

MINUTES

REGULAR CITY COUNCIL MEETING

MONDAY, SEPTEMBER 13, 2010

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: Krolik, Kasten, Fannon, Benton
Absent: Regan

City Manager Anthony Constantouros announced that Councilmember Regan would be arriving later for the City Council meeting.

Clement Chen introduced himself as the “Mayor For A Day” and announced that he was volunteered by his wife, Ann, as a fundraiser for the Hillsborough Schools Foundation. He added that daughter, Patti, will be assisting him at the City Council meeting as “Mayor For A Day”. He thanked Mayor Krolik, the City Council, staff, Public Works Department, and Officer Scott Fritz for the fabulous opportunity to see what goes on at the Town of Hillsborough.

MINUTES: The minutes of the August 9, 2010 and August 19, 2010 City Council meeting were approved as submitted.

RECOGNITION:

- Police Chief Matt O'Connor introduced and recognized the supervisors and team leaders of the San Mateo County Sheriff's Search and Rescue Unit for their assistance in the successful rescue of Hillsborough resident Joyce Albera. Lieutenant Ed Barberini of the San Mateo County Sheriff's Office stated that he truly appreciated the recognition for the Search and Rescue Unit as they are often the unsung heroes who volunteer their time and technical expertise without recognition or a paycheck. Mayor Krolik praised the Search and Rescue Unit and thanked them and the Sheriff's Office for their work in rescuing Ms. Albera and also for their work at the Hillsborough Concours d'Elegance and San Bruno Fire.

PRESENTATIONS:

- Mayor Krolik recognized one of the Town's Centennial Co-Chairs, Letty Callinan, for the memorable and successful events commemorating the Town's 100th Anniversary, which included the Centennial Celebration on May 5, 2010, the Historic Homes Tour on May 14, 2010, and the Centennial Parade of the Century on May 31, 2010. Mayor Krolik provided a slide show of the May 5, 2010, and May 14, 2010 Centennial Celebrations. Mayor Krolik thanked Ms. Callinan for her dedication and hard work in creating the Celebration of the Century for the Town of Hillsborough. Ms. Callinan expressed her appreciation for the opportunity to work with the community and staff on the Town's Centennial Celebration events.
- Mayor Krolik recognized Hillsborough Neighborhood Network (HNN) Co-Chairs Tedra Wrede and Geraldine LeMais with Certificates of Appreciation for undertaking a very important project and accomplishing an unbelievable amount of work in reaching out to the Town's residents to prepare neighborhoods in case of a disaster. Ms. Wrede and Ms. LeMais thanked Mayor Krolik, City Council and Town staff for their support. Mayor Krolik announced that HNN meetings will be held on Wednesday, September 22, 2010, at 10:00 a.m. and 7:00 p.m.
- Mayor Krolik recognized the Town's Mayor For A Day, Clement Chen, and presented him and each of his children with a Town pin. She complimented Mr. Chen on his ease on the dais.
- Police Chief Matt O'Connor recognized Police Corporal Anne Crittenden Dickson, for providing twenty years of service on the Hillsborough Police Department. Vice Mayor Kasten presented Corporal Dickson with a Resolution of Appreciation upon her

retirement. Corporal Dickson thanked the City Council for allowing her to serve the community and stated that she was going to enjoy more time with her family now.

Councilmember Regan arrived at 6:25 p.m.

Police Chief Matt O'Connor, Fire Chief Don Dornell, and Assistant City Manager Kathy Leroux reported on the San Bruno Fire that occurred on Thursday, September 9, 2010. Mayor Krolik thanked Chief O'Connor and Chief Dornell for taking leadership roles early on during the disaster. Councilmember Regan asked staff if any PG&E gas mains run through Hillsborough or Burlingame. Public Works Director Martha DeBry stated that she has asked PG&E if the gas mains run through Hillsborough, but has not received the information yet, and she stated that she will forward the information when she receives it.

CONSENT CALENDAR:

Item 3 was removed for discussion. On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, Consent Calendar items 1-2 and 4-7 were approved.

1. MONTHLY CLAIMS: AUGUST 1 THROUGH AUGUST 31, 2010

The monthly claims for the month of August 2010, in the amount of \$2,542,844.47 were approved as submitted.

2. RESOLUTION AMENDING AND RESTATING THE APPENDIX OF DESIGNATED POSITIONS FOR THE CONFLICT OF INTEREST CODE FOR THE TOWN OF HILLSBOROUGH

The resolution amending and restating the appendix of designated positions for the Town of Hillsborough's Conflict of Interest Code was adopted.

3. RESPONSE LETTER TO THE SAN MATEO COUNTY GRAND JURY REPORT ON SEX OFFENDER LAW ENFORCEMENT IN SAN MATEO COUNTY

Councilmember Benton remarked that two comments troubled him regarding responses to Finding #4 of Law Enforcement on page 49 and Finding #1 of Conclusions located on page 51 of the City Council agenda packet. He stated that in the response letter to the San Mateo Grand Jury, the Town should be commenting on the Town's Police Department and not overstep its response by making broad comments about other agencies in San Mateo County. Police Chief Matt O'Connor replied that at the San Mateo County Police Chiefs Subcommittee meeting, the Police Chiefs worked closely together to respond to the San Mateo County Grand Jury Report. He stated, however, that the Town's response letter could be revised to remove references to other County agencies. Councilmember Benton accepted Chief O'Connor's recommendations for the revisions to the Grand Jury Report.

On motion of Councilmember Benton, seconded by Councilmember Fannon, and unanimous on voice vote, the response letter to the San Mateo Grand Jury report regarding the "Sex Offender Law Enforcement in San Mateo County" was approved with revisions to the responses to Finding #4 of Law Enforcement and Finding #1 of Conclusions.

4. RESOLUTION APPROVING THE SELECTION OF A COMPUTER MAINTENANCE MANAGEMENT SYSTEM FOR THE PUBLIC WORKS DEPARTMENT AND ALLOCATING FUNDS FOR THE SAME

The resolution approving the selection of the ICOMMM CMMS for use in Public Works at a cost of \$46,500, authorizing up to \$28,500 to hire person/s to assist staff with the technical installation of the program, and allocating the funds from the Water and Sewer Fund, was adopted.

5. RESOLUTION AUTHORIZING AN ENERGY EFFICIENT LOW-INTEREST RATE LOAN FROM THE CALIFORNIA ENERGY COMMISSION

The resolution authorizing the \$37,813 California Energy Commission energy efficiency loan and the expenditure of an additional not-to-exceed \$15,000 of water enterprise funds for the remaining balance of the water pump assembly replacement was adopted.

6. RESOLUTION AWARDED THE 2009-2010 SANITARY SEWER CLEANING AND VIDEO INSPECTION – PHASE VII (B) PROJECT TO PRESIDIO SYSTEMS, INC.

The resolution awarding the contract for the 2009-2010 Sanitary Sewer Cleaning and Video Inspection Phase VII (B) Project to Presidio Systems, Inc. in the amount of \$145,993 with a contingency in the amount of \$29,199 for a total construction budget of \$175,192, and allocating the same from the Sewer Fund was adopted.

7. RESOLUTION AUTHORIZING AN AMENDMENT TO THE CONSULTING CONTRACT AND AWARD OF A CONSTRUCTION CONTRACT FOR CULTURAL RESOURCES INVESTIGATIONS FOR THE CRYSTAL SPRINGS / EL CERRITO PHASE II SEWER IMPROVEMENT PROJECT

The resolution authorizing the City Manager to amend the existing contract with Holman & Associates and to enter into a contract with Environmental Control Associates, for a combined amount of \$43,065 to provide the necessary subsurface investigations for the Crystal Springs / El Cerrito Phase II Sewer Improvements, and allocating the same from the Sewer Fund, was adopted.

NEW BUSINESS:

8. DISCUSSION OF ORDINANCE AMENDING TITLE 13 OF THE HILLSBOROUGH MUNICIPAL CODE RELATING TO WATER LATERAL TESTS, SEWAGE AND SEWERS

Public Works Director Martha DeBry provided a Power Point presentation on the proposed amendment to the sewer ordinance. She explained that the need for the lateral program has been discussed as part of the sanitary sewer overflow (SSO) problem for the past five years. She reported that the Financial Advisory Committee (FAC) recommended adopting an ordinance to require laterals to be in good repair and provide assistance to residents financially, logistically, and technically. She added that FAC members did not feel it was appropriate to build the cost of lateral rehabilitations into the Town's rate, as many residents have already replaced their laterals.

Ms. DeBry stated that the sewer ordinance is covered in Chapter 13 of the Hillsborough Municipal Code for Utilities. She added that the Town currently requires an inspection for a backflow device, video inspection and pressure test for sewer and water at the time of title transfer. She reported that it is a slow process and that roughly 70 inspections are completed annually through this process.

Ms. DeBry explained that the sewer lateral issues are due to root intrusion, which requires every sewer main to be on a root maintenance schedule because sewer laterals act as root conduits, and also due to inflow and infiltration (I/I), which is a problem with laterals and mains and increases flow 300% to 500% during storms. She reported that inflow is due to prohibited connections to the sewer system through downspouts, landscape and driveway drains, as well as cracked laterals. She added that another issue is poorly installed wye connections, which is where the lateral meets the sewer main and is frequently not watertight or root-free.

Ms. DeBry stated that in regards to the Town's sewer system management, only repairs in the public portion of the sewer system have been made, with project costs totaling approximately \$20 million since 1994. She reported that since 1989, the Town has required repairs and replacements in private portions as properties are sold, which

accounts for approximately 2% per year, and has required backflow devices to be installed to limit the Town's liability. She added that the Town has increased the root removal maintenance program to reduce SSOs.

Ms. DeBry stated that since there is now a different regulatory environment, such as the requirement of SSO reporting, which started in 2005, and the more persistently and aggressively increased enforcement of SSOs by the Environmental Protection Agency and Regional Board, it is time to change the Town's strategy. She explained that the Town cannot significantly eliminate root intrusion or reduce I/I without addressing laterals. She reported that the proposed ordinance is aggressive, is not yet found in other communities, and has a short timeline. She added that Cease and Desist Order (CDO) R2-2009-0020 was the first of its kind imposed on a satellite agency.

Ms. DeBry explained that the timing for this ordinance amendment is important as Section VII of the CDO mandates that no later than December 31, 2018, the Town shall complete improvements necessary to eliminate conditions in its collection system that cause or contribute to SSOs or unauthorized discharges, and should the Town fail to achieve full compliance with the discharge prohibitions by the deadline, it shall submit a report addressing why compliance was not achieved and provide a plan and time schedule for achieving compliance as soon as possible. She reported that the ordinance addresses all issues with the sewer system, including long-term reduction of staff and maintenance costs (roughly \$600,000 or more per year) and avoids future capacity related projects for SSOs.

Ms. DeBry stated that the proposed ordinance requires residents to certify that their lateral is made of HDPE and installed within the last 30 years, reconstructed or lined with seamless materials in the last ten years, and that the lateral and wye connection are watertight and root-free. She also stated that there must be no prohibited connections. She added that residents can comply with a building permit to replace the main, video inspection, smoke test, pressure test (watertight), and Town verification of condition of the wye by using closed circuit TV records. She explained that the cost to replace the lateral varies from \$2,000 to \$30,000, with the average cost at \$5,000. She added that the sewer laterals must be certified by January 1, 2014, with subsequent certifications every decade starting in 2024, and in 2054 for HDPE pipes.

Ms. DeBry explained that the Town currently offers Supplemental Environmental Programs (SEPs) for free video inspections, reimbursements of up to \$500, and financial hardship loans. She reported that to phase in compliance, the Town will conduct more outreach, more video inspection review, continue SEP programs administration, create new capital improvement projects, provide periodic resident notifications, and enforce the ordinance with fines or liens and Town remediation. She stated that prior to the introduction of the ordinance, information will be posted on the Town's website, communications emailed through the Hillsborough Schools Foundation's Hillsborough Together and the Town's e-Announcement, an update posted on Hillsborough TV and blue cards will be mailed to all residents.

Ms. DeBry stated that if the City Council provides direction to go forward with the ordinance, staff would begin outreach with public meetings, modify the ordinance, if needed, and introduce the ordinance at a future City Council meeting.

Staff and the City Council discussed the proposed ordinance amending Title 13 of the Hillsborough Municipal Code relating to water lateral tests, sewage and sewers. The City Council directed staff to have an outreach program with mailings and meetings to educate the entire community about the requirement for property owners to properly maintain their sewer laterals and the potential fiscal impact. The City Council also recommended establishing other criteria to trigger lateral replacement, such as requiring lateral inspections for remodels over a certain amount, pinpointing inflow and infiltration from the video inspection of mains, and requiring homes in certain areas older than a specified number of years to be inspected.

PUBLIC HEARING:

9. RESOLUTION AUTHORIZING THE PLACEMENT OF SEWER SERVICE AND STORM DRAINAGE CHARGES AND OF THE SPECIAL TAX FOR POLICE PROTECTION AND FIRE PROTECTION AND PREVENTION ON THE 2010/2011 COUNTY TAX ROLL AND AUTHORIZING THE COUNTY TAX COLLECTOR TO COLLECT SUCH CHARGES

Finance Director Edna Masbad stated that the resolution covers the Town's sewer service charge, storm drainage charge, and the public safety special tax, which are collected by the County Tax Collector in the same manner in which the County collects the property taxes. She added that the Hillsborough Municipal Code requires the Town to annually adopt a resolution authorizing the County Tax Collector to collect the charges. She reported that the new sewer charge includes a 3% increase from the \$1,610 last year. She added that the public safety tax and the storm drainage fee remain the same.

Mayor Krolik thanked Ms. Masbad.

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

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution authorizing placement of sewer service and storm drainage charges and the special tax for police protection and fire protection and prevention on the 2010/2011 County tax roll and authorizing the County Tax collector to collect such charges was adopted.

10. ORDINANCE AMENDING CHAPTERS 2.12, 15.30, 17.20, 17.24, 17.32 AND 17.56 OF THE HILLSBOROUGH MUNICIPAL CODE REGARDING EXTENSIONS OF DESIGN REVIEW APPROVALS, CONSTRUCTION BOND EXTENSIONS, ALTERATIONS TO NONCONFORMING STRUCTURES, SETBACKS FOR SOLAR ENERGY SYSTEMS, HARDSCAPE DEFINITION, AND LANDSCAPE PERMIT REQUIREMENTS - ADOPTION

Director of Building and Planning Liz Cullinan stated that the ordinance amendment revises chapters regarding extensions of design review approvals, construction bond extensions, alterations to nonconforming structures, setbacks for solar energy systems, hardscape definition, and landscape permit requirements. She added that the ordinance includes Councilmember Regan's recommendation relating to time extensions for completion of construction to be revised to require that the property owner must apply for the extension at least five business days before the expiration of the completion date.

Mayor Krolik thanked Ms. Cullinan.

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 Regan, and unanimous on voice vote, the ordinance amending Chapters 2.12, 15.30, 17.20, 17.24, 17.32, and 17.56 of the Hillsborough Municipal Code regarding extensions of design review approvals, construction bond extensions, alterations to nonconforming structures, setbacks for solar energy systems, hardscape definition, and landscape permit requirements, was adopted.

11. RESOLUTION APPROVING A REVOCABLE ENCROACHMENT PERMIT APPLICATION FOR 30 PATTON PLACE

City Engineer Cyrus Kianpour stated that a revised resolution for the revocable encroachment permit application for 30 Patton Place was provided to the City Council.

He explained that the Hillsborough Municipal Code requires that encroachment permits related to outdoor fixtures over 18 inches tall be reviewed by the City Engineer and approved by the City Council. He provided a Power Point presentation of the site plan of the outdoor fixtures.

Mayor Krolik thanked Mr. Kianpour.

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

On motion of Councilmember Benton, seconded by Councilmember Fannon, and unanimous on voice vote, the amended resolution approving the revocable encroachment permit application for 30 Patton Place was adopted.

12. RESOLUTION APPROVING A REVOCABLE ENCROACHMENT PERMIT APPLICATION FOR 1555 WEDGEWOOD DRIVE

City Engineer Cyrus Kianpour stated that a revised resolution for the revocable encroachment permit application for 1555 Wedgewood Drive was provided to the City Council. He explained that the owner of 1555 Wedgewood Drive submitted a revocable encroachment permit application to install a six-foot high wrought iron fence, pedestrian gate and front entry stairs, approximately five feet into the 50-foot wide public right-of-way. He added that the Hillsborough Municipal Code requires that encroachment permits related to outdoor fixtures over 18 inches tall be reviewed by the City Engineer and approved by the City Council. He provided a Power Point presentation of the site plan of the outdoor fixtures.

Mayor Krolik thanked Mr. Kianpour.

Mayor Krolik opened the public hearing.

Hillsborough resident Tedra Wrede commented that a six-foot high fence would be extremely high for the area.

Marcia Signori, the applicant, stated that other homes in the area have a six-foot high fence. She explained that she has dogs that can get out of her property without a fence. She added that nice bushes would be planted to soften the look of the very simple wrought iron fence.

Mayor Krolik closed the public hearing.

Councilmember Benton asked if the application for the fence went through the Architecture Design and Review Board (ADRB). Ms. Cullinan replied that it was administratively approved and that the neighbors were notified with two sets of separate notices and that no comments from the neighbors were received.

On motion of Vice Mayor Kasten, seconded by Councilmember Fannon, and unanimous on voice vote, the amended resolution approving the revocable encroachment permit application for 1555 Wedgewood Drive was adopted.

OLD BUSINESS:

13. RESOLUTION APPROVING THE AGREEMENT WITH THE CITY OF SAN MATEO, CRYSTAL SPRINGS COUNTY SANITATION DISTRICT, COUNTY OF SAN MATEO AND THE TOWN FOR THE APPORTIONMENT OF ENVIRONMENTAL AND DESIGN COSTS

Public Works Director Martha DeBry provided a Power Point presentation on the agreement with the City of San Mateo, Crystal Springs County Sanitation District, and County of San Mateo for the apportionment of the environmental study and design costs for the Crystal Springs / El Cerrito Trunk Sewer Phase II Project in Hillsborough,

estimated at \$8 million, and the El Cerrito Relief Line in San Mateo, estimated at \$10-15 million. She reviewed the locations of both projects.

Ms. DeBry explained that the purpose of the agreement is to provide for the apportionment of design and environmental study costs. She added that the cost allocation to each party are based on peak Wet Weather Flows and that the capacity expansion is needed because of the peak Wet Weather Flows.

Ms. DeBry reported that the Town's estimated design and environmental costs are \$400,000 for the El Cerrito / Crystal Springs Trunk Sewer Phase II Project and \$1 million for the El Cerrito Relief Line Project. She added that the agreement specifically excludes the cost of actual construction in the future.

Ms. DeBry explained that the resolution needs to be adopted now because the City of San Mateo needs to put forth the effort to meet the March 1, 2011 deadline for completion of the environmental study prior to establishing the final financing arrangement and that San Mateo is insisting on upfront payment.

Ms. DeBry recommended approving the agreement for the apportionment of the design and environmental costs for the two segments of the project.

Vice Mayor Kasten asked whether the size of the pipe could handle a 100-year storm. City Engineer Cyrus Kianpour replied that the project design included a pipe for a five-year theoretical storm. He explained that several factors were considered, including the downstream capacity (backwater), which shows that the planned pipe size would be adequate.

Mayor Krolik thanked Ms. DeBry and Mr. Kianpour.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution approving the amendment to the agreement with the City of San Mateo, Crystal Springs County Sanitation District, County of San Mateo and the Town of Hillsborough for the apportionment of environmental and design costs was adopted.

14. STATE REVOLVING FUNDS LOAN FOR THE CRYSTAL SPRINGS / EL CERRITO SEWER TRUNK PROJECT

City Engineer Cyrus Kianpour provided a Power Point presentation on the Town of Hillsborough's Crystal Springs / El Cerrito and City of San Mateo's El Cerrito Relief Trunk Sewer Projects. He reported that on August 9, 2010, a presentation was made to the City Council on the status of the Cease and Desist Order (CDO) R2-2009-0020 issued by the Regional Water Quality Board. He stated that the CDO requires the Town to complete construction of the Crystal Springs / El Cerrito Sewer Trunk Main by September 2015, for which the Town has applied and secured a loan through the State Revolving Funds (SRF) program. Mr. Kianpour provided maps of the entire Crystal Springs / El Cerrito Trunk Sewer Project, project limits in Hillsborough, and the preliminary alignment in the City of San Mateo.

Mr. Kianpour reviewed the SRF Program and stated that it provides low interest loans for water quality improvement projects with \$200 million to \$300 million disbursed annually. He stated that eligible projects include sewer plants, sewer mains, and recycled water facilities. He reported that the interest rate is one-half of the General Obligation (GO) bond rate (currently 2.7%) with a 20-year term with repayment beginning one year after completion. He stated that annual payments, at a 3% rate, would be approximately \$70,000 per \$1 million, or \$560,000 for an \$8 million loan. He added that the maximum loan amount is based on the agency's level of credit review and outstanding debt. Mr. Kianpour reviewed the SRF loan approval process.

Mr. Kianpour also reviewed the SRF milestones for the Crystal Springs / El Cerrito Project and construction schedule. He stated that extensive community outreach is

planned for both South School and Crystal Springs Uplands School as the construction will be near both schools. He added that construction in front of South School will be limited to mid-June through August 2013.

Mr. Kianpour stated that the anticipated costs for the Hillsborough Crystal Springs / El Cerrito Project are \$8 million and the San Mateo El Cerrito Relief Project is \$10 million for a total cost of \$18 million. He reported that with proportional cost sharing the Town's share would be \$9.1 million (51%), Crystal Springs County Sanitation District \$6.7 million (37%), City of San Mateo \$1.1 million (6%), and County of San Mateo \$1.1 million (6%). He explained that the cost allocations are based on Wet Weather Flow as derived by the May 2010 Sewer Flow Study conducted by RMC. He added that the percentages may change with more precise sewer flow monitoring and modeling refinement.

Mr. Kianpour reviewed the projected cash flow and annual expenditure for the years 2010 through 2015. He also reviewed the City of San Mateo's El Cerrito Relief Sewer preliminary timeline for fall 2010 through September 2013.

The City Council, Finance Director Edna Masbad, and Mr. Kianpour discussed the State Revolving Funds loan for the Crystal Springs / El Cerrito Sewer Trunk Project. Mayor Krolik asked if SRF could be used for residents to rehabilitate their sewer laterals. Mr. Kianpour replied that he would report back to the City Council about the possibility of using SRF for residents to rehabilitate their sewer laterals.

Mayor Krolik thanked Mr. Kianpour and Ms. Masbad.

15. UPDATE ON REFUSE RATE SETTING PROCESS

Public Works Director Martha DeBry provided a Power Point presentation on the refuse rate setting process. She explained that there are two separate rate setting processes, including one associated with the existing franchise with Republic Services (Republic) which will expire on December 31, 2010, and the other is associated with the new franchise with Recology that begins January 1, 2011.

Ms. DeBry reported that the Republic rate setting process will include cost plus contract, which means that the Town is responsible for the cost of service retrospectively for costs incurred through December 31, 2010, and the rate application includes a projection from the past seven months experience. She stated that the final rate application will settle all claims with Republic and includes the purchase of the green waste carts.

Ms. DeBry reported that the Recology rate setting process includes a new rate setting method with an agreed upon price for collection services for each year. She explained that information is being updated to reflect 2010 costs, and that rates will be effective January 1, 2011. She added that rates will change based on cost of living indices after the third year.

Ms. DeBry stated that there is a rate increase anticipated with Recology, which would require a Proposition 218 notice, because of the escalating costs associated with transition to automation, weekly collection of recyclables and organics, consolidation of rate tiers, tipping fee changes, substantial changes in labor agreements, and late completion of the Materials Recovery Facility (MRF) / Transfer Station Project, which is a couple of months behind schedule. She explained that Recology will continue to use volume-based rates with a minimum size of 20 gallons and that a premium will be charged to residents who dispose of the most waste. She reported that the minimum backyard fee shall be based on the distance from the curb, and backyard service fees should be waived for residents with physical limitations. She stated that the rate does not subsidize the use of multiple organics carts, but that the rate subsidizes the use of multiple recycling bins. She added that other factors affecting the rate include the curbside Household Hazardous Waste (HHW) program, the construction and

demolition coordinator, the special studies by Hilton Farnkopf & Hobson, and the Town's facilities and projects.

Ms. DeBry stated that the next steps include preparing the rates for City Council consideration in October 11, 2010, sending out a Proposition 218 notice by October 30, 2010, holding a public hearing at the December 13, 2010 City Council meeting, and having the rates be effective in January 2011.

Vice Mayor Kasten asked Ms. DeBry about the estimated versus actual labor costs for Recology. Ms. DeBry replied that she would provide the City Council with information regarding the changes in labor costs.

Mayor Krolik thanked Ms. DeBry.

16. DISCUSSION OF SCADA SYSTEM UPGRADE PROJECT

City Engineer Cyrus Kianpour provided a Power Point presentation on the Supervisory Control and Data Acquisition (SCADA) System Upgrade Project. He explained that the SCADA system monitors and controls the water pump stations, water tanks, sewer pump stations and communication between the Public Work's Corporation Yard and water and sewer facilities. He stated that the SCADA system has three components, a Master Computer Station Human Machine Interface (HMI), Remote Telemetry Units (RTUs), and communications through a radio system. He provided photos of the Master Computer Station, RTUs, and radio system.

Mr. Kianpour reviewed the project history and original SCADA Replacement Project. He stated that the peer review report by Lawrence Jentgen of EMA, Inc. recommended replacing the Master Computer Station, and exploring utilization of the existing RTUs and radio system. Mr. Kianpour stated that a new study completed by CyberNet focused on the Master Computer Station, RTUs, and radio system and identified a potential cost savings of \$229,000 to \$354,000.

Mr. Kianpour reviewed in detail the new study findings for the Master Computer Station and radio system, alternatives for the RTUs and radio system, and next steps for the RTUs and radio system.

Mr. Kianpour recommended that the City Council authorize staff to negotiate with the contractors to establish the cost of replacing the RTUs and radio system, modifying the existing radio system, and developing strategies and contingencies if the Town elects to keep the existing RTUs and the costs associated with it. He stated that another SCADA report will be presented at the October 11, 2010 City Council meeting.

Mayor Krolik thanked Mr. Kianpour.

On motion of Councilmember Fannon, seconded by Councilmember Regan, and unanimous on voice vote, the City Engineer was authorized to enter into informal negotiations with the most qualified proposer and report back at the October 11, 2010 City Council meeting on the Supervisory Control and Data Acquisition (SCADA) System Upgrade Project.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Vice Mayor Kasten recognized Corporal Dave Young for being awarded "Outstanding Instructor" and Inspector Peter Gould for receiving the "Award for Instructional Excellence" by the South Bay Regional Police Academy graduation ceremony on Thursday, August 26, 2010.

Councilmember Benton stated that he would like the San Francisco Public Utilities Commission (SFPUC) to provide information on the tests done on the Crystal Springs Dam. City Engineer Cyrus Kianpour replied that a meeting with the SFPUC is planned for October 2010. Councilmember Benton stated that Mr. Kianpour may need assistance from Sacramento in getting the information requested. Mayor Krolik requested that Mr. Kianpour to forward to her contact information for those involved at the SFPUC, Department of Dam Safety, and State Water Resources Control Board. Mr. Kianpour replied that he would provide the contact information to Mayor Krolik.

Mayor Krolik announced that approximately 75 to 100 people attended the outdoor movie night at Town Hall on Friday, September 10, 2010.

Mayor Krolik announced that the Hillsborough Concours d'Elegance held on Sunday, September 12, 2010, at the Crystal Springs Golf Course was a smash and thanked the Police and Public Works Departments. She added that it was a really outstanding event with approximately 3,000 in attendance.

Mayor Krolik thanked Director of Building and Planning Liz Cullinan, Associate Planner Serena Ponzo, Public Works Director Martha DeBry and Police Officer Scott Fritz for assisting in the "Mayor For A Day".

Mayor Krolik announced that the Council of Cities Dinner/Meeting will be held on Friday, September 24, 2010, in the City of Burlingame. Mayor Krolik, Vice Mayor Kasten, and Councilmembers Fannon and Benton stated that they would attend the Council of Cities Dinner/Meeting.

ADJOURN:

Mayor Krolik adjourned the meeting at 9:12 p.m.