

MINUTES

REGULAR CITY COUNCIL MEETING

MONDAY, APRIL 13, 2009

Mayor Krolik called the regular meeting to order at 6:00 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

ROLL CALL: Present: Krolik, Kasten, Fannon, Benton
Absent: Regan

MINUTES: The minutes of the March 9, 2009 City Council meeting were approved as submitted subject to three wording changes. Mayor Krolik added to the end of the seventh paragraph on page 5, "Mayor Krolik pointed out that costs will increase significantly when Ox Mountain is filled." Mayor Krolik corrected the third paragraph on page 11 to read "Mayor Krolik made the motion, which was seconded by Councilmember Fannon, to accept the investment strategy to place the Town's investment portfolio in treasury bills." Mayor Krolik also corrected the sixth paragraph on page 11 to read "The motion made by Mayor Krolik and seconded by Councilmember Fannon was withdrawn."

RECOGNITION:

- Mayor Krolik presented Paul Saffo with a Certificate of Recognition for the installation of a monument at Crystal Springs Road near Woodridge Road commemorating the last stage coach robbery in San Mateo County.

PROCLAMATION:

- Mayor Krolik proclaimed April 20 – 26, 2009, as West Nile Virus and Mosquito and Vector Control Awareness Week

CONSENT CALENDAR:

Item 6 was removed for discussion. On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, Consent Calendar items 1 through 5 and 7 through 13 were approved.

1. MONTHLY CLAIMS: MARCH 1 THROUGH MARCH 31, 2009

The monthly claims for the month of March 2009, in the amount of \$3,265,562.56 were approved as submitted.

2. QUARTERLY TREASURER'S REPORT

The Treasurer's Report for the quarter ending March 31, 2009, was approved.

3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products (SWAP) Report for the quarter ending March 31, 2009, was accepted.

4. RESOLUTION ADOPTING BUDGET ADJUSTMENTS FOR FISCAL YEAR 2008/2009

The resolution adopting budget adjustments for fiscal year 2008/2009 was adopted.

5. RESOLUTION ADOPTING MODIFICATIONS TO THE TOWN OF HILLSBOROUGH'S STATEMENT OF INVESTMENT POLICY

The resolution adopting modifications to the Town of Hillsborough's Statement of Investment Policy was adopted.

6. RESOLUTION AMENDING THE LANGUAGE IN THE JOINT POWERS AGREEMENT (JPA) ESTABLISHING THAT THE CENTRAL COUNTY FIRE DEPARTMENT CLARIFY THE DISBURSEMENT OF REVENUES

Councilmember Benton stated that this agenda item deals with the Central County Fire Department and allocation of revenues for the Town of Hillsborough and City of Burlingame. He added that at the December 2, 2008 Central County Fire Department Board of Directors meeting, Burlingame's Finance Director recommended that the CCFD Board memorialize the distribution of fire service revenues into the language of the Joint Powers Agreement. Councilmember Benton stated that he had a problem with the allocation of expenses associated with the revenues, which are shared on a 60/40 (Burlingame/ Hillsborough) basis.

Councilmember Benton recommended staff to return to the Central County Fire Department Board of Directors at their next Board meeting to review the expense side of the Central County Fire Department Joint Powers Agreement so that it is more equitable for Hillsborough.

On motion of Councilmember Benton, seconded by Vice Mayor Kasten, and unanimous on voice vote, the motion was made not to adopt the resolution amending the language in the Joint Powers Agreement establishing that the Central County Fire Department clarify the disbursement of revenues and to further review the allocation of expenses at the next Central County Fire Department Board meeting.

7. RESOLUTION APPROVING THE JOINT POWERS AGREEMENT ESTABLISHING THE SAN MATEO COUNTY PRE-HOSPITAL EMERGENCY MEDICAL SERVICES GROUP AS REVISED AT THE FEBRUARY 9, 2009 ALS/JPA MEETING

The resolution approving and authorizing the Mayor to execute a revised Joint Powers Agreement establishing the San Mateo County Pre-Hospital Emergency Medical Services Providers Group as revised at the February 9, 2009 ALS/JPA meeting was adopted.

8. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH RICHARDSON CONSULTING FOR CONTRACT PLANNING SERVICES

The resolution authorizing the City Manager to enter into an agreement with Richardson Consulting for contract planning services in an amount not to exceed \$35,000 was adopted.

9. RESOLUTION APPROVING CSG WORK ORDERS FOR ENGINEERING SERVICES FOR THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AND SKYFARM/TOURNAMENT PUMP STATIONS

The resolution approving the CSG work orders for design and engineering services for the American Recovery and Reinvestment Act (ARRA) Street and Clean Water Stimulus Projects and Skyfarm/Tournament Pump Stations Upgrade Project, allocating \$49,700 from the General Fund, \$215,800 from the Sewer Fund, and \$39,600 from the Water Fund, was adopted.

10. RESOLUTION ACCEPTING AS COMPLETE THE 2008 GUARDRAIL REPLACEMENT PROJECT COMPLETED BY MIDSTATE BARRIER, INC.

The resolution accepting as complete the contract with Midstate Barrier, Inc. for the 2008 Guardrail Replacement Project in the amount of \$520,700 was adopted.

11. RESOLUTION REQUESTING THAT THE SAN FRANCISCO BAY REGIONAL WATER QUALITY CONTROL BOARD REVISE THE DRAFT TENTATIVE ORDER FOR THE MUNICIPAL REGIONAL STORMWATER PERMIT TO REDUCE IMPACTS ON THE TOWN BUDGET AND THE LOCAL ECONOMY AND AUTHORIZING THE MAYOR TO APPOINT A CITY COUNCIL REPRESENTATIVE TO SPEAK AT THE HEARING ON MAY 13, 2009

The resolution requesting that the San Francisco Bay Regional Water Quality Control Board revise the draft Tentative Order for the Municipal Regional Stormwater Permit to reduce impacts on the Town budget and the local economy and authorize the Mayor to appoint a City Council representative to speak at the hearing on May 13, 2009, was adopted.

12. RESOLUTION ACCEPTING AS COMPLETE THE PROJECT FOR THE PUMP STATION UPGRADES AT SKYFARM III AND TOURNAMENT TANK SITES COMPLETED BY PROVEN MANAGEMENT, INC.

The resolution accepting as complete the contract with Proven Management, Inc. for the Pump Station Upgrades for the Skyfarm III and Tournament Pump Stations in the amount of \$1,977,110 was adopted.

13. RESOLUTION AWARDING A CONTRACT TO UTILITY SERVICES ASSOCIATES, LLC FOR A LEAK DETECTION SURVEY OF HILLSBOROUGH'S 97 MILE WATER DELIVERY SYSTEM

The resolution awarding the contract for the Leak Detection Survey Project to Utility Services Associates, LLC in the amount of \$21,211 was adopted.

NEW BUSINESS:

14. TOWN OF HILLSBOROUGH CENTENNIAL EXPLORATORY COMMITTEE

Assistant City Manager Katharine Leroux stated that May 5, 2010, will be the Town of Hillsborough's 100th anniversary of incorporation. She added that Mayor Krolik formed a Hillsborough Centennial Exploratory Committee to discuss several ideas for the Town's centennial celebration.

Ms. Leroux introduced Committee Member Sally Meakin to present the ideas and the preliminary schedule of events.

Ms. Meakin provided a Power Point presentation and listed the ten members of the Hillsborough Centennial Exploratory Committee and four Town staff advisors. She reviewed briefly the three exploratory meetings that were held in January, February and March 2009, and provided the Committee's 2010 calendar proposal, which includes "Celebrate May" possibly in late April, Concours and 49ers Academy on Sunday, May 2, a Town Hall ceremony on Wednesday, May 5, an historic homes tour with the Community Service League on Friday, May 14, and a parade on Monday, May 31.

Vice Mayor Kasten commented that it was a great program. He asked if Monday, May 31st fell on Memorial Day. Mayor Krolik replied that Monday, May 31st was Memorial Day and that the Committee felt that people would stay in Town for the event.

On motion of Mayor Krolik, seconded by Vice Mayor Kasten, and unanimous on voice vote, the Hillsborough Centennial Exploratory Committee's preliminary schedule of events was approved and the Committee was directed to advise the City Council if there are any changes to the schedule.

PUBLIC HEARING:

15. RESOLUTION ADOPTING THE MITIGATED NEGATIVE DECLARATION (MND), MITIGATION MONITORING AND REPORTING PLAN (MMRP) AND MODIFICATION TO THE PERMIT TO OPERATE A PRIVATE SCHOOL FOR THE PURPOSES OF REPLACING AN EXISTING 180' BY 300' SOD ATHLETIC FIELD WITH A NEW SYNTHETIC TURF FIELD AND TREE REMOVAL AND REPLACEMENT – CRYSTAL SPRINGS UPLANDS SCHOOL, 400 UPLANDS DRIVE

Director of Building and Planning Liz Cullinan provided a Power Point presentation on the proposal of Crystal Springs Uplands School (CSUS) to replace their existing sod athletic field with new synthetic turf. She stated that the project would include grading approximately 2,300 cubic yards of earth material, approximately 2,100 of which would be off-hauled. She added that the project also includes removal of 22 pine and eucalyptus trees and replacement with 26 new redwood trees.

Ms. Cullinan reported that all trees proposed for removal are below the Town's threshold for permitting, with the exception of one eucalyptus tree. She indicated that a key point of the project is significant water savings and improved drainage and a leveling of the athletic field. She added that installation is projected to begin in the spring of 2009, with completion by the end of August 2009, and that school hours of operation and level of usage of the field will not change.

Ms. Cullinan reviewed the background on the project, which included CSUS conducting public outreach to the neighbors over the last six months; several letters supporting the proposal have been received by the Town, and one letter was received from Lawrence and Barbara Margolis expressing concern regarding the potential toxicity of the proposed field turf. She added that on March 2, 2009, the Architecture and Design Review Board (ADRB) reviewed and recommended approval and adoption of the Mitigated Negative Declaration and landscaping plan.

Ms. Cullinan reported that a Draft Initial Study (IS) and Mitigated Negative Declaration have been prepared for this project pursuant to the California Environmental Quality Act and that the two primary potential environmental impacts addressed in the environmental documents include biological resources and water quality. She stated that tree removal could result in potentially significant impacts to nesting birds and the proposed grading could result in storm drain discharges.

Ms. Cullinan stated that the environmental documents also address the potential issue of lead in artificial turf, but that the proposed artificial turf uses neither lead chromate nor lead carbonate and would be considered "lead free" consistent with the Consumer Products Safety Commission standards. She reported that the draft environmental documents have been reviewed by the State Water Quality Control Board, the U.S. Department of Fish and Game and the California Department of Toxic Substances Control. She added that since the original publication of the IS and MND, additional mitigation measures addressing grading and lead have been added to the MND.

Ms. Cullinan stated that in order to approve the project, the City Council first needs to adopt the MND and MMRP on the basis of the whole record that there is no substantial evidence that the project will have a significant effect on the environment and the MND reflects the City Council's independent judgment and analysis. She added that with the proposed mitigation measures, the potential tree removal and water quality impacts would be reduced to a less than significant level.

Ms. Cullinan reported that modifications to landscaping near athletic fields and the perimeter of the school also require City Council approval of an amendment to a private school's permit to operate. Based on the proposal being consistent with the Town's Municipal Code and General Plan, the proposal achieves a reasonable balance between the needs and interests of the school and the community/neighborhood, and the proposal meets all applicable requirements of the California Environmental Quality Act. She explained that the proposal would not result in an increased intensity in field usage, would provide enhanced long-term perimeter landscape screening, would conserve water, and would provide improved drainage and reduced pesticide use.

Ms. Cullinan recommended adopting the MND and MMRP and approving the modifications to the CSUS permit to operate for landscaping purposes. She recommended a revision to the resolution to change item 2 to read, "Additional mitigation measure addressing grading activities *and lead* have been added."

Vice Mayor Kasten asked Ms. Cullinan if there is an established tree removal to replacement ratio. Ms. Cullinan stated that there is no established ratio and that replacement is reviewed on a site and tree specific basis.

Ms. Cullinan introduced Amy Richards, Head of School for CSUS, who thanked the City Council for considering the proposal.

Dwight Long, the project architect, provided the proposed field aerial view with the new synthetic turf and tree removal, and reviewed key project points. He stated that a benefit to the new turf would be the considerable savings of approximately two million gallons of water per year. He reviewed the existing conditions and stated that tree roots will be protected during the project and that some of the existing trees will be removed and replaced. He added that the field turf material will be lead-free and that there is a recycling program when the field turf reaches its life expectancy.

Mayor Krolik thanked Ms. Cullinan, Ms. Richards, and Mr. Long. She stated that it looks like a great project.

Mayor Krolik opened the public hearing. There were no comments. Mayor Krolik closed the public hearing.

On motion of Vice Mayor Kasten, seconded by Councilmember Benton, and unanimous on voice vote, the resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan as amended and approving modifications to the Crystal Springs Uplands School Permit to Operate for landscaping purposes was adopted.

16. GREEN BUILDING ORDINANCE - ADOPTION

Chief Building Official John Mullins stated that Green Building efforts were initiated in December 2007, when the City Council adopted a resolution to expand Hillsborough's efforts to be a more sustainable community by authorizing a Sustainable Hillsborough Task Force to be established to identify and prioritize sustainable policies and programs to reduce greenhouse gas emissions. He added that the City Council endorsed a Green Building Program to encourage Green Building techniques in new construction and major remodeling projects for the purposes of creating resource efficiency in buildings and reducing building impacts on the environment.

Mr. Mullins stated that over the last year, staff has emphasized outreach and provided Green Building resources, guidelines, and workshop opportunities for residents and building professionals, and has informed the American Institute of Architects, the Peninsula Builders Exchange and local design and construction professionals of the proposed Green Building Ordinance.

Mr. Mullins stated that the Sustainable Hillsborough Task Force and its subcommittee on Green Building are recommending that new homes incorporate a minimum of 75 Green Building points. He added that the Task Force and its subcommittee on Green Building are recommending a tiered system, whereby required points increase with homes exceeding 6,000 square feet in size and decrease for major remodels and smaller additions.

Mayor Krolik thanked Mr. Mullins.

Mayor Krolik opened the public hearing. There were no comments. Mayor Krolik closed the public hearing.

On motion of Vice Mayor Kasten, seconded by Councilmember Benton, and unanimous on voice vote, the Green Building Ordinance was adopted.

OLD BUSINESS:

17. RESOLUTION DIRECTING THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) REPRESENTATIVE TO VOTE IN FAVOR OF SOUTH BAY RECYCLING RECEIVING THE AWARD OF THE OPERATIONS CONTRACT FOR THE SHOREWAY ENVIRONMENTAL CENTER

Public Works Director Martha DeBry provided a Power Point presentation and reviewed the operator responsibilities, which include the operation the Materials Recycling Facility (MRF) producing high quality commodities for sale and the transfer of materials to landfill, recycling facilities, and composting facilities

Ms. DeBry explained the Request For Proposal (RFP) process, which included evaluating seven vendor responses, short-listing two firms (Hudson Baylor and South Bay Recycling) in July 2008, and the Selection Committee recommending South Bay Recycling. She stated that the Selection Committee included San Mateo Public Works Director Larry Patterson, San Carlos City Manager Mark Weiss, San Mateo County Public Works Director Jim Porter, and SBWMA staff member Hilary Gans.

Ms. DeBry stated that South Bay Recycling was recommended because of their lowest cost proposal of \$1.6 million, their material marketing experience in California (One of South Bay Recycling's companies, Potential Industries, processes 17,000 tons per month, which is more than what Allied Waste does), and has more environmental enhancements, such as energy conversion.

Ms. DeBry stated that as of last month, the review of outstanding issues for South Bay Recycling included compliance with regulatory issues and that the Sun Valley issues are unique to that facility and according to the review by the Selection Committee will not be an issue at the Shoreway facility.

Ms. DeBry stated that another issue required an explanation of cost increases, which are detailed in the Selection Committee Report, with some costs allowed and others disallowed, but that South Bay Recycling still has the lowest cost proposal.

Ms. DeBry stated that the Selection Committee found no indication of chronic unfair labor practices when reviewing the suggestion of unfair labor practices elsewhere. She stated that regarding the issue that the Teamsters will not sign a modified Memorandum of Understanding (MOU), South Bay Recycling has agreed to recognize the collective bargaining unit and to abide by any MOU in place in 2011. She added that the Selection Committee determined that modification of the MOU was an "appropriate" decision.

Ms. DeBry recommended adoption of the resolution directing the Town's representative to vote in favor of South Bay Recycling as the operator of the Shoreway Environmental Center. She added that eight agencies in the SBWMA will need to approve South Bay Recycling as the operator of the Shoreway facility.

Vice Mayor Kasten asked Ms. DeBry if South Bay Recycling abides by the MOU in place in 2011, will the additional wage and benefit costs rise by \$1 million. Ms. DeBry replied that if South Bay Recycling abides by the MOU in 2011 that the additional wage and benefit costs will rise by \$1 million.

Vice Mayor Kasten asked Ms. DeBry if she was comfortable with the way South Bay Recycling approaches management practices and if she was following up on the issues regarding working conditions. He asked if a site visit was made. Ms. DeBry replied that Kevin McCarthy went to the Southern California facility in Sun Valley. Vice Mayor Kasten asked if there would be a local manager on-site rather than remotely at the Shoreway facility. Ms. DeBry replied that an on-site manager will be hired for the Shoreway facility at a \$170,000 cost.

Councilmember Benton stated that the City Council Subcommittee consisting of himself and Councilmember Regan met three or four times within sixty days and reviewed the issues with South Bay Recycling. He stated that after many questions

were asked and answered by South Bay Recycling, that both Councilmember Regan and he recommended South Bay Recycling to receive the award of the operations contract for the Shoreway facility.

Mayor Krolik asked if anyone in the audience wished to speak.

Scott Tenney, President and owner of Hudson Baylor, stated that he has been in the business for 25 years. He added that all that Hudson Baylor does is recycling and that they have facilities in New York, Connecticut, and Arizona. He stated that at no time has any violation not been corrected immediately at his facilities, which is different from South Bay Recycling's practices. He stated that he responded to the RFP and made sure that he paid attention to the RFP and made no changes to it. He added that the initial proposal only changed by \$8,000. He explained that he knew he needed to be consistent with the existing labor force, and rather than use Allied Waste temp rates, put in hired numbers for the day-in-day-out employees in response to the SBWMA RFP.

Bill Duplissea, a resident for 50 years, stated that he has been in Public Affairs for 25 years. He stated that he wished to address the characteristics of the long and noteworthy cooperative spirit of the workers and standard of excellence in San Mateo County. He stated that he has serious reservations, and by a third party (someone that knows South Bay Recycling) of the not so subtle points made by Hector Delgado regarding intimidation if grievances are filed. He stated that working conditions at the South Bay Recycling's Southern California facility were horrible and urged the City Council to look at the issues carefully and that the San Mateo County labor force should be given its due.

Dan Domonoske, Vice President of South Bay Recycling, stated that several months ago the competitive bid process was conducted. He stated that South Bay Recycling has a long-term, 30-year relationship with a highly regulated bid in Southern California, which is different than Arizona and the East Coast. He added that extra procedural requests were made and that the two companies took different approaches, attacks began, and there was outreach to SBWMA member agencies. He stated that there are two sides to the story and that each of the twelve items on Hector Delgado's letter have been addressed. He stated that he was confident that anyone would realize that South Bay Recycling was the best company to operate the facility.

Jon Kaufman stated that the South Bay Recycling proposal is \$16-20 million less costly than the Hudson Baylor proposal over the ten years of the contract. He added that if the MOU is signed that there would still be an \$800,000 a year difference in the cost of the two companies. He stated that all companies bid on the present labor agreement, and if calculated to include the MOU, the bid is still lower by \$800,000. He stated that South Bay Recycling is environmentally sound and that two-thirds of the violations were procedural for a temporary permit waiting for a permanent permit. He explained that the inspector came twice a month and that two-thirds of the violations were for that reason alone. He stated that South Bay Recycling did not sign the MOU because of procedural processes, but that whatever agreement is in place in 2011, and if the MRF sorters are included, South Bay Recycling will sign the MOU. He stated that he looks forward to coming to San Mateo County as they have been in Southern California for thirty years.

Mike Mahoney stated that there really are four or five issues, including the labor issues and environmental issues. He stated that Hudson Baylor's niche is operating municipal facilities and that joint ventures do not work. He added that Hudson Baylor has a pristine record which should merit some consideration. He stated that after being short listed, South Bay Recycling raised their price by \$2 million for bid error after bid error, but Hudson Baylor has not moved their bid. He added that the difference in bids is equal to three or four cents per rate payer and the labor record, environmental record, and corporate integrity should be weighed. He stated for the collection contract, Norcal was not the low bidder, but \$1.3 million higher than Allied Waste. He stated that was the right direction by staff in choosing the second lowest

bidder for the collection contract, and that should be considered when selecting the recycling operator for the next ten years.

William Jennings, Chief Financial Officer of Hudson Baylor, stated that when looking at this project it must be remembered that there is a fiduciary duty of the management of the provider. He stated that details must be looked into regarding the financial forecast for commodity sales and the fiscal impact of cost variability, operations quality, experience, and tipping fees and environmental issues.

David Gavrich, President of Waste Solutions Group, stated that he has been in the Bay Area for 18 years and was a former staff worker for former San Francisco Mayor Dianne Feinstein. He stated that it is difficult to go against a staff recommendation, but that it should never be a low bid process with labor, environmental, and integrity issues. He stated that he hoped that the City Council would allow staff to review the contract again, as it may be more like a \$13 million bid. He added that a long-term decision would be the right decision.

Brett Barbre stated that on page 7 of the SBWMA report, the recitation of the bid shows that 60-75% of tipping fees were originally proposed, but that the commodity is a smaller portion than what they looked at.

Mayor Krolik stated that it was difficult to move forward on the labor issue and that the labor issue must be settled. She added that there were a number of red flags that concerned her, including management's commitment to excellence, traffic problems at the South Bay Recycling center in Los Angeles and lack of a capable site manager. She added that because of South Bay Recycling's five bid item errors and changes the proposal felt sloppy and she felt there were going to be headaches at a cost of a couple of pennies per ratepayer a week. She explained that red flags were raised with South Bay Recycling and that there would be fewer surprises and fewer headaches in dealing with Hudson Baylor.

Vice Mayor Kasten asked Councilmember Benton for his perspective of the labor practices and bid errors. Councilmember Benton stated that at the two meetings with Hudson Baylor, Hudson Baylor was concerned with South Bay Recycling's bid errors, labor and environmental issues, but that the issues were addressed. He stated that the Hudson Baylor guarantee in the bid is higher than that of South Bay Recycling. He stated that Financial Advisory Committee member Joshua Cooperman sat in one of the meetings and that it was determined that a significant part of the bid as stated to Ms. DeBry and Mr. McCarthy, did not have enough weight to weight differentials, after careful consideration of their guarantee. He added that the twenty sorters should not be treated differently. He stated that the County of San Mateo's Vocational Rehabilitation Services (VRS) program placed the sorters into this work from 1989 to 2007. He added that Hudson Baylor was concerned that South Bay Recycling may come back and ask for more money if the sorters are unionized after the contract is signed. He stated that there were a lot of issues on both sides, but in the end the serious issues were answered, and given the significant cost difference there was not enough reason to go against the Selection Committee's decision.

Mayor Krolik stated that SBWMA findings were that both agencies were qualified to do the job and that their recommendation was based on cost.

On motion of Councilmember Benton, seconded by Councilmember Fannon, and with a 3-1 voice vote with Vice Mayor Krolik voting no, the resolution directing the Town's representative to vote in favor of South Bay Recycling receiving the award of the operations contract for the Shoreway Environmental Center was adopted with the condition that the South Bayside Waste Management Authority negotiate the guarantee with South Bay Recycling to bring the South Bay Recycling proposal into alignment with the proposal submitted by Hudson Baylor.

Vice Mayor Kasten requested that staff follow up on the labor issues with South Bay Recycling.

18. RESOLUTION ACCEPTING THE RECOMMENDATION OF SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA) TO SELECT NORCAL WASTE SERVICES AS THE TOWN'S PROVIDER OF REFUSE AND RECYCLABLE COLLECTION SERVICES

Public Works Director Martha DeBry provided a Power Point presentation and reviewed the various levels of service available for trash, recyclables, and green waste. She explained that based on the residents' desire to keep costs at a minimum, the Town will proceed with franchise negotiations based on the current services, which include weekly automated collection of trash, biweekly collection of recyclables and green waste, two on-call pickups per year, and curbside collection of batteries and used oil.

Ms. DeBry stated that the Town has no preference for the truck specification as the performance standards in the franchise agreement will ensure the safe operation of the vehicles. She added that the lowest cost option was being sought as far as the number of days of service. She explained that the current lowest cost option is a five day service, but that the negotiation process will be used to determine if three days can be achieved without any cost impact.

Ms. DeBry recommended that the City Council adopt the resolution, staff to participate in the franchise negotiation, and for staff to return to the City Council in August or September 2009, with the franchise agreement.

Vice Mayor Kasten stated that he was pleased that the Town has the ability to increase the service level as residents may be willing to pay for more services in the future. Ms. DeBry stated that the \$20 rear/side yard service may allow a cushion for organics service in the future.

Mayor Krolik asked Ms. DeBry how many tons of green waste is collected annually in the Town of Hillsborough. Ms. DeBry replied that approximately 35,000 tons of green waste is collected annually in Hillsborough and that 350-650 tons of the waste stream is organics. Mayor Krolik stated that if organics is diverted from the waste stream, Ox Mountain will stay open longer. Ms. DeBry added that every ton of organic recycling helps and will reduce greenhouse gases, as food waste is a major contributor.

Mayor Krolik asked Ms. DeBry what the cost would be to add organics recycling. Ms. DeBry replied that adding organics recycling would cost 12% more, which is a couple of dollars per month.

Councilmember Fannon stated that the residents must be educated on the important benefits of recycling organics for the cost of a few dollars a month.

Councilmember Benton stated that there is a double benefit to diverting recyclable materials, which is the cost savings of not having to bury the recyclable materials and the ability to sell the recyclable materials. He added that recycling is a win-win situation and that the Town should increase the volume of recyclable material by 35%.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution accepting the recommendation of South Bayside Waste Management Authority to select Norcal Waste Services as the Town's provider of refuse and recyclable collection services was adopted.

19. REVIEW OF THE REGIONAL WATER QUALITY CONTROL BOARD CEASE AND DESIST ORDER R2-2009-0020

Public Works Director Martha DeBry provided a Power Point presentation on the Cease and Desist Order and discussed the fourteen provisions, timelines, and nature of the work. She explained that Provision I requires immediate action toward elimination of capacity-related sanitary sewer overflows from the Crystal Springs

Trunk, Provision II requires spill response, recordkeeping, notification and reporting, Provision III requires collection system maintenance and management, Provision IV requires collection system condition and capacity assessments, Provision V requires capacity assurance, Provision VI requires infrastructure renewal, Provision VII requires a final compliance date with General WDR 12/31/18, Provision VIII requires options for coordination among agencies, Provision IX requires due dates for annual reports, Provision X requires reporting delays, Provision XII requires consequence of non-compliance, Provision XIII requires information submittal, and Provision XIV requires the effective period from March 11, 2009.

Councilmember Fannon asked Ms. DeBry what was the incremental cost of the provisions of the Cease and Desist Order. Ms. DeBry replied that the Cease and Desist Order will require the reassignment of four public works maintenance workers to the Sewer Department at a cost of \$500,000 per year from the Sewer operations fund and that additional equipment was acquired. She reported that the cleaning and video inspections program has been stepped up at a cost of \$2 million to \$3 million per year until the program is completed, the Crystal Springs Sewer Trunk Project will cost \$8 million, the Flow Monitoring Project will cost \$1 million, and the San Mateo sewer study will cost \$60,000 and the project will cost \$200,000 - \$300,000. Councilmember Fannon asked Ms. DeBry to provide an analysis of the incremental costs for a future City Council meeting.

Councilmember Benton asked Ms. DeBry when and how much the sewer fees would need to be increased. Ms. DeBry replied that she anticipated the sewer fees would need to be increased sooner rather than later. She stated that the \$1.25 million capital improvement reserve may need to be assigned to debt service. She added that the incremental cost for additional staff reassigned to sewer is a direct cost of around \$500,000. She explained that the capital expenditures are going up much more rapidly and stated that she had concern that the costs were not supported, but that she was trying to quantify the immediate rate increases. She stated that she hoped to have better news, but there is also the \$400,000 fine and the anticipated Baykeeper settlement.

Vice Mayor Kasten asked Ms. DeBry what impact the Cease and Desist Order will have on the capital improvement program and if there were any State funds to help. Ms. DeBry replied that Crystal Springs County Sanitation District would have to do their projects. She stated that Town staff has applied for the State Revolving Fund for all of these projects.

Councilmember Benton asked Ms. DeBry to provide him with a copy of the Power Point presentation.

City Attorney Norm Book asked Ms. DeBry if the Crystal Springs County Sanitation District is contemplating sewer rate increases. Ms. DeBry replied that the Crystal Springs Sanitation District voted for the sewer rate increase and that Crystal Springs County Sanitation District must complete their projects per the Cease and Desist Order.

Mayor Krolik asked if the Town would need to video all sewer laterals. Ms. DeBry replied that the Town is not obligated to video and inspect all sewer laterals, but during inspections staff will be more aggressive about having residents address sewer lateral issues like tree roots. She added that root foaming would be expanded to include five to six feet into the lateral, which would help with the Inflow and Infiltration.

Mayor Krolik thanked Ms. DeBry.

DISCUSSION ITEM:

20. DISCUSSION OF THE STATE OF CALIFORNIA FIRE HAZARD ZONE MAPPING

Fire Chief Don Dornell stated that the State of California assessed all jurisdictions in the State to develop Fire Hazard Zone classifications. He added that the maps were released at the beginning of February 2009, for review by local agencies, and once accepted by the local agencies, construction in Very High Fire Hazard Severity Zones will be impacted by changes in approved building materials.

Chief Dornell introduced Fire Marshal Rocque Yballa, who provided a Power Point presentation. Fire Marshal Yballa stated that the intent of the Wildland Urban Interface Mapping and Building Standards confirms the State recommendations of the Very High Fire Hazard Severity Zone (VHFHSZ) Map, and adopts the Wildland Urban Interface (WUI) Area Map, and applies California Building Code Chapter 7A WUI Building Standards to 50% remodels. He reviewed the history of the Wildland Urban Interface Mapping and Building Standards from 1992 to 2009.

Fire Marshal Yballa presented the draft Fire Hazard Severity Zones in Local Responsibility Areas in Hillsborough. He stated that in 2009, Cal Fire furnished the final maps to the local jurisdictions, but the Governor recalled the State requirement to adopt the maps due to “unfunded state mandate” and the State’s inability to pay. Fire Marshal Yballa recommended that the Town adopt the Cal Fire maps for VHFHSZ in the southwest portion of Hillsborough and adopt a Wildland Urban Interface Area in the northwest portion of Hillsborough. He noted that “insurers...make their own maps and do not consider Cal Fire's maps in determining rates.”

Chief Building Official John Mullins provided a Power Point presentation on the Wildland Urban Interface Building Standards: Chapter 7A – California Building Code. He stated that four to six new homes are constructed per year in the southwest portion of the Hillsborough WUI zone and that six to eight homes are modified each year in a manner that would fall under the new definition of substantial remodel in this area as it applies to WUI. He stated that one to two new homes are constructed per year in the proposed WUI area in the northwest portion of Hillsborough and that two to four homes are built per year that would fall under the new definition of substantial remodel in this area as it applies to WUI.

Mr. Mullins stated that Chapter 7A covers requirements for roof coverings and assemblies, gutters, attic vents, eaves, exterior walls, windows, decking, doors, projections/overhangs, other buildings on the parcel (other than primary), landscaping and defensible space, and inspection, plan checking and the certification process. He provided examples of various style homes and reviewed how each individual home would have to change in order to comply with Chapter 7A. Mr. Mullins stated that landscaping would now have to follow the Fire Safe Practices that has been established in California to ensure survivability of structures by using fire resistive vegetation to reduce the spread of fire to adjacent properties, and to reduce screening, increasing survivability and firefighter safety.

Chief Dornell stated that the Town of Hillsborough has some topographical challenges and that he plans to bring this item back to the City Council at a later date. He explained that to increase the survivability of a structure during a fire he would like to apply Chapter 7A to new and remodeled projects. He added that the Town of Woodside recommends Chapter 7A for their entire town because of the possibility of a wildland fire.

Vice Mayor Kasten requested a map showing the major streets in Hillsborough. He stated that with the Town’s topography and geography that most areas are in fire hazard zones. Mr. Mullins stated that the homes in the Fire Hazard Zone will be added to the Town’s system as has been done with the Flood Plain Zone. He added that an outreach program has been started.

Mayor Krolik thanked Chief Dornell, Fire Marshal Yballa and Mr. Mullins.

PUBLIC COMMENT:

Joshua Cooperman, a Hillsborough resident and member of the Financial Advisory Committee, commented on the Fire Hazard Zone classifications. He stated that residents should be notified in the Town's newsletter and by letter about the fire maps.

Mr. Cooperman stated in regards to financing of the South Bayside Waste Management Authority (SBWMA) bonds, there is a need to become more proactive about the financing as it can be done more efficiently and should be reviewed more extensively. He added that Jesus Nava, Finance Director for the City of Burlingame, suggested that every city in the SBWMA Joint Powers Authority should withdraw funds from the Local Agency Investment Fund (LAIF) to loan SBWMA the money, which would be repaid with interest at the same underwriting cost. He stated that the funding plan was an innovative idea.

Councilmember Benton stated that Mr. Cooperman met with the Bank of America financial representatives and stimulated them to think in a less simplistic way and challenged them to think in terms of the best interests of the member agencies.

Vice Mayor Kasten stated that the Town really needs to think of other ways to cut back on the financing costs and not just the underwriting costs to fund the \$65 million new Shoreway recycling facility.

Paul Saffo, a Hillsborough resident, stated that the Town of Hillsborough is changing. He stated that a Hillsborough Councilmember once said that the Town of Hillsborough is not like the Oakland hills. He added that he is a forecaster and that with the climate change and fire risk the entire Town is in a Very High Fire Hazard Zone. He stated that he felt that the Town was not aggressive enough because Hillsborough is going to have a severe fire within ten years. He added that the Bay Area and Northern California does not have the resources and that things need to be looked at in a more serious and aggressive way.

CITY COUNCIL ITEMS:

Mayor Krolik announced that the Council of Cities Dinner / Meeting will be held in the Town of Woodside on Friday, April 24, 2009. Mayor Krolik, Vice Mayor Kasten, Councilmember Fannon and Councilmember Benton announced that they would be attending.

Mayor Krolik announced that RAD Day was held on Friday, April 3, 2009, and she thanked the Police Department staff for participating.

Mayor Krolik announced that she received a thank you letter to the City Council from Becky Constantouros for the flowers that were sent to her.

Mayor Krolik announced that the Grand Boulevard Cities won an award from San Mateo County Economic Development Association (SAMCEDA) for their positive approach to business development.

Mayor Krolik reported that San Mateo County Supervisor Rose Jacobs Gibson announced that the County will need help on the census and will be holding a meeting on Tuesday, April 21, 2009, in the Board of Supervisors Chambers in Redwood City.

Mayor Krolik announced that Allied Waste will be holding an Earth Day event on Wednesday, April 22, 2009, from 10:00 a.m. – 2:00 p.m.

Mayor Krolik announced that Assemblyman Jerry Hill will be holding a Town Hall Meeting on the High Speed Rail on Thursday, April 23, 2009, at 7:00 p.m. in the Belmont City Council Chambers.

Mayor Krolik announced that the Peninsula Division of the League of California Cities will be holding the annual bocce ball event in Los Gatos.

Mayor Krolik congratulated Vice Mayor Kasten for being selected Chair of the City/County Association of Governments (C/CAG).

Mayor Krolik announced that the Community Emergency Response Team (CERT) classes will begin on Monday, May 11, 2009, at the Hillsborough City School District Board Room and that 30 sign ups have been received so far.

Mayor Krolik thanked Lieutenant Caroline Serrato for setting up the Teen Suicide Task Force.

Mayor Krolik announced that the Hillsborough City School District had their ribbon cutting and thanked Joshua Cooperman for advising the district on how to best maximize the bond dollars.

ADJOURN:

Mayor Krolik adjourned the meeting at 8:52 p.m. in memory of William “Bill” Stremme, Hillsborough Fire Chief 1968 – 1984.