Summit Drive and Skyline Boulevard to narrow the Summit Drive entrance, and improve the sight lines for vehicle safety.

The next phase of the project will consist of maintenance crews installing two new stop signs on Skyline Boulevard and temporary warning signs to alert traffic to the new stop signs.

This project was awarded to Aguilar & Sons in November 2006 with a budget of $16,925, including contingencies. The work has been completed under budget for a final amount of $16,700.

Recommendation: Adopt the resolution accepting as complete the contract with Aguilar & Sons for the street improvements at Summit Drive and Skyline Boulevard, in the amount of $16,700.

13. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH JMB CONSTRUCTION, INC. FOR THE WATER MAIN REPLACEMENT – PHASE IV PROJECT (City Engineer)

Summary: This project was awarded to JMB Construction Inc. in August of 2005. The contractor installed approximately 15,374 linear feet of new six and eight-inch water mains, 59 water valves, 113 private services, 39 hydrants, three air relief valves, one blow-off assembly and one pressure reducing valve. All items of work have been completed following the resolution of claims and completion of all punch list work.

This project was awarded to JMB Construction, Inc. with a total budget of $2,478,000, including contingencies. The work has been completed under budget for a final amount of $2,376,817.

Recommendation: Adopt the resolution accepting as complete the contract with JMB Construction, Inc. for the Water Main Replacement - Phase IV Project in the amount of $2,376,817.

NEW BUSINESS:

14. RESOLUTION APPROVING FUNDING FOR THE SAN MATEO WASTEWATER TREATMENT PLANT IMPROVEMENTS (Public Works Director)

Summary: The Town's Capital Improvement Program includes a project of $1,200,000 in FY 2007/08 for the San Mateo Sewer Plant Improvements. This project was intended to fund the Town's contributions towards the capital improvements at the City of San Mateo Estero Municipal Improvement District Wastewater Treatment Plant, which provides treatment for about one-third of the Town's sewage. The project was necessary to modernize the plant. Including this project, the City of San Mateo has planned a series of capital improvement projects totaling $56,000,000. Future projects will further expand the treatment plant's peak time capacity, improve the outfall line and enlarge the downstream portion of the Crystal Springs Trunk which will prevent overspills on Crystal Springs Road.

The Town's agreement with San Mateo requires the Town to fund capital improvements in proportion to the Town's use of the treatment plant, which historically has been estimated at 2.58%. The amount of the Town's contribution is tied to the Town's proportional flow in the Crystal Springs Sewer Trunk. Other parties paying for the project include the Crystal Springs County Sanitary District, which has a larger flow in the Crystal Springs Trunk.

The City Council's approval of the resolution is an authorization to make payments up to $1,200,000. Payments will be made as invoices are received, and not as a lump sum. The Town received the first invoice in December 2006.

Recommendation: Adopt the resolution authorizing the payment of up to $1,200,000 for the San Mateo Wastewater Treatment Plant Improvements with funding from 2006 Bond proceeds.

15. RESOLUTION ENCOURAGING RESIDENTS TO PARTICIPATE IN THE TOWN OF HILLSBOROUGH'S COMPOST GIVE-AWAY AND E-WASTE COLLECTION EVENTS (Public Works Director)

Summary: The Public Works Department, in cooperation with the South Bayside Waste Management Authority (SBWMA), has arranged for two compost give-away events on April 28, 2007, and May 12, 2007. In recent years, the Town has hosted several compost give-away events, which serve to close the recycling loop, as the compost is derived from green waste collected in Town. A 30-yard container will be located in the Walnut Avenue lot and residents will be able to take as much compost as they want. Residents must provide their own shovels and containers.

The Town's construction and demolition coordinator, Jeannette Lucero, has also arranged for an e-waste collection event at the Town Hall parking lot to coincide with the May 12, 2007 event. Residents will be able to drop off used electronics (working or not), and a contractor will transport the materials to their recycling facility at no cost to the resident or the Town. Residents will have a second opportunity to dispose of e-waste at a countywide-event that will be held on June 23, 2007, which is being coordinated by the SBWMA. The June 23, 2007 event will be in the Walnut Avenue lot.

Announcements will be sent with the water bills and have been placed on the website. The SBWMA is also organizing regional advertising for the events.

Recommendation: Adopt the resolution encouraging residents to participate in the compost give-away and e-waste collection events.

16. DRAFT GREEN PURCHASING POLICY (Public Works Director)

Summary: The Town of Hillsborough can further its commitment to waste reduction and recycling by approving policies which encourage or require the purchase of recycled and environmentally preferred products whenever practical, in order to conserve natural resources and to support the markets for recycled goods and other environmentally preferable products and services. A draft "Environmental Purchasing Policy" has been prepared for the City Council's consideration. The policy encourages the purchase of goods made with recycled material content, identifies waste prevention best practices such as duplex or double-sided copying, and storing reports, files and emails electronically instead of in hard copy format.

A comprehensive resource list will be prepared for staff to assist with identifying vendors who provide recycled content materials and environmentally preferred products. Additionally, training and posters encouraging waste prevention and reuse will also be provided. For most departments, the process of selecting green products will be simplified through the use of Office Depot's "green products" catalogue. The Department of Public Works has already incorporated a number of green practices in its

specifications and operations. For example, all of the furniture at Vista Park is made of recycled plastic products, rerefined oil is used in all vehicles, and new vehicles will be purchased with efficient biodiesel-compatible engines.

Recommendation: Approve the draft green policy for incorporation into the Town's purchasing policies.

OLD BUSINESS:

17. UPDATE ON REFUSE FRANCHISE AND OX MOUNTAIN SETTLEMENT
(Public Works Director)

Summary: In February 2005 the South Bayside Waste Management Authority (SBWMA) entered into an agreement with Allied Waste Services (Allied), which provided a deep discount on tipping fees in exchange for a pledge to dispose of non-recycled materials at Ox Mountain Landfill. As part of that agreement, Allied agreed to make $11,600,000 in payments to the SBWMA members over a four-year period. The total payment amount was negotiated as an estimate of the sum of money the SBWMA would have saved, if the discounted tipping fee had been applied in previous years. The SBWMA believed that as the largest customer of Ox Mountain, it should have received a rate as low as that of a private garbage collection firm during the same period. Allied offered the payments as a way of enticing the SBWMA to continue to dispose of materials at Ox Mountain.

At the time the agreement was established, the SBWMA's legal counsel, City of San Carlos City Attorney Bob Lanzone, determined that the funds could be used in any manner by the SBWMA. While there was discussion that the one-time funds should be reserved for improvements to the Shoreway facility, the final decision of the SBWMA Board was to disperse the money to member agencies. The SBWMA's Board agreed to divide the $11,600,000 based on a formula using the proportions of tonnage disposed at the Shoreway Recycling Facility in 2004 by each member agency as a result of franchised collection activities. The Town will receive approximately $200,000 over four years. To date, $120,356 has been received, including $68,775 sent to the Town in March 2007.

Since the payments are associated with franchise collection activities, there is some concern that accepting the funds into the General Fund may not be in keeping with the spirit of Proposition 218, which is now applicable to refuse rates. Staff is requesting that the City Council provide direction on the appropriate use of the funds. Options that other SBWMA agencies have chosen include:

1. Deposit the funds into the General Fund; or
2. Use the funds to offset future rate increases; or
3. Place the funds in a reserve account to offset expenses associated with refuse franchise and recycling programs.

A contribution to the General Fund has the obvious advantage of offsetting the Town's operating costs and provides a general Town-wide benefit.

Applying the funds to the rate could effectively reduce the rate by about 4-5% for two years. This was not suggested as an option at last month's rate hearing, as the question regarding the use of the funds was not raised until after the most recent payment from Allied was received.

As the Town approaches the end of the franchise agreement, the collection rates are likely to become more volatile, as there are fewer years over which to spread any deficit. A dedicated reserve fund could assist with settling the Town's account with Allied at the end of the franchise, without placing an additional burden on rate payers. Expenses such as those for the recycling coordinator or the contractor selection process could also be charged against the reserve.

Staff is recommending the establishment of a reserve account to assist with the end-of-franchise costs. This would minimize the need for rate increases in the last year of the franchise in 2010 and avoid carrying over a deficit into 2011 when the new franchise starts.

Recommendation: Approve the establishment of a reserve account to assist with the end of franchise costs and authorize staff to seek a change in the rate setting process.