

MINUTES
REGULAR CITY COUNCIL MEETING
MONDAY, NOVEMBER 8, 2010

Mayor Krolik called the regular meeting to order at 6:02 p.m. at the Hillsborough Town Hall, 1600 Floribunda Avenue, Hillsborough, California.

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

MINUTES: The minutes of the October 11, 2010 City Council meeting were approved as submitted.

PROCLAMATION:

Mayor Krolik introduced Bruce Carey of the Association of Bay Area Governments and proclaimed November 2010 as “Be Sewer Smart – Backup Prevention Month” and presented him with a proclamation. Mr. Carey thanked the City Council for their proactive approach to reducing sewer backups by adopting the backflow device ordinance, which has reduced the number and cost of sewer backup claims. He reported that for the years 2002-2003, \$879,000 was paid out for sewer backup claims and for 2010, only \$2,500 was paid for one sewer backup claim. Mayor Krolik stated that due to two legal actions against the Town, the Town is strongly encouraging residents to inspect their sewer laterals to ensure that they are root-free and water tight. She added that an article on sewer laterals will be included in the Town’s next quarterly newsletter.

PRESENTATIONS:

- Councilmember Fannon presented George Jewett, who served as a member of the Architecture and Design Review Board (ADRB) from January 2003, through November 2010, with a Certificate of Appreciation and thanked him for serving on the committee. Mr. Jewett thanked Town staff, the City Council and the community for allowing him to serve on the ADRB.
- Councilmember Fannon presented Carl Goldstone, who served as a member of the Architecture and Design Review Board (ADRB) from March 2008, through October 2010, with a Certificate of Appreciation and thanked him for serving on the committee. Mr. Goldstone stated that it has been a great opportunity to serve the community and that it was an honor and privilege to serve on the ADRB.
- Mayor Krolik recognized Hillsborough Concours d’Elegance Chair Rob Fisher and Vice Chair Ted Dobos for their incredible efforts to create a very memorable 54th Annual Concours d’Elegance at the 18th fairway of the Crystal Springs Golf Course on Sunday, September 12, 2010, and for their commitment to support organizations that benefit families and children in need. Mayor Krolik showed slides of the event. Mr. Dobos thanked the entire community and thanked Police Captain Mark O’Connor, City Manager Anthony Constantouros, and Mayor Krolik for all their help. Mr. Fisher thanked the Mayor, City Councilmembers, volunteers, staff and all those that attended. He reported that proceeds from the event will benefit the Hillsborough Schools Foundation, Autism Speaks, and the 49ers Foundation. He announced that the 2011 Concours d’Elegance will be held on the last Sunday in August and stated that it will be another spectacular event.
- Mayor Krolik introduced Fire Chief Don Dornell, Fire Marshal Rocque Yballa and Fire Inspector Julie Parenti. Fire Inspector Parenti announced the winners of the Central County Fire Department’s Seventh Annual Fire Safety Poster Contest and Fire Marshal Rocque Yballa and Fire Commissioner/Councilmember Benton presented the winners with a t-shirt and a certificate.

CONSENT CALENDAR:

On motion of Councilmember Fannon, seconded by Councilmember Regan, and unanimous on voice vote, Consent Calendar items 1-6 were approved.

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

The monthly claims for the month of October 2010 in the amount of \$2,860,875.23 were approved as submitted.

2. RESOLUTION ESTABLISHING THE LOCAL APPOINTMENTS LIST FOR CALENDAR YEAR 2011

The resolution establishing the Local Appointments List for calendar year 2011 was adopted.

3. LETTERS OF SUPPORT FOR FEDERAL ASSISTANCE WITH PREFERRED HIGH SPEED RAIL ALTERNATIVES

The letters of support for federal assistance with preferred high speed rail alternatives was approved.

4. ORDINANCE AMENDING TITLE 15, BUILDINGS AND CONSTRUCTION, OF THE HILLSBOROUGH MUNICIPAL CODE AND ADOPTING THE 2010 CALIFORNIA CODE OF REGULATIONS TITLE 24, PARTS 1-6 AND 8-12, INCLUDING THE ADOPTION OF THE 2009 INTERNATIONAL FIRE CODE AND THE 2009 INTERNATIONAL WILDLAND URBAN INTERFACE CODE

The ordinance amending Title 15, Buildings and Construction, of the Hillsborough Municipal Code and adopting the 2010 California Code of Regulations Title 24, Parts 1-6 and 8-12, including the adoption of the 2009 International Fire Code and the 2009 International Wildland Urban Interface Code, was introduced and the first reading of the ordinance was waived. December 13, 2010, was set as the public hearing date to consider adoption of the ordinance.

5. RESOLUTION AWARDED THE 720 CHATEAU DRIVE ROAD STABILIZATION PROJECT TO FARALLON COMPANY

The resolution awarding the contract for the 720 Chateau Drive Road Stabilization Project to Farallon Company in the amount of \$13,585, with a contingency in the amount of \$4,075 for a total construction budget of \$17,760 and allocating the same from the Water Fund, was adopted.

6. RESOLUTION ALLOCATING UP TO \$10,000 FOR THE EMERGENCY REPAIR OF A SINKHOLE IN THE ROADWAY ADJACENT TO 723 CHATEAU DRIVE

The resolution allocating up to \$10,000 from the Water Fund for the emergency repair of a sinkhole in the roadway adjacent to 723 Chateau Drive was adopted.

Mayor Krolik announced that agenda item 14 would be presented next.

DISCUSSION:

14. UPDATE ON THE LOWER CRYSTAL SPRINGS DAM

City Engineer Cyrus Kianpour introduced San Francisco Public Utilities Commission (SFPUC) Assistant General Manager of Water, Steve Ritchie. Mr. Ritchie introduced David Briggs, Tasso Mavroudis and Maureen Barry of the SFPUC, and Noel Wong of URS Corporation to present an update to the City Council. Mr. Ritchie provided a Power Point presentation on the Lower Crystal Springs Dam (LCSD) and Crystal Springs Reservoir System. He showed a map showing the Hetch Hetchy Regional Water Delivery System for the Peninsula Region. He explained that the Water System Improvement Program consists of 86 projects in seven counties with a total cost of \$4.6 billion and a completion date of December 2015. He added that the Water

System Improvement Program will provide the Crystal Springs Reservoir System with an emergency backup system and supplementary water supply.

Mr. Ritchie reported that the Lower Crystal Springs Dam was constructed in 1890 and forms the Lower Crystal Springs Reservoir. He added that the maximum capacity is 22.15 billion gallons and the current storage is 18.5 billion gallons.

Mr. Ritchie turned the presentation over to Mr. Wong. Mr. Wong reported that the LCSD Dam Safety Program includes the SFPUC's Monitoring Program, regulatory oversight by the Division of Safety of Dams (DSOD) and seismic evaluations. He stated that the conclusion of the evaluations is that the Lower Crystal Springs Dam is safe. Mr. Wong explained that the Dam Monitoring Program requires that the dam is inspected and monitored by the SFPUC, regulated and monitored by the DSOD with monthly inspection instruments for seepage, structurally inspected bi-monthly, surveyed bi-annually, joint visually inspected yearly, and inspected after seismic events.

Vice Mayor Kasten asked if the bi-monthly structural inspections are done above or below the water line. Mr. Wong replied that the bi-monthly structural inspections are done above the water line.

Mr. Wong reported that the California Division of Safety of Dams is part of the Department of Water Resources. He stated that the DSOD is the regulatory authority for all non-federal dams in California. He explained that all dam operations must be permitted through DSOD and all improvements (alterations) to dams must be permitted by DSOD prior to implementation, which involves extensive design review and construction oversight. He further explained that there are annual inspections of all high hazard dams and a thorough assessment of each dam every fifteen to twenty years. He added that dams that are not high hazard are inspected every other or every third year.

Councilmember Benton asked when the last inspection was done on the Lower Crystal Springs Dam. Mr. Wong replied that the Lower Crystal Springs Dam was last evaluated in 2007 by the State.

Mr. Wong explained that when dam safety is in question, the DSOD has the authority to mandate the owner to perform a full assessment of the dam (be it seismic, hydraulic, etc.) and restrict the usage of the dam (reservoir storage) until such time as they deem it safe. He stated that the dam was seismically evaluated in November 1977, and Wahler Associates conducted a thorough investigation which took two years to complete for the DSOD and concluded that the dam was safe. He stated that the dam was seismically evaluated in October 2006, by URS Corporation for the SFPUC and concluded that no changes had occurred since the 1975 seismic report. He stated that the dam was evaluated by the DSOD in February 2007, and that nothing had changed since the prior findings. He stated that in April 2009, the SFPUC hired an independent consultant to evaluate the dam in response to questions asked during a public hearing and the report concluded that the dam was safe. He stated that in August 2010, URS Corporation looked at all studies completed since 2007, and concluded that the dam was safe for earthquakes.

Mr. Wong stated that the conclusions of the stability evaluations show that the Lower Crystal Springs Dam is safe because of an inherent favorable design and construction. He explained that the dam foundation is anchored in bedrock, the massive structure has "over-sized" geometric dimensions (sized to be raised 40 feet), the concrete blocks with interlocking "keys" provide additional strength, and the dam is of well-documented high quality construction.

Mr. Wong reported that conclusions made about the stability of the dam are due to the lack of evidence of adverse changes or deteriorations and the dam's proven performance (as the dam sustained the 1906 earthquake without any damage);

however, he stated that the SFPUC will continue operations with on-going inspection and monitoring programs.

The Councilmembers and Mr. Wong discussed the condition of and inspection program for the Lower Crystal Springs Dam.

David Briggs, SFPUC Operations and Energy Services Coordinator, reported that dam operation goals are to maximize the use of local watershed supplies and to avoid spilling into San Mateo Creek, to vacate approximately two billion gallons in winter for local run off, and to fill the reservoir in the spring to provide emergency backup and supplementary supply for the Hetch Hetchy System. He stated that the emergency services coordination for the Emergency Response Plan would be implemented when structural damage to the dam is confirmed. He explained that the Plan would include calling the San Mateo County Office of Emergency Services, ceasing imported water operations, maximizing the transfer of water to the San Andreas Reservoir, and having a controlled release of water into the San Mateo Creek. Mr. Briggs provided a map of the simulated inundation zone if the dam were to completely disappear.

Tasso Mavroudis, SFPUC Project Manager, reviewed the Lower Crystal Springs Dam Improvements Project objectives, components, and schedule for construction. He provided a diagram of the existing dam configuration showing the parapet wall, spillway and stilling basin, and stated that the project would raise the parapet wall eight feet and increase the stilling basin to ten times its capacity. He provided a second diagram showing the retrofitted parapet wall, new spillway, and new stilling basin after the dam improvements. Mr. Mavroudis briefly reviewed the current schedule for the dam improvement project.

Mr. Ritchie stated that the SFPUC is committed to routinely making dam monitoring and evaluation information available and that the SFPUC will hold a public information meeting on Tuesday, November 16, 2010. He further stated that the SFPUC will be available to present information regarding the dam when requested by the Town. He reported that the SFPUC expects to perform a more in-depth seismic evaluation routinely about every 15 years. He added that the SFPUC will make their work more transparent for the community to see, question and understand and that more information about dam improvements and other projects is available by calling 866-973-1476, visiting sfwater.org/wsip, or emailing feedback@sfwater.org.

Councilmember Regan requested information on the depth of water at South School if the dam was destroyed.

Mayor Krolik thanked Mr. Kianpour and the representatives of the Lower Crystal Spring Dam.

PUBLIC HEARING:

7. FUNDRAISING EVENT PERMIT APPLICATION 10-07 FOR CRYSTAL SPRINGS UPLANDS SCHOOL'S MADCAP 2011 ANNUAL FUNDRAISING AUCTION

City Clerk Miyuki Yokoyama stated that Crystal Springs Uplands School submitted a fundraising application for their Madcap 2011 auction to be held on Saturday, March 19, 2011, from 6:00 p.m. to 11:00 p.m. in the gymnasium at Crystal Springs Uplands School located at 400 Uplands Drive.

Ms. Yokoyama stated that public notices have been sent to homeowners located within a 500-foot radius of the property and that no comments have been received. She added that staff recommends approval of the application subject to the restrictions and conditions of the Police, Fire and Building Departments.

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

On motion of Councilmember Benton, seconded by Vice Mayor Kasten, and unanimous on voice vote, Fundraising Event Permit Application 10-07 for Crystal Springs Uplands School's Madcap 2011 annual fundraising auction on Saturday, March 19, 2011, subject to the conditions recommended by staff, was approved.

8. 711 BROMFIELD ROAD – FIRST FLOOR ADDITION

Director of Building and Planning Elizabeth Cullinan provided a Power Point presentation on the proposed first floor addition for 711 Bromfield Road. She provided a site plan and explained that the proposed construction is for a 564 square foot addition at the rear left/north of the existing residence. She stated that no changes would be made to the front elevation, the materials and architectural elements would be consistent with the existing residence, and the addition would be screened from the left side property line with perimeter landscaping. She further stated that the addition was designed for architectural consistency with the primary residence and that there would be "patch and match" roofing materials and a flat roof connecting the main house to the addition; however, the project is small in size and would be nominally visible.

Ms. Cullinan explained that the project was approved by the Architecture and Design Review Board (ADRB) on October 4, 2010, but that the vote was 4:1 with Boardmember Eric Nyhus voting against the proposal due to concerns with the roof integration where the flat roof connects to the pitched roof. She stated that while the other Boardmembers understood Mr. Nyhus' concerns, they noted the small scope and lack of visibility of the project. Ms. Cullinan provided views of the roof plan and right side elevation of the flat and pitched roof integration.

Ms. Cullinan reported that she received public comment from a neighbor at 701 Bromfield Road prior to the October 4, 2010 ADRB meeting expressing concern with the construction process and potential conversion of the attic to habitable space, but she stated that the scope of work has been clarified and a draft construction staging plan has been prepared. She added that no further concern has been expressed.

Ms. Cullinan recommended approval of the proposed addition on the finding that the proposal is consistent with the Town's design guidelines requiring neighborhood and architectural compatibility.

Councilmember Fannon stated that the addition would not be visible from the street.

Mayor Krolik opened the public hearing.

Bob Flury, the project architect, stated that he felt that the flat roof was the viable approach to avoid blocking the view from the laundry room.

Mayor Krolik closed the public hearing.

On motion of Vice Mayor Kasten, seconded by Councilmember Regan, and unanimous on voice vote, the proposed first floor addition for 711 Bromfield Road was approved.

9. RESOLUTION APPROVING THE REVOCABLE ENCROACHMENT PERMIT APPLICATION FOR 2795 SUMMIT DRIVE

City Engineer Cyrus Kianpour provided a Power Point presentation on the revocable encroachment permit application for 2795 Summit Drive. He explained that the owner of 2795 Summit Drive proposes to install a new entry gate with a stairway, 36-inch high pedestrian gates and retaining walls. He stated that the outdoor fixtures will encroach approximately seven feet into the 50-foot wide public right-of-way along Summit Drive. He provided a site plan, photos of the existing conditions showing the highly vegetated entry way and entry stairway, and elevations showing the proposed wall, stairway and gates. Mr. Kianpour stated that encroachment permits related to

outdoor fixtures over 18 inches tall are reviewed by the City Engineer and approved by the City Council. He further stated that design review is concurrent with the application and the revocable encroachment permit is contingent upon approval of design review.

Mayor Krolik asked if there would be room for a parking strip. Mr. Kianpour replied that there would be room for a parking strip.

Councilmember Benton asked if the height of the new wall would be the same. Mr. Kianpour replied that the current fence is 5-1/2 feet high and the new wall would be 6 feet high.

Director of Building and Planning Elizabeth Cullinan stated that the proposed project has not gone through design review, so the design may change.

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

On motion of Councilmember Fannon, seconded by Councilmember Benton, and unanimous on voice vote, the resolution for the revocable encroachment permit application for 2795 Summit Drive was adopted.

10. RESOLUTION APPROVING THE REVOCABLE ENCROACHMENT PERMIT APPLICATION FOR 95 DENISE DRIVE

City Engineer Cyrus Kianpour provided a Power Point presentation on the revocable encroachment permit application for 95 Denise Drive. He explained that the owner of 95 Denise Drive proposes to install two 4-foot stone columns and a 4-foot high fence on top of a 2-1/2 foot wood retaining wall approximately 6 feet into the 50-foot wide public right-of-way along Denise Drive. He provided a site plan and photos of the existing conditions. Mr. Kianpour stated that encroachment permits related to outdoor fixtures over 18 inches tall are reviewed by the City Engineer and approved by the City Council. He stated that the planned installation should improve the safety of vehicular traffic due to the steepness of the road and will match the appearance of the adjacent neighbors.

Mr. Kianpour stated that notices for the public hearing have been sent to adjoining neighbors as required by the Hillsborough Municipal Code and no comments have been received. He recommended approval of the revocable encroachment permit application for 95 Denise Drive. He added that design review is concurrent with this application and the revocable encroachment permit is contingent upon approval of design review.

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

On motion of Councilmember Regan, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution for the revocable encroachment permit application for 95 Denise Drive was adopted.

NEW BUSINESS:

11. GERI LANE GATE RESTORATION PROJECT AS PROPOSED BY GERI LANE PROPERTY ASSOCIATION

Public Works Director Martha DeBry introduced Mike Edwards of the Geri Lane Property Association. Mr. Edwards stated that the Association was in the early stages of planning for the restoration of the gates, which he stated were really the "Edgecourt Gates". He provided a Power Point presentation on the Edgecourt Gate Restoration Project. He gave a brief history on the gates which were built in 1910 for George Pope. He stated that the objectives of the project were to restore the Edgecourt Gate

and Geri Lane Bridge to their original condition, establish an ongoing maintenance program to preserve the gate and bridge, and enhance the overall ambience of Hillsborough and the Geri Lane/Eucalyptus/Forest View intersection.

Mr. Edwards stated that the preliminary project scope is consistent with the guidance provided by the Architecture and Design Review Board (ADRB). He reported that in 1992, the ADRB stated that they would like to see the gates restored to their original condition to preserve their historic value to the community. He stated that the project also includes installing a separate water meter, as the residents at the front of Geri Lane currently are billed for water usage to maintain the landscaping in front of the gates.

Vice Mayor Kasten asked if the gates were on Town property. Public Works Director Martha DeBry replied that a survey is currently being conducted to determine who owns the area where the gates are located.

Mr. Edwards stated that the Geri Lane Property Association was established in 1991 to preserve and maintain the Elm trees and front entrance. He reported that residents contribute roughly \$100,000 every four years to trim and inject the Elm trees with a fungicide to prevent the recurrence of Dutch Elm Disease.

Councilmember Benton asked how many homes belong to the Association and if all the homeowners contribute to the Association. Mr. Edwards replied that there are 24 homes on Geri Lane and that all the homeowners contribute about \$1,500 per year to the Association.

Mr. Edwards stated that in 1963, the arch was restored after an Elm tree fell on it and he stated that the Association presumes that the Town fully paid for that repair as the Association did not exist until 1991. He reported that in 1993, limited restoration work was performed and the costs were paid 50/50 by the Town and the Geri Lane Property Association.

Mr. Edwards stated that the project is currently estimated to cost between \$125,000 and \$150,000. He reported that the Association wanted to adopt the Carolands Gatehouse model to raise funds for the project, given the Town's current projected budget deficit. He stated that the Association launched a website to raise community awareness about the project and to solicit pledges of financial support. He reported that Geri Lane residents have already pledged \$56,000 in support of the project, on the assumption that the contributions will be tax deductible.

Mr. Edwards showed photos of the Edgecourt Gate Restoration Projects from 1963 and 1994.

Mr. Edwards explained that some of the challenges are the implications of public versus property ownership issues that need to be further explored, community donations will be dependent on tax-deductibility, and a sustainable ongoing maintenance program will need to be defined. He reported that the next steps would be to obtain conceptual approval from the Town Council to proceed with the project, to work with Town staff to further define the project scope, and to consult with the ADRB once the project is fully defined.

Mr. Edwards stated that Geri Lane becomes an "unofficial Town block party" on Halloween and that every year the block party gets more and more crowded which is great. He reported that at least 750 kids trick-or-treated this Halloween and he provided a video of this year's Halloween event.

Councilmember Regan asked who was surveying the property to determine ownership. Ms. DeBry replied that CSG Consultants, Inc. is conducting the survey which is 65% complete. She added that the survey to determine public and private property is very difficult as there are portions of four to five subdivisions in the intersection.

Councilmember Regan asked when the survey would be completed. City Engineer Cyrus Kianpour replied that the survey would be completed in another week.

Mayor Krolik thanked Mr. Edwards for being a good resident by forming the committee to restore the Edgecourt Gates. She asked Mr. Edwards if the project was presented to the Hillsborough Beautification Foundation (HBF). Mr. Edwards replied that he met with HBF to discuss the project, but he stated that HBF currently has a lot of projects scheduled. Mayor Krolik stated that HBF has several projects set for this year, but that HBF is uniquely set up to handle projects like the Edgecourt Gate Restoration Project, and that HBF may be able to include it as one of next year's projects. She added that contributions to HBF are tax-deductible. Mr. Edwards stated that the Edgecourt Gate Restoration Project is still in its early stages and that he just wanted to provide information about the proposed project. Mayor Krolik stated that she hopes that he pursues seeking assistance from HBF for the project as they have a lot of resources to assist him.

Councilmember Benton asked if there was any grant money available for historical renovations. Ms. DeBry replied that she has not yet looked at whether grant money would be available for this project.

Mayor Krolik thanked Mr. Edwards and the Geri Lane Property Association.

Councilmember Benton wished Mr. Edwards good luck with the Edgecourt Gate Restoration Project.

12. RESOLUTION APPROVING A PROPOSED REVISED RECORDS RETENTION SCHEDULE FOR THE BUILDING AND PLANNING DEPARTMENT

Director of Building and Planning Elizabeth Cullinan stated that on July 11, 2005, the City Council adopted a resolution approving a records retention schedule for the Town of Hillsborough. She added that the schedule was created for the offices of the City Manager, City Council, Finance and Human Resources. She reported that the Building and Planning Department is now proposing implementation of a Records Improvement Program Action Plan to manage documents, reduce hard copy volume and storage needs, and provide greater accessibility to both internal staff and the general public.

Ms. Cullinan reported that the plan to adopt a retention schedule will allow hard copies of older records to be destroyed. She stated that the Department has already scanned in all documents created before February 2008, and as of February 2008, the Department ceased the creation of hard copy documents (producing only electronic documents, thus not triggering the hard copy retention requirements) where feasible, and began regular scanning of final documents to electronic form upon project closure to minimize the future need for storage and/or retroactive scanning. She reported that the existing budget can accommodate the purchase of a digital signature pad and a map/plan scanner eliminating the need for additional hard copy documents in the future. She stated that once a retention schedule has been adopted by the City Council, staff will commence destruction of hard copy records accordingly. She further stated that the proposed schedule is based upon minimum State law retention requirements and recommendations by staff for longer retention for documents that may have uniquely long-term value.

Ms. Cullinan introduced Bruce Meier of Records Control Services, Inc. who completed the Records Improvement Program Action Plan for the Town. Ms. Cullinan recommended adoption of the resolution approving the proposed records retention schedule.

On motion of Councilmember Fannon, seconded by Vice Mayor Kasten, and unanimous on voice vote, the resolution approving the proposed records retention schedule for the Building and Planning Department was adopted.

DISCUSSION:

13. UPDATE FROM PG&E REGARDING SMARTMETERS AND GAS PIPELINE INSPECTIONS

Public Works Director Martha DeBry introduced Ashlie Simpson, PG&E Government Relations Consultant, and Richard Salaz, PG&E Central Coast General Construction Superintendent.

Ms. Simpson provided an update on the PG&E SmartMeter installation in Hillsborough and reported that 84% of the electrical meters and 88% of the gas meters have been installed in Hillsborough so far. She stated that information on SmartMeters can be found at www.pge.com/smartmeter and she asked if there were any questions.

Hillsborough resident Mort Newman stated that he has been a Hillsborough resident since 1974. He asked Ms. Simpson if there was any possibility of someone compromising the delivery of electricity to homes and if there were any health issues from the meters themselves. He commented that PG&E is a great organization with great people, but that the SmartMeter has had problems with accuracy.

Ms. Simpson replied that the SmartMeter works on a unique code with wireless transmitters, a system set only to transmit so that other transmitters cannot break into the system. She stated that studies have shown that the radio frequency is very low and is comparable to standing outside for 45 seconds over a 24-hour period and making a cell phone call. She stated that she would respond to his inquiry about the accuracy rate of the SmartMeters in Hillsborough.

Mr. Newman asked if any of the communities that banned the SmartMeter have reconsidered and have decided to install the SmartMeters. Ms. Simpson replied that she would have to get back to Mr. Newman about communities that banned the SmartMeter and have reconsidered.

Mr. Salaz stated that he was here tonight to answer questions regarding gas line maintenance and inspections in Hillsborough.

Mayor Krolik asked Mr. Salaz where the gas lines were located in Hillsborough. Mr. Salaz replied that there were two gas lines running side-by-side in Hillsborough and he pointed out the location on a map.

Councilmember Fannon asked when the last inspections were done. Mr. Salaz replied that the gas main was inspected in May and September of 2010, the cathodic protection system is inspected every month, and an aerial survey to detect leaks is done regularly.

The Councilmembers, Mr. Salaz and staff further discussed the gas lines.

Vice Mayor Kasten requested that a map be provided showing the potential area of disaster if a gas main explosion occurred in Hillsborough. Public Works Director Martha DeBry replied that she could provide a map showing the potential area of disaster in Hillsborough.

Hillsborough resident Judith Iocco stated that she heard that the section where the gas line makes a turn is more likely to fail. Mr. Salaz replied that a pipe weld is stronger than the pipe itself.

Hillsborough resident Don Magnuson asked if the homeowners on Oak Rim Drive would need to disclose the location of the gas line when they sell their homes which may affect the property values. He also asked if the gas line could be moved fifteen feet from the homes on Oak Rim Drive.

Hillsborough resident Ron Barr stated that he walked along the location of the gas line on Oak Rim Drive and he stated that most residents probably do not know that the gas line is located on their street.

City Attorney Norm Book asked if residents do work on their properties was there technology to trace the location of the gas lines. Mr. Salaz replied that there is technology to trace the location of the gas lines and that there is a law that requires anyone doing work to contact USA North by calling 811 before doing any work to have the location of the lines marked.

Vice Mayor Kasten stated that homeowners may not be aware of the requirement to call 811 before doing work on their properties and he requested that information be provided to residents. Ms. Simpson replied that she would be happy to provide information to the residents and she stated that residents can visit www.pge.com or they can call 1-888-743-7431 for more information.

Vice Mayor Kasten requested that information be posted on the Town's website about the contact information for PG&E.

Mayor Krolik requested that a public meeting be set up by PG&E to provide information to the residents about the gas pipeline and to answer residents' questions.

Mayor Krolik thanked Ms. Simpson and Mr. Salaz.

OLD BUSINESS:

15. RESOLUTION AWARDING A CONTRACT TO WUNDERLICH-MALEC FOR THE INSTALLATION OF THE SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM AND AWARDING A CONTRACT TO CYBERNET CONSULTING ENGINEERS FOR CONSTRUCTION SUPPORT DURING IMPLEMENTATION

City Engineer Cyrus Kianpour provided a Power Point presentation on the SCADA System Upgrade Project. He reported that the Town had secured a \$688,000 loan from the California Energy Commission (CEC) for the SCADA Project. He stated that proposals were received in October 2009, in the amount of \$1,776,800, and that staff has conducted a value engineering/radio path survey. He added that at a previous City Council meeting, the City Council had authorized negotiations with the most qualified proposer.

Mr. Kianpour reported that the CEC loan with an interest rate of 1% was for \$908,000 of which \$688,000 is allocated for the SCADA Project. He stated that the Town will see energy cost savings of approximately \$70,000 per year from off-peak hour pumping.

Mr. Kianpour stated that four options were evaluated for the SCADA System according to cost, components and life cycle. He listed the four options which were to retain the current system, award a contract for the original quote, replace the master system only, and utilize a consultant/value engineered system. Mr. Kianpour compared the four options for equipment, costs involved for a short term approach and long term approach.

Mr. Kianpour recommended selection of Option 4 and authorized the City Manager to execute the contract with Wunderlich-Malec and CyberNet Consulting Engineers. He reviewed the project funding if Option 4 were to be chosen and stated that the new system would cost \$1,607,701, but the \$688,000 loan from the CEC would bring the total cost down to \$919,701, with \$818,533 allocated from the Water Fund and \$101,168 from the Sewer Fund.

Councilmember Fannon stated that Option 4 seemed to be the way to go.

The Councilmembers, Mr. Kianpour and Assistant Superintendent Dave Ballestrasse discussed the options for the SCADA System Upgrade Project.

On motion of Vice Mayor Kasten, seconded by Councilmember Regan, and unanimous on voice vote, the resolution authorizing the City Manager, on behalf of the Town, to execute the construction contract with Wunderlich-Malec in the amount of \$1,392,600, plus a contingency of \$70,000, and a design support contract to CyberNet Consulting in the amount of \$145,101, utilizing \$688,000 from the California Energy Commission, and allocating \$818,533 from the Water Fund and \$101,168 from the Sewer Fund was adopted.

16. REVIEW OF THE 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 - Alternative Capital Improvement Programs. He explained that the purpose of a Capital Improvement Program (CIP) was to aid in establishing long range management goals, priorities, schedules, staffing levels, funding requirements, and financing. He reviewed the priorities which included recoating and/or replacing steel tanks, replacing and/or correcting deficiencies at the pump stations, and replacing mains. He stated that scheduling adjustments will allow for inherent sequential relationships, keep the system operating, and even out the workload and funding.

Mr. Kianpour reviewed alternative Capital Improvement Programs, which included the possibility of restoring the system, upgrading the system, replacing the mains that are older than 90 years, and essential projects. He provided a summary chart showing the costs for the various components of five alternative Ten-Year Capital Improvement Programs.

Mr. Kianpour stated that the next steps would be to complete a rate study, select a level of expenditure and corresponding CIP, complete engineering studies, and update the CIP periodically. He reported that recurring capital improvements for maintenance and upgrading will continue after the Ten-Year Capital Improvement Program with the recoating of steel tanks, rebuilding/replacing pumps and motors, rebuilding pressure relief valves (PRVs), and replacing SCADA equipment with an average annual recurring cost of approximately \$494,000.

Mayor Krolik thanked Mr. Kianpour and asked how Hillsborough's water and sewer rates compared to those of Atherton and Ross. Mr. Kianpour replied that he would provide that information.

PUBLIC COMMENT:

There were no public comments.

CITY COUNCIL ITEMS:

Councilmember Benton reported that the Central County Fire Board received the good news that the firefighters arrived at a significant consensus to have three firefighters rather than four on Truck 34, which helps with the on-going budget problems.

Councilmember Benton reported that the Central County Fire Board held a Special Meeting on Thursday, October 21, 2010, with consultants from Citygate Associates to discuss the feasibility of a merger with the San Bruno and Millbrae Fire Departments. He stated that there were technical issues involved in the possible merger that needed to be addressed. He explained that the San Bruno firefighters are represented by the Teamsters Union and the Fire Board does not want a second union in the merger. He also explained that Millbrae firefighters are paid less than CCFD firefighters and that raising the Millbrae firefighters' salaries would wipe out the money saved through the merger. He stated that administrative shared services could be pursued. He reported that the Fire Board directed the City Managers to meet and return within a couple of

weeks to discuss whether a merger would be practical. Councilmember Benton stated that he did not see a merger in the near future. Councilmember Regan agreed that the prospect of a full merger is unlikely for the reasons stated by Councilmember Benton.

Mayor Krolik announced that the Council of Cities Dinner/Meeting will be held on Friday, November 19, 2010, in the City of San Carlos. Councilmember Benton stated that he would attend the Council of Cities Dinner/Meeting.

Mayor Krolik thanked Public Works Director Martha DeBry and Public Works Superintendent Charlie Gibson for their good work along with Assistant City Attorney Mark Hudak on the Sewer Lateral Ordinance meeting held for the public on Monday, October 25, 2010.

Mayor Krolik reported that the Hillsborough Neighborhood Network (HNN) is continuing to organize and hold block parties as part of the ongoing plan to coordinate Town residents for emergency preparedness.

Mayor Krolik announced that the Citizens Communication Advisory Committee (CCAC) will meet on Tuesday, November 9, 2010, at 10:00 a.m.

Mayor Krolik announced that an informational meeting on the Lower Crystal Springs Dam will be held by the San Francisco Public Utilities Commission on Tuesday, November 16, 2010, at 7:00 p.m. in the Hillsborough Council Chambers.

Mayor Krolik announced that a retirement event was held for Councilmembers Fannon and Regan on Thursday, November 4, 2010.

Mayor Krolik announced that the New Councilmembers' Orientation Day will be held on Monday, November 15, 2010.

Mayor Krolik thanked the Central County Fire Department for the fire safety poster contest.

Mayor Krolik paid tribute to long-time and beloved Hillsborough resident Pat Foster who passed away on this day.

ADJOURN:

Mayor Krolik adjourned the meeting at 9:55 p.m. in honor of the San Francisco Giants winning the World Series.