

# MINUTES

## REGULAR CITY COUNCIL MEETING

### MONDAY, OCTOBER 11, 2010

Mayor Krolik called the regular meeting to order at 6:03 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

**MINUTES:** The minutes of the September 13, 2010 City Council meeting were approved as submitted.

#### **PRESENTATIONS:**

- Police Chief Matt O'Connor provided a Power Point presentation on the reconstruction of the Carolands Gatehouse, which is being used as a Police substation, and he thanked Sally and Jim Meakin for their determination and fundraising efforts to rebuild the Carolands Gatehouse. Mayor Krolik presented the Meakins with a Certificate of Appreciation for all their efforts on behalf of one of Hillsborough's most charming and beloved treasures and for their very generous donation to the Carolands Gatehouse Project. Mr. Meakin stated that the project would not have gotten off the ground without his wife Sally. Mrs. Meakin stated that that her husband Jim provided the seed money and she thanked everyone, including Town staff and attorneys, for their support.
- Mayor Krolik presented the Hillsborough Little League with Certificates of Recognition for winning the 2010 District 52 Championship – 10-Year-Old All-Star Team: Dylan Cravalho, Trevor Peay, Charlie Sinclair, Paulie Ferrari, Connor Fay, Jake Richardson, Henry Heimstra, Jeffrey Ward, Josh Tan, Elliot Schaffer, Jr., Robert Uhrich and Spencer Bock, and the 12-Year-Old All-Star Team: George Delegans, Jon Hall, Adam Jancsek, Joe Klein, Riley Krook, Caelan Lietz, Timmy Lynch, Blake Marcus, Nick Pratt, Spencer Sinclair, Shane Snow, Jacob Tan and Alex Waldsmith

#### **CONSENT CALENDAR:**

Items 2, 7 and 8 were removed for discussion. On motion of Councilmember Regan, seconded by Councilmember Benton, and unanimous on voice vote, Consent Calendar items 1, 3-6, and 9-10 were approved.

#### 1. MONTHLY CLAIMS: SEPTEMBER 1 THROUGH SEPTEMBER 30, 2010

The monthly claims for the month of September 2010, in the amount of \$2,435,276.47 were approved as submitted.

#### 2. QUARTERLY TREASURER'S REPORT

Vice Mayor Kasten asked what the average yield was. Finance Director Edna Masbad replied that the yield was less than 1%, or 0.985% to be exact. Vice Mayor Kasten asked if the Financial Advisory Committee looked at the composition of the Town's portfolio recently. Ms. Masbad replied that the FAC has not looked at the Town's portfolio recently, but she is planning to have the FAC review the Town's asset allocation soon.

On motion of Vice Mayor Kasten, seconded by Councilmember Benton, and unanimous on voice vote, the Treasurer's Report for the quarter ending September 30, 2010, was approved.

#### 3. QUARTERLY INTEREST RATE PRODUCTS (SWAP) REPORT

The Interest Rate Products Report for the quarter ending September 30, 2010, was accepted.

4. RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH MUNICIPAL FINANCIAL SERVICES TO CONDUCT THE 2010 WATER AND SEWER RATES STUDY AND AUTHORIZING THE CITY MANAGER AND THE FINANCE DIRECTOR TO IMPLEMENT THE AGREEMENT

The resolution authorizing the City Manager to execute the agreement with Municipal Financial Services to conduct the water and sewer rates study, and authorizing the City Manager and the Finance Director to implement the agreement, was adopted.

5. RESOLUTION ENDORSING MEASURE M ON THE NOVEMBER 2, 2010 BALLOT TO IMPROVE LOCAL TRANSPORTATION

The resolution endorsing Measure M on the November 2, 2010 ballot to improve local transportation was adopted.

6. RESOLUTION AWARDED THE STERLING JET TRUCK 529 DIESEL PARTICULATE FILTER RETROFIT PROJECT TO CUMMINS WEST

The resolution awarding the contract for the Sterling Jet Truck 529 Retrofit Project in the amount of \$14,609.69, with a contingency in the amount of \$1,461, for a total budget of \$16,071 to be allocated from the Sewer Fund, was adopted.

7. RESOLUTION APPROVING THE CSG WORK ORDER FOR ENGINEERING SERVICES RELATED TO THE FLORIBUNDA / EL CAMINO REAL SEWER PRELIMINARY STUDY

Mayor Krolik asked why the Town had to pay for the work related to the Floribunda / El Camino Sewer Preliminary Study since it was a San Francisco Public Utilities Commission (SFPUC) problem. Ms. DeBry replied that there were two aspects to the problem with the Floribunda / El Camino Real Sewer Project. She explained that the first aspect was the Crystal Springs #2 Pipeline Project that the SFPUC was working on to remove their pipe that was restricting the Town's 15-inch pipe, and the other aspect was the rehabilitation of an 8-inch sewer main on El Camino Real that leads to the SFPUC constriction problem. Councilmember Benton stated that if the SFPUC is involved in the problem that the SFPUC should pay for part of the project. Ms. DeBry replied that she would need to negotiate with the SFPUC to share the cost of the rehabilitation of sewer main affected by the constriction.

On motion of Councilmember Benton, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution approving the CSG work order for engineering services related to the Floribunda / El Camino Real Sewer Preliminary Study in the amount of \$24,450, and allocating the same from the Sewer Enterprise Fund, was adopted.

8. RESOLUTION APPROVING THE CONTRACT WITH FARALLON GEOGRAPHICS, INC. FOR SUPPORT SERVICES AND MAINTENANCE OF THE TOWN'S GIS SYSTEM

City Attorney Norm Book voiced his concern about the Farallon Geographics, Inc. liability limitations as set forth in the Schedule of Terms of Conditions, as the agreement states that the total cumulative liability of Farallon shall not exceed 100% of the gross compensation actually received under the agreement. The Councilmembers and City Attorney discussed his concern and recommended revising the liability limitation on the Farallon agreement.

On motion of Mayor Krolik, seconded by Councilmember Benton, and unanimous on voice vote, the resolution approving the contract with Farallon Geographics, Inc., including the proposed amendments as approved by the City Attorney, for support services and maintenance of the Town's GIS system in an amount not-to-exceed \$50,000 from the Sewer and Water Funds was adopted.

9. RESOLUTION APPROVING THE FILING OF AN UNFUNDED MANDATE TEST CLAIM ON THE MUNICIPAL REGIONAL STORMWATER PERMIT

The resolution approving the filing of the test claim as a joint effort with C/CAG was adopted.

10. RESOLUTION PROVIDING MEMBERS OF THE FINANCIAL ADVISORY COMMITTEE (FAC) WITH DEFENSE AND INDEMNIFICATION PROTECTIONS AND RELEASE OF LIABILITY

The resolution providing members of the Financial Advisory Committee with defense and indemnification protections afforded to public entity employees under Sections 825 and 995 of the California Tort Claims Act and release of liability was adopted.

**INFORMATIONAL:**

11. HILLSBOROUGH SCHOOLS FOUNDATION REVIEW OF THE PAST YEAR AND OVERVIEW OF UPCOMING EVENTS AND AN UPDATE FROM THE HILLSBOROUGH CITY SCHOOL DISTRICT SUPERINTENDENT

Mayor Krolik introduced Hillsborough Schools Foundation (HSF) Co-President Julia Davidson and Hillsborough City School District (HCSD) Superintendent Anthony Ranii. Ms. Davidson thanked everyone that supported Hillsborough Schools Foundation and reported that 80% of parents participated to support HSF, helping to raise \$3 million for the Hillsborough City School District, which accounts for 15% of the School District's budget and contributes approximately \$2,300 per student. She added that only 17% of property taxes actually go to HCSD. She reported that the 2010 Hillsborough Concours d'Elegance at the Crystal Springs Golf Course was a fabulous success thanks to the efforts of Hillsborough Concours Co-Chairs Rob Fisher and Ted Dobos.

Ms. Davidson announced that a postcard will be sent to all Hillsborough residents for all of the HSF upcoming events, including the Tennis Classic and Luncheon on October 15, 2010, Bollywood Nights Dinner Dance on March 12, 2011, and Family Fun Run and Carnival on June 5, 2011. She added that all events are also posted on the HSF website.

Ms. Davidson reported that various items will be sold on HSF's website, Hillsborough Together, with proceeds to benefit the School District. She invited everyone to visit HSF's website, as HSF will be kicking off their annual campaign on Tuesday, November 2, 2010, as HSF Pledge Day.

Hillsborough City School District Superintendent Anthony Ranii thanked HSF for their support for HCSD. He reported that HCSD students improved their test scores by six points over last year's scores and that HCSD is rated one of the top school districts in the State. He stated that three marquee goals for HCSD are differentiation in instruction (to give students what they need to be successful and the excitement to learn), review and revision of the progress reports and report cards (currently 18 pages for eighth graders), and improvement in dealing with the social and emotional challenges that students are facing.

Mr. Ranii stated that enrollment in the HCSD has increased more than ever due partially to private school students returning to public schools because of the rough economic times. He reported that twelve extra students have enrolled in the HCSD's sixth grade.

Mr. Ranii reported that with the State's new law requiring that five-year-olds, whose birthdays start on September 1 rather than December 1, start kindergarten in 2011 will result in a downward trend in kindergartners and more preschoolers. He also reported that Spanish will be part of the curriculum for first and second graders.

Vice Mayor Kasten asked about the school lunches with Revolution Foods serving more healthful foods. Mr. Ranii replied that Revolution Foods was chosen because of the healthiness of their meals, fully composted packaging, and low price point. He reported that he has received a good response about Revolution Foods and that one-third more students are participating in the lunch program, as kids love the foods and the parents love the healthiness and compostability of the packaging of the meals.

Mr. Ranii and the Councilmembers further discussed the School District's curriculum initiatives, budget impacts and legislative updates.

Mayor Krolik thanked Ms. Davidson and Mr. Ranii.

#### **OLD BUSINESS:**

12. SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) PROJECT UPDATE AND RESOLUTION AWARDDING WORK TO ALLIED TECHNOLOGY GROUP INC. IN AN AMOUNT NOT TO EXCEED \$15,000

City Engineer Cyrus Kianpour stated that the City Council authorized the start of negotiations with the most qualified proposer, Wunderlich-Malec, on a weekly basis to establish the cost associated with replacement of various components of the SCADA system as authorized at the September 13, 2010 City Council meeting. He reported that he also met with Allied Technology Group Inc. to make site visits regarding the existing radio system. He also requested that the City Council authorize the immediate work on the radios to ensure that the Very High Frequency system is functioning properly. He stated that he will make a presentation at the November 8, 2010 City Council meeting to review the SCADA project and the work needed to complete the necessary work within the timeframe of the contract with the California Energy Commission.

Mayor Krolik thanked Mr. Kianpour.

On motion of Councilmember Benton, seconded by Councilmember Regan, and unanimous on voice vote, the resolution awarding the work to Allied Technology Group Inc. in an amount not-to-exceed \$15,000 from the Water Enterprise Fund was adopted.

13. PRESENTATION OF WATER SYSTEM MASTER PLAN, PHASE 1

City Engineer Cyrus Kianpour provided a Power Point presentation on the Water Master Plan, Phase 1, Inventory and Assessment. He stated that the purpose of the Water Master Plan was to develop broad goals, update the inventory and descriptions, assess the condition of existing facilities, identify deficiencies, review previous reports, determine the status of projects recommended in previous reports, update and refine cost estimates for proposed projects, prepare a ten-year Capital Improvement Program (CIP) and prepare recommendations for future studies. He reviewed the Water Master Plan goals to improve reliability, increase fire suppression capability, decrease energy usage and operating cost, provide adequate pressure, maintain water quality, provide safer conditions for staff, extend the life of the facilities, enhance security, and simplify the system.

Mr. Kianpour provided a schematic of a typical water distribution system and reviewed the major components and conditions of the Town's water system, which includes 14 active pump stations, 17 active storage facilities, 116 miles of water mains, 18 zones, 8 turnouts receiving water from the San Francisco Public Utilities Commission, and 8 interties.

Mr. Kianpour reviewed the two water quality issues, biofilms and aging, and the various operational and structural remedies for both issues.

Mr. Kianpour reported that the Town has 4,260 water service connections with 93% of water sold to single family homes. He stated that the peak month used 205 million gallons of water during fiscal year 2000-2009, which equals 7 million gallons per day, and that during the same period, the minimum used during a month was 32 million gallons or 1 million gallons a day. He added that the volume of water sold during the summer months is four to five times that of winter months.

Mr. Kianpour reviewed the pump station conditions and deficiencies, which include pipe and electrical panel corrosion, obsolete technology, inadequate electrical service, and lack of emergency generators. He also reviewed some of the storage facilities deficiencies.

Mr. Kianpour stated that there are 116 miles of water mains in Hillsborough. He added that over 50% are more than 50 years old and 25% are unlined cast iron. He reported that failures can damage adjacent properties as well as streets.

Mr. Kianpour reviewed the past Capital Improvement Program projects, projects completed since 2002, and current projects. He provided information on the Ten-Year Capital Improvement Program for the pump stations, storage facilities, mains, pressure reducing valves and dead-ends, turnouts, and the SCADA System Upgrade. He stated there are two Capital Improvement Programs, Program A, which would cost \$20,778,000, and Program B, which would cost \$36,581,000.

Mr. Kianpour reported that future studies would include a hydraulic model update, a fire protection evaluation, water main replacement prioritization, evaluation of dead end mains, evaluation of eliminating pump stations and storage facilities, Tobin Clark pump station alternatives investigation, a seismic vulnerability investigation, value engineering, an update on the emergency response plan, and a complexity reduction study.

Mr. Kianpour stated that copies of the entire draft Water Master Plan, Phase 1, Inventory and Assessment will be provided to the City Council later this week.

The City Council, Mr. Kianpour, Finance Director Edna Masbad, and City Manager Anthony Constantouros further discussed the Water Master Plan, Phase 1.

Vice Mayor Kasten requested a prioritized list of all water system projects, including long-term projects, with the estimated cost, funding source and timeframe for completion of each project. Mr. Kianpour replied that he would provide the City Council with the information requested.

#### 14. CRYSTAL SPRINGS LOWER DAM IMPROVEMENT PROJECT UPDATE

City Manager Anthony Constantouros reported that a meeting was held on Tuesday, October 5, 2010, regarding the Crystal Springs Lower Dam Improvement Project and that Mayor Krolik, Councilmember Fannon, Bay Area Water Supply and Conservation Agency (BAWSCA) General Manager Art Jensen, Hillsborough resident and Hillsborough Financial Advisory Committee Member Joshua Cooperman, City Engineer Cyrus Kianpour, a large contingent including Assistant General Manager Steve Richie from the San Francisco Public Utilities Commission (SFPUC), and Mark Herschman from Assemblymember Jerry Hill's office were in attendance. Mr. Constantouros stated that the meeting was very positive and informative with the SFPUC interested in addressing the Town's issues regarding the seismic condition of the dam, potential flooding downstream of the dam, and emergency preparedness, and he reported that a number of misconceptions about the safety of the dam were dispelled.

Mayor Krolik thanked Mr. Constantouros for arranging the meeting. She stated that Hillsborough residents were concerned about the safety of the dam since no real seismic evaluation has been performed since 1977, but she stated that she learned in

the meeting with the SFPUC that constant internal monitoring has been ongoing since that time.

The Councilmembers, Mr. Kianpour and Mr. Constantouros further discussed the Crystal Springs Lower Dam.

Councilmember Benton requested that staff notify residents, especially those near the creek area, about future public meetings regarding the Crystal Springs Lower Dam.

Mayor Krolik thanked Mr. Constantouros and Mr. Kianpour.

#### 15. UPDATE ON PROJECTED 2011 REFUSE RATE INCREASE

Public Works Director Martha DeBry provided a Power Point presentation on the 2011 refuse rates. She provided charts on the new rate setting process and explained the South Bayside Waste Management Authority (SBWMA) contractor cost adjustment process and SBWMA total collection revenue requirements. She also provided a chart on the 2011 contractor's compensation applications and explained the change in compensation from the draft report to the final report, which she stated were due to the final clerical collective bargaining agreement (CBA) terms and reduction in Hillsborough cost. She reported that with the 2011 South Bay Recycling (SBR) operations compensation application, the 2009 pass-through base costs were adjusted by \$452,322 for the decrease in fuel cost by \$10,991 and increase in compost transport costs of \$463,313.

Ms. DeBry explained that the 2011 South Bay Recycling operations compensation application total increase in estimated compensation of \$761,511, before pass-through costs, was a result of non-index adjustments associated with the CBA wages and benefits (\$610,715), index adjustments (\$147,607) and other adjustments, such as depreciation (\$3,189).

Ms. DeBry reviewed the proposed Material Recovery Facility (MRF) tipping fees, which would increase for SBWMA solid waste (10.70%), SBWMA organics (12.9%), non-SBWMA weighed tons (6%), public solid waste yards (14.3%) and public green waste yards (16%).

Ms. DeBry stated that the 2011 Recology San Mateo County (RSMC) compensation application, the result of making all compensation adjustments from 2008 to 2011, is \$4,507,808 (i.e., a 10.2% increase over three years), and the inclusion of pass-through costs increases RSMC's compensation of \$4,256,022 (i.e., 9% increase over three years). Ms. DeBry provided a chart showing the adjustment to the RSMC costs for 2008 – 2011, including CBA, index, fuel, depreciation, service level changes, and profit on service level changes, which results in \$4,256,022 in adjustments, bringing the 2011 total cost to \$51,383,753.

Ms. DeBry reviewed the collective bargaining agreement wage and benefit adjustments, which will increase 21% over the next three years for the RSMC drivers/helpers, mechanics and clerical, and 17.9% over the next two years for the SBR transfer station and MRF workers, mechanics and clerical.

Ms. DeBry stated that other rate setting issues include the Allied Waste/Republic Services balancing account, simplification of rate categories, implications of the can/cart service level migration, rates for unscheduled services, and timing of the 2011 member agency rate setting.

Ms. DeBry reported that Recology has advised the SBWMA that it will defer the requirement of the adoption of rates until March 2011. Ms. DeBry introduced Recology Operations Manager Gino Gasparini and Recology General Manager Mario Puccinelli.

The Councilmembers, Ms. DeBry and Finance Director Edna Masbad discussed the compensation applications and refuse rate increases.

Vice Mayor Kasten requested a cost comparison for how the rates have evolved between the time of the adoption of the franchise agreement until now.

Councilmember Regan stated that he was shocked at the huge increase in wages and benefits for South Bay Recycling and Recology workers. Councilmember Benton stated that he did not anticipate a 21% increase in wages and benefits. Vice Mayor Kasten stated that the collective bargaining agreement increases were unconscionable at a time when a lot of people are getting no raises. Mayor Krolik asked what incentive Allied Waste had to hold the line on pay increases when they would no longer have the waste contract as of January 2011.

Councilmember Benton asked if the cart distribution was on target. Ms. DeBry replied that the cart distribution is on schedule and will be delivered to residents in December 2010.

Mayor Krolik thanked Ms. DeBry.

#### 16. UPDATE ON THE SEWER LATERAL ORDINANCE OUTREACH

Public Works Director Martha DeBry suggested that an outreach plan regarding the proposed sewer lateral ordinance has been prepared. She reported that public meetings have been scheduled for 7:00 p.m. on October 18, 2010, and 10:00 a.m. on October 25, 2010, and that postcards were sent to notify residents of the meetings.

Ms. DeBry stated that the sewer outreach plan for 2010/2011 should include a postcard regarding Supplemental Environmental Programs (SEPs), a survey for residents regarding SEPs, and the education of residents about sewer laterals and inflow and infiltration. She added that \$10,000 has been allocated from the sewer operations budget for the sewer lateral outreach plan.

The Councilmembers and Ms. DeBry discussed the sewer lateral outreach plan. Ms. DeBry stated that she will report back on the sewer lateral outreach plan at a future City Council meeting.

Mayor Krolik thanked Ms. DeBry.

#### **PUBLIC COMMENT:**

Mayor Krolik opened the Public Comment.

Hillsborough resident Andrew Soss stated that he wanted to propose that the Town of Hillsborough consider a muzzle ordinance for pit bulls, as pit bulls are trained and bred to deliberately be aggressive. He reported that residents live in this community to have the enjoyment of its surroundings by jogging, walking and bicycling. He stated that he has two children, a four and six-year old. He reported that he noticed a new pit bull in his area being paraded close to his house. He stated that it is his job to protect his family and the City Council's job to protect the residents. He reported that no muzzle ordinance has been enacted because there have not been any vicious attacks in Hillsborough. He expressed that that makes no sense. He explained that as an eye doctor it is easier to prophylactically treat a patient who has significant risk of vision loss than to wait until their vision is actually lost and then try to restore it. He stated that there are crosswalks, car safety seats, and bicycle helmets to avoid mishaps and tragedies. He acknowledged that pit bull owners would feel it was unfair to single out this breed when their dog never caused a problem, but he stated that muzzling pit bulls when in the public domain is not just for the protection of children, but for the protection of the owner of the dog, too.

Mayor Krolik thanked Dr. Soss.

Hillsborough resident August Benz commented on the Water System Master Plan stating that an inflation-based water meter rate should be considered. City Engineer Cyrus Kianpour replied that the meter rate is not indexed by inflation. Finance Director Edna Masbad reported that the water meter rates were set for the previous four years and are not indexed to the rate of inflation, but she added that she would have the consultant working on the water and sewer rates study look at indexing water meter rates to the rate of inflation.

Mayor Krolik thanked Mr. Benz.

Mayor Krolik closed the Public Comment.

### **CITY COUNCIL ITEMS:**

Councilmember Regan stated that it was great that the Police Departments and other organizations are getting together to file a claim to get reimbursement from PG&E for the expenses in assisting with the San Bruno fire.

Vice Mayor Kasten stated that residents would like to know where the gas mains exist in Hillsborough. Public Works Director Martha DeBry replied that there is a gas main on the western end of Town near Skyline Boulevard. Vice Mayor Kasten stated that the Town needs to be proactive and PG&E more forthcoming about the condition and inspection program for the gas main in Town. City Manager Anthony Constantouros stated that a meeting with PG&E will be scheduled to address concerns about the gas pipelines in Hillsborough.

Mayor Krolik announced that Sally Meakin will be presenting a Power Point presentation on the history of Hillsborough on Wednesday, October 13, 2010, at 11:00 a.m. in the Council Chambers.

Mayor Krolik announced that the ribbon cutting for the Victory Garden will be on Sunday, October 17, 2010, from 3:00 p.m. to 4:30 p.m.

Mayor Krolik announced that the Council of Cities Dinner/Meeting will be held in Pacifica on Friday, October 22, 2010, and that the topic will be shared services for Police Departments. Mayor Krolik and Councilmember Benton stated that they would be attending.

Mayor Krolik thanked Lieutenant Caroline Serrato and Sergeant Nelson Corteway of the Hillsborough Police Department for assisting with the two Hillsborough Neighborhood Network meetings held on Wednesday, September 22, 2010, at 10:00 a.m. and 7:00 p.m. She reported that approximately 50 people attended each meeting.

Mayor Krolik thanked the Public Works Department for the recent ride-along.

### **ADJOURN:**

Mayor Krolik adjourned the meeting at 9:03 p.m.