

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, NOVEMBER 9, 2009

Mayor Krolik called the regular meeting to order at 6:01 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

MINUTES: The minutes of the October 12, 2009 City Council meeting were approved as submitted.

PROCLAMATION:

- Mayor Krolik honored Hillsborough resident Rickey Henderson for his induction into the National Baseball Hall of Fame on July 26, 2009, in Cooperstown, New York, and for his outstanding accomplishments in the sport of baseball. She presented him with proclamation announcing July 26, 2010, as Rickey Henderson Day.

PRESENTATIONS:

- Vice Mayor Kasten presented Housing Element Steering Committee members with Certificates of Appreciation. Committee members included Vice Mayor Tom Kasten (Chair), Councilmember John Fannon, Shawn Christianson, Larry May, Richard Reisman, Janice Woods, Jim Boyar, Steven Benzian, Jack Ken, Jennifer Werbe, Roger Mertz, Lin Ho, Lionel Foster, and Val Vaden.
- Fire Inspector Julie Parenti announced the winners of the Central County Fire Department's Sixth Annual Fire Safety Poster Contest.

PUBLIC COMMENT:

Mayor Krolik introduced Mark Hershman of Assemblymember Jerry Hill's office. Mr. Hershman announced that the California Highway Patrol and Hillsborough Police Department will be holding a Child Safety Seat event on Saturday, November 14, 2009, from 10:00 a.m. to 12:00 p.m. in the Town Hall parking lot. He stated that it is estimated that 80% of child safety seats are not installed properly. He thanked the Town for participating in the event.

PROCLAMATION:

Mayor Krolik proclaimed November 2009 as "Be Sewer Smart – Backup Prevention Month".

CONSENT CALENDAR:

Item 8 was removed for discussion. On motion of Councilmember Fannon, seconded by Councilmember Benton, and unanimous on voice vote, Consent Calendar items 1 - 7 were approved.

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

The monthly claims for the month of October 2009, in the amount of \$4,141,282.96 were approved as submitted.

2. RESOLUTION ESTABLISHING THE LOCAL APPOINTMENTS LIST FOR CALENDAR YEAR 2010

The resolution establishing the Local Appointments List for calendar year 2010 was adopted.

3. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH PESTMASTER SERVICES, INC. FOR THE 2009 WEED ABATEMENT PROJECT

The resolution accepting as complete the contract with Pestmaster Services, Inc. for the 2009 Weed Abatement Project in the amount of \$10,485 was adopted.

4. RESOLUTION ACCEPTING AS COMPLETE THE CONTRACT WITH CALIFORNIA TRENCHLESS INC. FOR THE SANITARY SEWER REHABILITATION PROJECT PHASE IV – CHERRY CREEK EASEMENT (OPEN TRENCH) PROJECT AND ALLOCATING AN ADDITIONAL \$1,966 FROM THE SEWER FUND

The resolution allocating an additional \$1,966 from the Sewer Fund and accepting as complete the contract with California Trenchless, Inc. for the Sanitary Sewer Rehabilitation Project Phase IV – Cherry Creek Easement (Open Trench) Project in the amount of \$283,822 was adopted.

5. RESOLUTION AWARDED A CONTRACT FOR THE SANITARY SEWER RELOCATION PROJECT AT 1475 TARTAN TRAIL ROAD TO FARALLON COMPANY

The resolution awarding the contract to Farallon Company for the Sanitary Sewer Relocation Project at 1475 Tartan Trail Road in an amount not to exceed \$81,003 and allocating funds from the Sewer Fund for the same was adopted.

6. RESOLUTION AUTHORIZING AN APPEAL OF THE MUNICIPAL REGIONAL PERMIT FOR STORM WATER

The resolution authorizing the appeal of the Municipal Regional Permit for storm water was adopted.

7. RESOLUTION ALLOCATING \$23,000 TO PREPARE PHOTO-BASED STANDARD OPERATING PROCEDURES (SOPS) AND COMPANION PROFICIENCY TESTS FOR UP TO 25 PIECES OF EQUIPMENT AND/OR TASKS FOR THE PUBLIC WORKS DEPARTMENT

The resolution allocating \$23,000 to DKF Solutions Group to prepare photo-based Standard Operating Procedures (SOPs) and companion proficiency tests for up to 25 pieces of equipment and/or tasks for the Public Works Department was adopted.

8. RESOLUTION AUTHORIZING THE AWARD OF THE CONSULTING CONTRACTS FOR ENVIRONMENTAL AND CULTURAL RESOURCES FOR THE PHASE II CRYSTAL SPRINGS / EL CERRITO SEWER IMPROVEMENTS PROJECT

Councilmember Benton asked Public Works Director Martha DeBry if the contracts for environmental and cultural resources for the Phase II Crystal Springs / El Cerrito Sewer Improvements were part of the sewer trunk repair project, and if other agencies will be participating in the reimbursement of the cost of the project. Ms. DeBry replied that the contracts were part of the sewer trunk repair project and that the other agencies will reimburse the Town based on the percentage of their discharge into the sewer line.

On motion of Councilmember Benton, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution authorizing the Public Works Director to enter into contracts with ESA and Holman & Associates for the combined amount not to exceed \$44,116 to provide the necessary environmental clearance services for the El Cerrito / Crystal Springs Phase II Sewer Improvements was adopted.

NEW BUSINESS:

9. RESOLUTION AUTHORIZING PARTICIPATION IN THE RESIDENTIAL COLLECTION OF HOUSEHOLD HAZARDOUS WASTE PROGRAM OFFERED BY CURBSIDE INC.

Public Works Director Martha DeBry provided a Power Point presentation on universal and household hazardous waste collection services offered by Curbside Inc. She stated that universal waste contains mercury, lead, copper and other substances that can be harmful to human and environmental health, and include televisions, computers, mercury switches and thermometers, batteries, fluorescent lamps, novelty items (lighted shoes), and vacuum gauges.

Ms. DeBry explained that hazardous waste has four characteristics: toxicity, reactivity (explosiveness), ignitability, and corrosivity. She stated that household hazardous waste includes paints and stains, car batteries, herbicides and pesticides, pharmaceuticals, oils and lubricants, aerosols, and pool chemicals.

Ms. DeBry stated that sharps are generally medical wastes contaminated with biohazards and includes needles, lancets and scalpels.

Ms. DeBry stated that there is a need for the universal and household hazardous waste collection program because often the materials are placed in the trash. She explained that the Town currently provides limited assistance for disposal of the materials with e-waste collection events, battery collection with recyclables, and fluorescent tube collection. She added that disposal of the materials is generally inconvenient for the residents.

Ms. DeBry explained that with the proposed program, residents would call or email Curbside Inc., a kit would be sent to the resident, Curbside Inc. would collect the materials, and the materials would be properly disposed of or recycled. She added that a container would be provided for sharps collection and would be collected with a kit bag or by mail.

Ms. DeBry stated that the proposed program would be a service on demand and residents could dispose of up to 125 pounds of waste at a time. She stated that the program would roll out in spring 2010 and that the South Bayside Waste Management Authority (SBWMA) is planning a regional education effort to call attention to this program. She reported that the Town-wide cost would be \$20,200 or \$0.45 per household per month (\$5.20 annually). She added that the contract would be for three years between SBWMA and Curbside Inc. and indexed annually in subsequent years. Ms. DeBry explained that for 2010, funding can be absorbed within existing revenues or a separate line item on the bill can be created, but would require a Proposition 218 notice. She stated that for 2011, the cost could be a component of a rate increase or a line item on the bill.

Ms. DeBry recommended adoption of the resolution authorizing the Town's participation in the program and asked the City Council if they had any questions.

Vice Mayor Kasten asked Ms. DeBry if prescription medicines could still be disposed of at the Police Department. Ms. DeBry replied that old pharmaceuticals could still be dropped off for disposal in the drop-off container located in the Police Department lobby.

Councilmember Benton asked Ms. DeBry how the cost would be billed and would it be on the refuse bill. Ms. DeBry replied that the contract would be between SBWMA and Curbside Inc. She stated that the Town could pay for the cost of the program through the Ox Mountain settlement or include it as a separate fee with a Prop 218 notice. She added that in subsequent years, the rate increase for universal and household hazardous waste collection could be a line item on the refuse bill.

Councilmember Regan asked Ms. DeBry when she anticipates sending out the next Prop 218 notice. Ms. DeBry replied that the following agenda item would require a Prop 218 notice prior to 2011. Councilmember Regan asked if this cost could be included in the next Prop 218 notice. Ms. DeBry replied that the cost could be included in the next Prop 218 notice.

Mayor Krolik replied that the City Council can decide to participate in the program and decide later where the funds would come from. Councilmember Regan stated that using the Ox Mountain reserve is fine and a Prop 218 notice can be deferred until the next Prop 218 notice.

Councilmember Benton asked if all SBWMA agencies would be participating in the program. Ms. DeBry replied that not all agencies are interested in participating in the program. Cliff Feldman, Recycling Programs Manager for SBWMA, stated that seven agencies are interested in the program.

Mayor Krolik thanked Ms. DeBry.

On motion of Councilmember Benton, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution authorizing participation in the residential collection of household hazardous waste program offered by Curbside Inc. was adopted.

OLD BUSINESS:

10. RESOLUTION APPROVING THE FRANCHISE AGREEMENT BETWEEN THE TOWN OF HILLSBOROUGH AND RECOLOGY (FORMERLY NORCAL) FOR REFUSE COLLECTION SERVICES BETWEEN JANUARY 1, 2011, AND DECEMBER 31, 2020

Public Works Director Martha DeBry provided a Power Point presentation and stated that she would be reviewing the process to select Recology (formerly Norcal), the refuse rate structure for 2010 and 2011, and the weekly organics collection option.

Ms. DeBry stated that Recology has been based in San Francisco since 1920, serves sixty communities in Northern California, and is 100% employee-owned. She stated that the selection of Recology involved the twelve agencies of the South Bayside Waste Management Authority (SBWMA) request for proposal (RFP) process. She stated that the Town was bid separately from the base bid with the Town's cost differentiated and included the backyard service cost. She stated that the initial proposal costs were very high. She explained that the RFP services included weekly garbage service, single-stream recycling, organics, and a 40% rear/side yard service. She stated that the actual percentage of residents with rear/side yard service is now lower, as the percentage was only 21% for 2009.

Ms. DeBry reviewed the estimated operation cost, pass through costs, total estimated costs for 2008 and estimated costs for 2010 for the original proposal (which included 40% rear/side weekly organics/recyclables), the revised proposal (which included 21% rear/side weekly organics/recyclables), and the alternate proposal (which included 21% rear/side bi-weekly greenwaste/recyclables).

Ms. DeBry stated that the Recology franchise agreement directs waste to Ox Mountain through 2019, requires a level of customer service standards, includes an outreach program, clearly defines liquidated damages, simplifies the rate setting, and includes pass through costs for greenwaste and organics should the Town decide to add this service. She stated that new vehicles would be purchased, as Recology believes that new vehicles may be more cost-effective over the term of the franchise.

Ms. DeBry reviewed the colors and sizes of the carts for refuse (black, 32-gallon), recyclables (blue, 96-gallon), and greenwaste/organics (green, 96-gallon). She added that 20-gallon and 64-gallon carts would also be available.

Ms. DeBry stated that the franchise agreement with Recology would include the current level of service with weekly refuse collection and bi-weekly recyclables and greenwaste collection. She added that if the Town of Hillsborough decides not to include weekly recyclable and organics collection, they would be the only SBWMA

agency with this level of service, as the other agencies will have weekly recyclable and organics collection.

Ms. DeBry reported that the Town is in a good position entering the last year of the franchise. She stated that Allied Waste has estimated costs of \$2,591,000 and an estimated revenue of \$2,499,000, leaving a balance of -\$92,000. She added that \$200,000 is available from the Ox Mountain settlement. Ms. DeBry stated that 2010 costs include the closure of the Shoreline Materials Recycling Facility (as off-site commodity processing lowers the revenue and increases pass through costs), end of franchise issues, and the roll out of the u-waste collection program. She stated that in 2011, under the new franchise agreement, revenue could potentially be affected by changes in subscription levels.

Ms. DeBry reviewed the current rate structure and current subscription levels for the 3,737 customers. She reviewed the uniform cart monthly rates for 20-gallon, 32-gallon, 64-gallon and 96-gallon carts for curbside and backyard service. She stated that uniform cart sizes would likely reduce revenue by \$7,300 per month (\$88,000 annually) as customers currently using 40-50 gallon containers most likely would use the 32-gallon cart rather than the 64-gallon cart.

Ms. DeBry stated that the 2010 revenue is estimated at \$2,411,000, the estimated cost for 2011 services is \$2,469,177 and u-waste costs at \$20,200, with a difference of -\$78,377. She added that \$110,000 would be available from the Ox Mountain settlement.

Ms. DeBry stated that no increase in rates is necessary for 2010, but the Town could increase rates to raise the revenue. She stated that 2011 requires additional revenue due to the change in subscription levels and that rates could be increased \$0.03 per gallon or the funds from the Ox Mountain settlement could be used. She stated that the backyard fee would be increased to \$21 for 0-100 feet and with different amounts depending on the location and number of carts.

Ms. DeBry stated that Recology would like an answer as soon as possible whether the Town would include organics and recyclables collection so that Recology can order the organics carts. She explained that the organics program would be the recycling of food waste with the greenwaste carts, which would substantially reduce the waste stream by 14%. She stated that a pail for kitchen scraps would be provided for the organics program. She reported that 43% of residents surveyed in 2008 were interested in the organics program, which is almost double the 27% in 2006. She stated that the Sustainable Hillsborough Task Force identified the weekly organics/single-stream recycling program as the single most effective means to reduce the carbon footprint by 1,670 greenhouse gas (GHG) tons per year through the elimination of the methane produced by landfilled material. She added that AB 32 (2006), the "Global Warming Solutions Act", requires a 15% reduction in GHG emissions below 2005 levels by the year 2020, and an 80% reduction in GHG by the 2050.

Ms. DeBry stated that with the organics service, the estimated collection cost (including u-waste) would be \$2,860,800, with estimated revenues at \$2,411,000, leaving a difference of -\$449,800. She explained that the organics rate impact would be spread over two years and the cost would be \$0.10 per gallon per month in 2011 and 2012 to implement. She added that the Town would have a negative balance the first year and a surplus in subsequent years. She reviewed the monthly rates for weekly curbside collection and the cost difference between the current rates and 2011 rates with the weekly organics/single-stream recycling program.

Ms. DeBry recommended approving the Recology franchise and to consider adding a weekly organics option for 2011.

Councilmember Fannon asked what the percentage increase would be for weekly organics collection. Ms. DeBry replied that it would be a 10% increase for weekly

organics collection. Councilmember Fannon stated that the Town needs to communicate to the residents about the rate increases and the organics program.

Mayor Krolik stated that most residents are willing to recycle. She added that residents should be advised that the organics program would prevent unnecessary landfill by implementing the organics program.

Councilmember Regan stated that the organics program would only be \$3.20 more per month for the average resident with a 32-gallon container, which should not be a hardship for Hillsborough residents.

Councilmember Benton stated that 80% of residents that participated in the survey did not want to see an increase in rates and that the Town should consider the residents' opinions, but that the Town would be the only SBWMA agency not participating in the organics program.

Councilmember Regan stated that, as a citizen of the world, he appreciates the residents' sentiment, but the organics program is the right thing to do.

Ms. DeBry stated that the City Council can approve the franchise agreement with Recology and that she could come back next month for the City Council to make a decision about the organics program.

Councilmember Fannon asked Ms. DeBry how she was going to communicate to the residents about the rate increase and the organics program. Ms. DeBry replied that the SBWMA will have a campaign on the organics program to educate residents about preserving the landfill at Ox Mountain and about the prevention of greenhouse gases.

Vice Mayor Kasten asked when the franchise agreement for the organics program has to be signed. Ms. DeBry replied that the franchise agreement has to be signed fairly soon as the trucks will need to be ordered. Vice Mayor Kasten asked Ms. DeBry how much more a resident with two cans would have to pay. Ms. DeBry replied that the cost would increase based on the subscription level, for example 64 gallons costs twice as much as 32 gallons.

Councilmember Benton asked if the relationship between recycling and the income offset by recycling has been considered. Ms. DeBry replied that the income would be calculated with the reduced tipping fee at the Shoreway Recycling Center. She added that the revenue would be reinvested with the lower pass through cost, which is an element seen in the collection cost.

Councilmember Regan stated that the commodity market for recyclables is more stable now and that the SBWMA should benefit significantly.

Mayor Krolik stated that keeping recyclable materials out of the landfill will be a huge benefit to Ox Mountain, as it will extend the life of that landfill. She added that once Ox Mountain is full, garbage could be transported to the Central Valley or farther, costing more for the ratepayers.

Vice Mayor Kasten asked why the City of Belmont has a different compensation methodology. Ms. DeBry replied that Belmont has a different revenue setting method as Belmont would establish a maximum rate and Recology factored that risk into the first five years of service for Belmont's cost. She added that the methodology is somewhat vague with a maximum year-to-year rate increase. Vice Mayor Kasten asked if Belmont's cost would impact the cost to other cities. Ms. DeBry replied that Belmont's cost is their cost and the other cities are not impacted.

Mayor Krolik stated that she did not want to find out that Belmont got a better deal. Mark Arsenault, General Manager of Recology, stated that Belmont's agreement is largely similar to the boiler plate agreement, but that Belmont was trying to pinpoint costs. He added that he was pleased to provide any service level, but the Town of

Hillsborough is in the best position for weekly service, as residents could save \$3.00 monthly by going with the weekly organics service, as most reduce the number of gallons of trash collected, resulting in a lower fee. Mr. Arsenault stated that he would be placing the order for the trucks in November 2009, and that the Town would have to wait a year, if Hillsborough makes a decision later, as it takes a year to get more trucks delivered.

Bob Hilton of HF&H Consultants, LLC stated that the contract for refuse collection services has never been out to bid by the SBWMA. He reviewed the methodology for Recology's compensation and how the procedure would work, and identified limitations in the proposed methodology. Mr. Hilton, the City Council, City Attorney Norm Book and Cliff Feldman, Recycling Programs Manager for SBWMA, discussed the HF&H report on the Allied Waste Industries' Refuse, Recyclable, and Plant Materials Collection Rate Application for 2010 and the Franchise Agreement for Recyclable Materials, Organic Materials, and Solid Waste Collection Services with Recology.

Mayor Krolik stated that the City Council could vote on the franchise agreement with Recology and make a decision about the organics program at the December 14, 2009 City Council meeting.

Councilmember Benton stated that he was leaning toward the benefit of weekly organics recycling.

On motion of Vice Mayor Kasten, seconded by Councilmember Regan, and unanimous on voice vote, the resolution approving the franchise agreement between the Town of Hillsborough and Recology (formerly Norcal) for refuse collection services between January 1, 2011, and December 31, 2020, was adopted.

Councilmember Regan asked Mr. Arsenault, if the Town decides to authorize the weekly organics program at the December 14, 2009 City Council meeting, could trucks be ordered then. Mr. Arsenault replied that he would talk to the Recology Maintenance Manager about squeezing in another order for the trucks, but that December was the absolute deadline.

Mayor Krolik stated that the City Council will consider authorizing the weekly organics program for 2011 at the December 14, 2009 City Council meeting.

Councilmember Fannon stated it was very important to communicate to the residents about the organics program and rate increases, and asked Ms. DeBry how she intended to inform the residents. Ms. DeBry replied that she will send out postcards to residents notifying them of the City Council meeting in December regarding the organics program and rate increases, update the Town's website, receive comments by email, and send out an e-newsletter and news release before the December 14, 2009 City Council meeting. Councilmember Fannon stated that the Town must let the residents know what the situation is and the Town needs the residents' input before impacting their pocket books or the environment.

Councilmember Regan stated that he would probably vote to authorize the weekly organics program at the December City Council meeting. He asked Ms. DeBry how many trucks would need to be ordered for Hillsborough. Ms. DeBry replied that three trucks would need to be ordered for Hillsborough.

Mayor Krolik thanked Ms. DeBry.

11. RESOLUTION APPROVING THE PURCHASE OF A 2009 NO-DES MOBILE WATER FILTRATION TRUCK AND EQUIPMENT

Public Works Director Martha DeBry provided a Power Point presentation on the purchase of a NO-DES Water Filtration System. She stated that regular flushing of the Town's water system uses seven to ten million gallons of water annually for

unidirectional flushing (approximately 75% of use), water quality flushing, tank draining, and fire flow testing. She explained that flushing issues include water waste, discharge to storm drains, possible property or pipe lining damage, and negative public perception of the Town's use of water.

Ms. DeBry reported that the benefit of the NO-DES Water Filtration System includes little or no water waste, avoidance of public misperceptions regarding drought concerns, a controlled flow, no property damage, and no discharge into the storm drains.

Ms. DeBry reported that the Town is currently working with the California Department of Public Health (DPH) and NO-DES to develop protocols for the use of the equipment. She stated that the Town requires DPH's approval of the equipment use, as no similar equipment is in use today in California. She added that the purchase agreement will require that the sale of the equipment can be terminated if DPH does not approve the use of the equipment within the Town's water system.

Ms. DeBry stated that the cost of the truck mounted unit is \$300,000, and would be funded by an American Recovery and Reinvestment Act forgivable loan with the California State Water Resources Control Board. She recommended that the City Council adopt the resolution approving the purchase of the NO-DES water filtration equipment.

Vice Mayor Kasten stated that the NO-DES system was a great idea. He asked Ms. DeBry to confirm that no other agency was using the system. Ms. DeBry replied that no other agency in California was using the NO-DES system. Vice Mayor Kasten asked if it was being used in any other state. Ms. DeBry replied that she assumes that it is being used in other states, and added that NO-DES is an Arizona company. She stated that the NO-DES water filtration system has been tested on chlorinated water systems, but not on chloraminated water systems, which the Town uses.

Councilmember Fannon asked how much the Town would save by using the NO-DES water filtration system when flushing the Town's water system. Ms. DeBry replied that the Town would save between \$6,000 to \$7,000 per year.

Councilmember Benton asked Ms. DeBry what type of questions still need to be answered by the DPH regarding the use of the NO-DES Water Filtration System. Ms. DeBry replied that considerations in the development of the DPH protocols include how frequently filters need to be changed and if water treatment agents must be used in the maintenance of the filters and equipment.

Mayor Krolik thanked Ms. DeBry.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution approving the purchase of a 2009 NO-DES mobile water filtration truck and equipment was adopted.

DISCUSSION ITEM:

12. POTENTIAL REGIONAL GRANT OPPORTUNITIES FOR RESIDENTIAL ENERGY RETROFIT PROGRAMS

Assistant City Manager Kathy Leroux stated that the residential energy retrofit programs are part of the Town's Climate Action Plan to reduce greenhouse gas emissions. She reported that one of the largest sources of greenhouse gas in Hillsborough is residential energy use and the Town has identified several programs that may help reduce residential energy use, including a residential energy efficiency survey and retrofit programs. Ms. Leroux introduced CSG Consultant Ed Cooney to review the energy and retrofit programs.

Mr. Cooney provided a Power Point presentation and stated that his presentation would cover an update on the three energy and retrofit programs, the anticipated timelines, and an outline of general directions for the next two to three months.

Mr. Cooney stated that with the first program, the Town has \$58,463 in grant monies earmarked from the Energy Efficiency Community Block Grant Program. He explained that this program has two options, including the option to create projects for the Town's facilities (Heating, Ventilation, Air Conditioning (HVAC), water pumps, and lighting systems), and the other option to create a program to promote residential efficiency either through a local or regional program.

Mr. Cooney stated that the second program, administered through the Association of Bay Area Governments (ABAG) State Energy Program (SEP), would allow for a residential energy efficiency audit program to reduce energy consumption, educate residents/local agency staff, create green workforce training, establish a pool of energy efficient contractors, and lay the groundwork for a property finance assessment district. He explained that the ABAG (SEP) application is for \$10 million and would allow for 40,000 residential energy retrofits, which would result in more than 20% in energy reduction. He stated that San Mateo County would be allocated 2,600 retrofits, but the Town's allocation has not yet been determined. Mr. Cooney stated that the Notice of Award and Memorandums of Understanding are due in January 2010, the contract start date is February 1, 2010, and the program roll-out date is July 1, 2010.

Mr. Cooney stated that the third effort is the CaliforniaFIRST Program, which creates a state energy assessment district and electively allows for financing residential, commercial, and industrial retrofits and renewable energy. He added that residential retrofits and renewable energy projects would be financed for up to \$75,000 and would allow for a ten to twenty-year payback period. He stated that under this program the amount financed would be included in the property tax bill and the obligation would remain with the property. He added that the program overcomes up-front costs and moving, and is a finance program only. He stated that a letter of support is due on November 20, 2009, resolutions from participating agencies are due on January 18, 2010, and the pilot program begins in June 2010.

Mr. Cooney recommended that staff submit a letter of support to CaliforniaFIRST, continue monitoring programs and provide staff assistance as requested by coordinating agencies, and advise the City Council and Sustainable Hillsborough Task Force of the progress with these programs. He stated that in January 2010, the resolutions for these programs would be submitted to the City Council for adoption.

Councilmember Regan asked Mr. Cooney who would receive \$10 million grant. Mr. Cooney replied that ABAG would receive the \$10 million grant.

Mayor Krolik asked if sewer lateral replacements would be covered under the CaliforniaFIRST Program. Mr. Cooney replied that he has not heard anything about sewer laterals being covered under the CaliforniaFIRST Program.

Mayor Krolik thanked Ms. Leroux and Mr. Cooney.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Councilmember Regan asked Public Works Director Martha DeBry for an update on the sewer main located near Town Hall. Ms. DeBry replied that she spoke to the San Francisco Public Utilities Commission (SFPUC) regarding their water main running through the Town's sewer main. She reported that the SFPUC intends to divert the water main to another location to accommodate the Town's sewer main and that she

will ask the SFPUC to repair the Town's sewer main when they remove the SFPUC water main.

Mayor Krolik asked for an update of the number of residents signed up for e-announcements. Assistant Finance Director Marie Bernardo replied that 445 residents have signed up so far for the Town's e-announcements.

Mayor Krolik announced that she would be attending the Council of Cities Dinner/Meeting to be held in Redwood City on Friday, November 20, 2009. Councilmember Fannon and Councilmember Benton announced that they would also be attending.

Mayor Krolik announced that Shawn Christianson was named 2009-2010 Citizen of the Year by the Hillsborough City School District Board of Trustees for her contributions to the community, including her service as Hillsborough City School District Board of Trustees member and President, ADG Chair, North School Parent Group President and 2002 Measure B Committee member.

ADJOURN:

Mayor Krolik adjourned the meeting at 9:06 p.m.