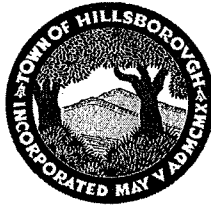


TOWN OF HILLSBOROUGH

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, DECEMBER 08, 2008

4:15 pm CLOSED SESSION

6:00 pm CITY COUNCIL MEETING

Hillsborough Town Hall

CLOSED SESSION (4:15 pm)

A. CONFERENCE WITH LABOR NEGOTIATOR

Section 54957.6

Agency Negotiator: Anthony Constantouros, City Manager

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

City Manager, Assistant City Manager, City Clerk, Human Resources Specialist, Police Chief, Police Captains, Police Lieutenant, Executive Assistant, Public Works Director, Public Works Superintendent, Public Works Assistant Superintendent, Public Works Supervisors, Director of Building and Planning, Associate / Assistant Planner, Chief Building Official, Finance Director, Assistant Finance Director, Deputy Fire Chief

B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: Three potential cases.

REGULAR CITY COUNCIL MEETING (6:00 pm)

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. MINUTES: November 10, 2008

IV. APPRECIATION: Mayor Catherine U. Mullooly

V. ADMINISTRATION OF OATH OF OFFICE:

- Councilmember Elect – Thomas M. Kasten
- Councilmember Elect – Christine M. Krolik
- Councilmember Elect – Jess E. Benton

VI. ELECTION OF MAYOR

VII. ADMINISTRATION OF OATH OF OFFICE: Mayor Elect

The newly elected Mayor will conduct the remainder of the meeting.

VIII. ELECTION OF VICE MAYOR

IX. ADMINISTRATION OF OATH OF OFFICE: Vice Mayor Elect

The meeting will recess for a reception.

X. PRESENTATIONS:

- Distinguished Budget Presentation Award to the Town of Hillsborough: Government Finance Officers Association. This is the sixth time the Town of Hillsborough has received this award.

XI. 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, 2008
2. RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR TEAMSTERS LOCAL 856 POLICE UNIT, PUBLIC WORKS / CLERICAL UNIT, FIRE ADMINISTRATORS, IAFF LOCAL 2400 FIRE UNIT, AND UNREPRESENTED EMPLOYEES
3. ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE INTERNAL CONTROL FOR THE YEAR ENDED JUNE 30, 2008
4. RESOLUTION AUTHORIZING WATER SERVICE RATES AND METER SERVICE CHARGES EFFECTIVE JANUARY 1, 2009
5. DESTRUCTION OF OBSOLETE POLICE RECORDS
6. RESOLUTION APPROVING THE PURCHASE OF A VACTOR MODEL 2103 (JET TRUCK) AND ALLOCATING SEWER FUNDS FOR THE SAME

7. RESOLUTION APPROVING CSG WORK ORDERS FOR ENGINEERING SERVICES FOR 1475 TARTAN TRAIL SANITARY SEWER RELOCATION – DESIGN, DARRELL NO. 3 WATER TANK IMPROVEMENTS – DESIGN AND CONSTRUCTION MANAGEMENT SERVICES, AND UPGRADE OF THE SKYFARM III AND TOURNAMENT PUMP STATIONS – ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES
8. RESOLUTION AUTHORIZING ADDITIONAL FUNDS FOR THE DARRELL TANK NO. 3 IMPROVEMENTS AND COATINGS PROJECT
9. RESOLUTION AUTHORIZING REPLACEMENT OF THE NEW PLACE GATES

XII. PUBLIC HEARING:

10. FUNDRAISING EVENT PERMIT APPLICATION 08-07 FOR CRYSTAL SPRINGS UPLANDS SCHOOL'S "MADCAP 2009" ANNUAL FUNDRAISING AUCTION

XIII. NEW BUSINESS:

11. REPORT ON THE ENERGY EFFICIENCY EVALUATION OF THE WATER SYSTEM

XIV. DISCUSSION ITEM:

12. PROPOSED REFUSE RATE INCREASES FOR 2009 AND 2010
13. DISCUSSION ON THE WATER CONSERVATION ORDINANCE

XV. 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.

XVI. 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.

XVII. 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.

ATTACHMENTS:

Any items listed as "Attachments" to the agenda are available on the Town's website or at the City Clerk's office.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 1600 Floribunda Avenue, Hillsborough, CA 94010, during normal business hours.

AUDIO / VISUAL ADVISORY:

Those persons who wish to use PowerPoint, CDs, DVDs, VHS tapes or other mediums when presenting to the City Council, will be required to submit media items to the City Clerk by 12:00 p.m. on the day of City Council meetings. Media items can be emailed to myokoyama@hillsborough.net or brought in on disc or flash drives to the City Clerk's Office located at 1600 Floribunda Avenue, Hillsborough, CA 94010.



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: MONTHLY CLAIMS: NOVEMBER 1 THROUGH NOVEMBER 30, 2008

SUMMARY: The monthly claims for the month of November 2008, in the amount of \$2,092,796.81 are submitted for approval.

FISCAL IMPACT: Claims have been expended pursuant to the approved budget.

ENVIRONMENTAL ISSUES: Not applicable.

RECOMMENDATION: Approve the monthly claims for November 2008, as submitted.

ATTACHMENTS: Monthly claims listing

PREPARED BY: Edna Masbad, Finance Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION AUTHORIZING COMPENSATION ADJUSTMENTS FOR TEAMSTERS LOCAL 856 POLICE UNIT, PUBLIC WORKS / CLERICAL UNIT, FIRE ADMINISTRATORS, IAFF LOCAL 2400 FIRE UNIT, AND UNREPRESENTED EMPLOYEES

SUMMARY: This resolution memorializes changes in compensation for the Teamsters Local 856 Police Unit, Public Works / Clerical Unit, Fire Administrators, IAFF Local 2400 Fire Unit, and Unrepresented Employees. Salary increases are based on Memoranda of Understanding (MOU) provisions, the Consumer Price Index and survey data.

FISCAL IMPACT: The annual fiscal impact is \$514,000 which includes salaries and benefits.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: Adopt the resolution authorizing compensation adjustments for Teamsters Local 856 Police Unit, Public Works / Clerical Unit, Fire Administrators, IAFF Local 2400 Fire Unit, and Unrepresented Employees.

ATTACHMENTS: Resolution

PREPARED BY: Kristin Armbruster, Human Resources Specialist



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) TOGETHER WITH THE INDEPENDENT PUBLIC ACCOUNTANT'S REPORT ON THE INTERNAL CONTROL FOR THE YEAR ENDED JUNE 30, 2008

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, California, 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 at their December 2, 2008 meeting, which accepted and approved it for recommendation to the City Council.

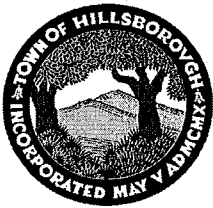
FISCAL IMPACT: There is no fiscal impact associated with this action.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this action.

RECOMMENDATION: Accept and file the Comprehensive Annual Financial Report for fiscal year ended June 30, 2008.

ATTACHMENTS: Comprehensive Annual Financial Report for fiscal year ended June 30, 2008

PREPARED BY: Edna Masbad, Finance Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION AUTHORIZING WATER SERVICE RATES AND METER SERVICE CHARGES EFFECTIVE JANUARY 1, 2009

SUMMARY: On February 12, 2007, the Town adopted an ordinance adopting the maximum water service rates and meter service charges for the next four years to implement the recommendations from a comprehensive water and sewer rates study. The maximum rates were approved following the noticing requirement of Proposition 218 and a public hearing. The study recommends implementing charges effective January of each calendar year that do not exceed the maximum charges.

This resolution would authorize the service charges to be implemented effective January 1, 2009. The changes, details of which are included in the resolution, are a combination of an increase in meter charge and water service rates. The percentage of increase for each account will vary based on individual consumption.

FISCAL IMPACT: Proposed rate increases would bring about an approximate 8% increase in water sales based on the same level of consumption as in the prior year.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this action.

RECOMMENDATION: Adopt the resolution authorizing water service rates and meter service charges effective January 1, 2009.

ATTACHMENTS: Resolution

PREPARED BY: Edna Masbad, Finance Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: DESTRUCTION OF OBSOLETE POLICE RECORDS

SUMMARY: The Police Department is in the process of purging all obsolete records for the years 1999, 2000 and 2001, in accordance with Resolution #01-40 dated August 13, 2001.

The records described in Exhibit A have been retained for at least the minimum legal retention period as set forth by the State of California. A consent form has been authorized by City Attorney Norman I. Book, Jr., and the records will be destroyed by Recall Corporation (formally known as Instrashred Security Services).

FISCAL IMPACT: There is no fiscal impact associated with this item.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: Authorize the Police Department to destroy obsolete police records for the years 1999, 2000 and 2001, according to Resolution #01-40 dated August 13, 2001, per Exhibit A.

ATTACHMENTS:

Exhibit A
Letter to Attorney
Consent Form
Destruction of Records List

PREPARED BY: Mark O'Connor, Police Captain



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION APPROVING THE PURCHASE OF A VACTOR MODEL 2103 (JET TRUCK) AND ALLOCATING SEWER FUNDS FOR THE SAME

SUMMARY: The vehicle replacement schedule in 2009 includes the replacement of Truck 529, the sewer jet truck, for \$200,000. Truck 529 was purchased in 2001, and has a useful life of eight years. After studying several options, the Sewer staff is recommending acquisition of a smaller jet truck that can be operated by any person holding a Class C license and is more maneuverable on narrow streets. Responding to sanitary sewer overflows with the existing Camel Jet truck can be problematic, as only a few members of staff maintain a Class B license with a tank endorsement.

The truck request is coming before the City Council early, as the lead time between placing an order and delivery of the truck is approximately six to nine months.

Ricker Machinery has provided a quote of \$217,408 for Vactor Model 2103. Because this equipment is highly specialized and distributed by regional dealers, it is not practical to request multiple quotes for the same model of vehicle. Staff is evaluating if the Town is eligible to obtain Federal General Services Administration pricing for this acquisition, which may reduce the final cost of the truck. It should be noted that the smaller jet truck costs approximately \$70,000 less than a full-size model like truck 529.

Because the Town must substantially increase its sewer maintenance activities over the next three years, staff is recommending that Truck 529 be held in reserve. The truck is in good condition and remains operable. Ordinarily, the Department would defer replacement; however, given the Regional Water Quality Control Board mandate to execute rapid emergency response and increase maintenance, replacement is proposed on schedule. Retaining a second jet truck will allow storm drain basins to be cleaned without impacting sewer operations, and provide more clean-up capacity to clean sanitary sewer overflows.

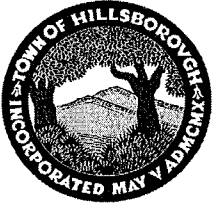
FISCAL IMPACT: The purchase is for \$217,408 and will come from the Vehicle Replacement Fund.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this purchase.

RECOMMENDATION: Adopt the resolution approving the purchase of a Vactor Model 2103 and allocate sewer funds for the same.

ATTACHMENTS: Brochure, Quote, Resolution

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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**CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008**

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION APPROVING CSG WORK ORDERS FOR ENGINEERING SERVICES FOR 1475 TARTAN TRAIL SANITARY SEWER RELOCATION – DESIGN, DARRELL NO. 3 WATER TANK IMPROVEMENTS– DESIGN AND CONSTRUCTION MANAGEMENT SERVICES, AND UPGRADE OF THE SKYFARM III AND TOURNAMENT PUMP STATIONS – ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES

SUMMARY: CSG has submitted proposals for design and construction management of the following projects:

1. 1475 Tartan Trail Sanitary Sewer Relocation – The project will relocate a sanitary sewer main from underneath the existing home located at 1475 Tartan Trail Road. Last year, the Town attempted to rehabilitate the sewer main and discovered that there is an offset in the pipe below the house foundation that cannot be rehabilitated using pipe bursting. Based on a review of the documents and discussions with the house builder and the City Attorney's office, it appears that the Town permitted the house to be constructed over the sewer main. The proposed project is to abandon a portion of the existing main, and design and build a new main in the public utility easement between properties. The design work includes field survey and preparation of plan and profile drawings for an informal bid. The relocation will include approximately 250 linear feet of new 8" sewer main and two manholes. The design services are estimated at \$16,800 and will be funded through the Sewer Fund. The project is estimated at roughly \$70,000. The proposed work order exceeds the normal 18% cap on design and construction management due to the need to conduct a survey and develop detailed documentation for the new realigned main.
2. Darrell No. 3 Water Tank Improvements – CSG will provide additional design and on-site construction management services for the project. Newly obtained information from the tank inspection company revealed a need for additional improvements to keep the tank structurally sound and in good operating condition. The construction management services are estimated at \$44,900 and will be funded through the Water Fund.
3. Upgrade of the Skyfarm III and Tournament Pump Station – CSG will provide additional on-site construction management and inspection services, submittal review, resident engineer, project coordination and management, and project closeout. CSG will also provide civil and mechanical design support for additional changes requested. The construction management services are estimated at \$28,000 and will be funded through the Water Fund.

FISCAL IMPACT: Approval of the CSG work orders will authorize funding in the total amount of \$89,700 and allocate \$16,800 from the Sewer Fund, and \$72,900 from the Water Fund.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: Adopt the resolution approving the CSG work orders for 1475 Tartan Trail Sanitary Sewer Relocation, Darrell No. 3 Water Tank Improvements, and Upgrade of the Skyfarm III and Tournament Pump Station in the total amount of \$89,700, and allocating \$16,800 from the Sewer Fund and \$72,900 from the Water Fund.

ATTACHMENTS: Resolution, Work Orders

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION AUTHORIZING ADDITIONAL FUNDS FOR THE DARRELL TANK NO. 3 IMPROVEMENTS AND COATINGS PROJECT

SUMMARY: The Darrell Tank No. 3 Improvements and Coatings Project was awarded in July 2008, in the amount of \$272,795, with a contingency in the amount of \$27,280, for a total construction budget of \$300,075.

The 10% contingency was slated for unforeseen conditions and staff did not budget for the coatings inspector or the structural welding inspector services. The additional cost for these inspection services is estimated not to exceed \$20,000.

Staff is working with the contractor to avoid any major changes to the contract to stay under budget. Staff has identified several unforeseen conditions that will need to be corrected and believes that the project can be completed with this additional allocation for the inspection services.

FISCAL IMPACT: Adoption of the resolution allocates an additional \$20,000 from the Water Fund for the project.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: Adopt the resolution authorizing additional funds for the Darrell Tank No. 3 Improvements and Coatings Project in the amount of \$20,000, for a total project allocation of \$320,075 from the Water Fund.

ATTACHMENTS: Resolution

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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CONSENT CALENDAR
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: RESOLUTION AUTHORIZING REPLACEMENT OF THE NEW PLACE ROAD GATES

SUMMARY: During a storm in January 2008, the New Place Road gates were damaged by a large tree trunk. The cast iron gates and lamps were severely damaged and removed. The north gate remains in place even though it is damaged. The Town made a claim against the Hillsborough City School District which owned the tree, and it was rejected as an act of God. The Town's liability claim administrator, ABAG Plan, has advised that the Town's property insurance will cover the loss, except for a \$5,000 deductible.

Casting iron gates is a complex task that can be performed by a limited number of artisans using a sand mold process. Unlike wrought iron, which is the modern method of creating decorative gates, cast iron cannot be repaired through welding. The Town has been able to obtain a bid from Custom Iron and Casting of Redwood City to replace the gates in the amount of \$86,000. This cost does not include painting the gates, the use of a crane to install the gates or electric work. The vendor estimates it will require about three months to fabricate the gates. This additional work is estimated at \$10,000.

FISCAL IMPACT: The resolution allows the Town to order the gate replacement in the amount up to \$96,000 prior to receiving reimbursement from ABAG Plan. Once the receipts for all work are received, the Town anticipates receiving reimbursement for all but \$5,000 in expenses.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this project.

RECOMMENDATION: Adopt the resolution authorizing replacement of the New Place Road gates.

ATTACHMENTS: Estimate, Resolution

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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**PUBLIC HEARING
CITY COUNCIL MEETING
DECEMBER 8, 2008**

AGENDA STAFF REPORT

ITEM SUBJECT: FUNDRAISING EVENT PERMIT APPLICATION 08-07 FOR CRYSTAL SPRINGS UPLANDS SCHOOL'S "MADCAP 2009" ANNUAL FUNDRAISING AUCTION

SUMMARY: Crystal Springs Uplands School submitted an application to conduct its "Madcap 2009" Annual Fundraising Auction at Crystal Springs Uplands School located at 400 Uplands Drive in Hillsborough. This event is proposed to take place on Saturday, April 18, 2009. 2009 will mark the 29th year that this annual event has been held.

Hillsborough Municipal Code Section 5.16.080 requires a public hearing for a fundraising event permit where more than 200 people will be in attendance during any one day at any one property. Public notices have been sent to owners of properties located within a 500-foot radius of the property listed above.

The Police, Fire and Building Departments have reviewed the application and the Police and Building Departments have submitted comments and recommendations, which are included in the City Council's agenda packet.

FISCAL IMPACT: There is no fiscal impact associated with this item.

ENVIRONMENTAL ISSUES: Not applicable.

RECOMMENDATION:

1. Open the public hearing and receive comments;
2. Close the public hearing; and
3. Approve Fundraising Event Permit Application 08-07 for Crystal Springs Uplands School's "Madcap 2009" Annual Fundraising Auction on Saturday, April 18, 2009, subject to the conditions recommended by staff.

ATTACHMENTS: Fundraising Event Application and Police and Building Department Comments and Recommendations

PREPARED BY: Miyuki Yokoyama, City Clerk



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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**NEW BUSINESS
CITY COUNCIL MEETING
DECEMBER 8, 2008**

AGENDA STAFF REPORT

ITEM SUBJECT: REPORT ON THE ENERGY EFFICIENCY EVALUATION OF THE WATER SYSTEM

SUMMARY: In 2006, the Public Works Department requested assistance under the State of California's Energy Efficiency Financing Program. The Energy Commission Program assists water and wastewater treatment and conveyance facilities in identifying projects that can reduce energy usage and cost in existing and planned facilities. Three projects were identified in Hillsborough:

1. Replacement of inefficient water pumps;
2. Change PG&E rate schedules at Crocker pumps; and
3. Upgrade of the SCADA system to better schedule pumping times to take advantage of off-peak energy prices.

Now that the projects have been identified, the program can provide additional assistance to help implement or finance the recommendations through low interest loans that are structured so that the estimated project savings are the basis for the loan repayments. That is to say if the improvements are made now, the reduced operating costs over the next 10 years would cover the California Energy Commission (CEC) loan payments.

Public Works will be bringing forward the SCADA project in the coming months and is evaluating the replacement of the pumps.

FISCAL IMPACT: Acceptance of the report has no fiscal impact.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item. Implementing potential energy efficiency projects will provide an environmental benefit.

RECOMMENDATION: Accept the report from the California Energy Commission regarding energy efficiency in Hillsborough's water system.

ATTACHMENTS: CEC Report without attachments

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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DISCUSSION
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: PROPOSED REFUSE RATE INCREASES FOR 2009 AND 2010

SUMMARY: The Town of Hillsborough recently received the draft of the "Review of Allied Waste Industries Refuse, Recyclable and Plant Materials Collection Rate Application for 2009." A rate application is submitted annually as required under the existing franchise and examines the actual costs for the previous year (2007), projects costs for the current year (2008), and estimates the cost for the coming year (2009). A revenue requirement is established for each of the years and a projected surplus / shortfall is estimated. At the end of 2008, the Town collectively will owe Allied Waste \$311,000, and by the end of 2009 the revenue requirement shortfall is estimated at \$473,000, or 22% of the revenue.

There are several factors contributing to the shortfall, including the following:

1. Labor cost increases at Allied Waste that were unknown in early 2008. Allied Waste is currently in the process of negotiating a new collective bargaining agreement, and the rate application reflects an allowance of up to a 10% increase in driver wages, and increases in retirement and health costs. These items alone account for roughly 9% of the shortfall.
2. Tipping fee increases at the Shoreway facility account for roughly 4% of the shortfall. Fees are increasing to cover higher costs at the landfill and to operate the Shoreway facility.
3. Town pass-through costs for consultants account for about 5%. This reflects increased activity in the construction and demolition program to revamp the Town program based on recent evaluations by the California Integrated Waste Management Board (CIWMB), the time and motion study completed by R3, and other costs related to the selection process. These costs are within the Town's control and could be shifted to another funding source in 2009.
4. Late implementation of the rate increase reduced total revenues during 2008.

It should be noted that in the past few weeks, the commodity markets for recycled materials have collapsed, which is likely to affect proposed rates. Further analysis is being performed to estimate the effect of this reduction in the South Bayside Waste Management Authority (SBWMA) revenue for 2009. This is likely to result in a need for further tip fee increases at the Shoreway facility.

At the December 8, 2008 City Council meeting, staff will outline options for rate increases that can be incorporated into a Proposition 218 notice, which may include a substantial increase in the rear / side yard service fee, an across the board rate increase, and implementing permit fees to fund the construction and demolition program. Actual refuse rate setting would occur after a public hearing in February 2009.

FISCAL IMPACT: There is no fiscal impact associated with action on this item, except for the mailing of the Proposition 218 notice.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: For discussion only; no action required.

ATTACHMENTS: Allied Rate Application

PREPARED BY: Martha DeBry, Public Works Director



TOWN OF HILLSBOROUGH

San Mateo County
1600 Floribunda Avenue
Hillsborough, CA 94010

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DISCUSSION
CITY COUNCIL MEETING
DECEMBER 8, 2008

AGENDA STAFF REPORT

ITEM SUBJECT: DISCUSSION ON THE WATER CONSERVATION ORDINANCE

SUMMARY: A brief update on the status of the water drought will be presented to the City Council. The discussion will include a review of the Town's ordinance and an outline on the practical steps needed to implement a rationing program, should that become necessary.

FISCAL IMPACT: There is no fiscal impact associated with this item.

ENVIRONMENTAL ISSUES: There are no environmental issues associated with this item.

RECOMMENDATION: For information only; no action required.

ATTACHMENTS: No attachments.

PREPARED BY: Martha DeBry, Public Works Director