



CITY OF PALO ALTO CITY COUNCIL MINUTES

Regular Meeting
May 21, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:14 P.M.

Present: Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Absent: Burt

SPECIAL ORDERS OF THE DAY

1. National Public Works Week May 20-26, 2012.

Vice Mayor Scharff read the Proclamation into the record.

Public Works Director, Mike Sartor was pleased to recognize the work of Staff in the Public Works Department.

Mayor Yeh stated the Public Works Department contributed to Palo Alto daily, and thanked Department Staff for their work.

2. Resolution 9250 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Terry Acebo-Davis on the Completion of Two Terms on the Public Art Commission".

Council Member Holman read the Resolution into the record.

MOTION: Council Member Espinosa moved, seconded by Council Member Klein to approve the Resolution for Terry Acebo-Davis.

MOTION PASSED: 8-0 Burt absent

Terry Acebo-Davis thanked her fellow Art Commissioners for their support. Serving her city as an artist was a wonderful experience. She thanked the public for their support and comments, and encouraged participation in the arts.

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Mayor Yeh thanked Ms. Acebo-Davis for her service and knew she would remain active within the community.

3. Resolution 9251 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Michael Smit on the Completion of One Term on the Public Art Commission".

Council Member Price read the Resolution into the record.

MOTION: Council Member Price moved, seconded by Council Member Schmid to approve the Resolution for Michael Smit.

MOTION PASSED: 8-0 Burt absent

Michael Smit thanked the Council, Staff, and his fellow Commissioners for allowing him to serve the City in the realm of art. Public places were important, because they reminded everyone of the world bigger than themselves. They allowed people to share and to become a continually evolving community. Art in a wider sense was the base human capability to listen to each other and the world and to create new meaning. He thanked and complimented the City for valuing art in its public places.

Mayor Yeh thanked Mr. Smit for his service.

4. Resolution 9252 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Roger Bloom Upon his Retirement".

Council Member Shepherd read the Resolution into the record.

MOTION: Council Member Shepherd moved, seconded by Council Member Espinosa to approve the Resolution for Roger Bloom.

MOTION PASSED: 8-0 Burt absent

Roger Bloom thanked the Council. He acknowledged his family, Chief Marinaro, and Chief Burns. The community and City Staff made the job worthwhile and special.

Police Chief, Dennis Burns stated working with Deputy Chief Bloom had been a tremendous opportunity. In the last year, Deputy Chief Bloom had created stability and positive change while experiencing 23 firefighter promotions and 22 retirements. He implemented a number of recommendations of the Fire Utilization Study and the EMS Study. He was one of the few Public Safety Staff who understood strategy, tactics, operations, labor relations,

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administration, and politics. He was a tremendous teacher, great leader, and wonderful friend.

Mayor Yeh thanked Deputy Chief Bloom for his service and wished him well.

CITY MANAGER COMMENTS

City Manager, James Keene announced Walter Passmore had joined the City as the new urban forester. Mr. Passmore grew up in San Francisco, and previously held the position of urban forester in Austin, Texas. PG&E would begin its pipeline replacement project the week of June 11, 2012. This construction work would occur along Charleston Road between Alma Street and Middlefield Road, and was expected to be completed by mid-August. PG&E was hand delivering notices to residents and businesses along Charleston Road this week. Staff would notify neighborhood groups, schools, and the press. PG&E had scheduled an open house for the public on May 31, 2012 at Hoover Elementary School. Impacts would be daytime noise and traffic congestion during commute times. Charleston Road would not be closed; however, bicyclists should take an alternate route. PG&E would work on a second segment along Miranda Avenue near the Veterans Administration Hospital during the summer. The Dumbarton Bridge would be closed from 10:00 P.M. May 25, 2012, to 5:00 A.M. May 29, 2012, to complete a seismic retrofit. The Public Works Department was holding its first annual Staff retreat on May 23, 2012 at Mitchell Park. The Southgate neighborhood block party would be held on May 28, 2012, and the Public Works Department would attend to solicit resident input on the proposed drain improvement and green street project. There would be a prescribed burn in the Foothills area as part of the Foothills Fire Management Plan in the second half of June 2012. The burn would provide a training opportunity for local fire departments and foster improved natural habitat. The Palo Alto Junior Museum and Zoo would hold a Bug Fest on June 2, 2012 from 10:00 A.M. to 4:00 P.M. Staff recommended Item No. 7 on the Consent Calendar be continued to a date uncertain. Staff had received a large number of questions and was not prepared to respond in depth at the current time.

ORAL COMMUNICATIONS

Eamonn Gormley, Chairman of the National Collegiate Gaelic Athletic Association, indicated the organization promoted Ireland's native sports of Gaelic football and hurling on the college campuses of America. Gaelic football was similar to a combination of soccer and basketball. Hurling was similar to a combination of lacrosse and aerial field hockey. The organization was hosting the second annual national collegiate hurling

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championships at Stanford at the intramural fields by El Camino Real on May 26 and 27, 2012. This was a two-day tournament consisting of eight games of hurling played by four college teams. The public was invited.

Fred Balin reported fire engine service from Station No. 2 on Hanover Street would be reduced under the Proposed Budget. This was not revealed to the public until raised by residents at the Finance Committee meeting the prior week. With Engine 2 out of service, primary response times would increase. This delayed response would not be fire calls alone, because an engine was an integral part of all EMS, rescue, and hazardous materials operations. Without Engine 2, the most centrally located in the City, response times to its 14 secondary areas would also increase. The spillover impacts of maintenance and mutual aid calls also would be greater. The Proposed Budget did not specify how often Engine 2 would be out of service. He calculated Engine 2 would be out of service nine months, much more than an occasional reduction and not encouraging for the long-term stay of Engine 2. The City needed to be more forthcoming to the public on its plans for Engine 2; needed to fully evaluate all impacts and increased risks to residents, businesses, visitors, structures and firefighters; and, needed to carefully assess the risks against proposed savings.

Omar Chatty stated Caltrain was a dangerous system and did not belong in an urban environment. He wanted to replace Caltrain service, but not with high speed trains. One injury and two deaths had occurred since he last spoke to the Council, for a total of 7 deaths in the current year, 23 the prior year, and 183 deaths since 1995. The number one concern was public safety, yet this was being ignored. Something needed to be done to begin the ten-year process to replace the train. The Santa Clara Valley Transportation Authority (VTA) and San Jose were considering an extension of Bay Area Rapid Transit (BART) to Santa Clara. Cost estimates were \$8 billion. That would take ten years and cost 160 more lives.

Aram James had spoken with Chief Burns regarding use of Tasers. It had been two years since a Taser had been discharged within the City. He believed Tasers should be removed from City use. He had filed a request for public records, and had received a note indicating Department directors would supply information. At a prior meeting, he told the Council he would make a concerted effort to popularize the historic doctrine of jury nullification. Jury nullification had existed for centuries and was a necessary check and balance on the government's exercise of prosecutorial discretion. If the Council chose to pass a mean-spirited ordinance against living in a vehicle, then jury nullification would be one of many legal strategies he would communicate to the homeless community.

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Chuck Jagoda wanted to talk with the homeless advocates who reviewed the rules adopted on May 7, 2012. Page 4, section 18, unfairly restricted homeless people. It was another example of an effort to squeeze homeless people out of sight with no forethought about where they should go. Regarding the statement of no resource impact, there seemed to be a big resource impact for those homeless people who used the outdoor areas. These rules were an attempt to keep homeless people out of sight, out of mind, and out of luck. The idea that the rights, needs or benefits of unsheltered people were taken into consideration in the drafting of these rules was not true. A more accurate description would be that the rules made every effort to erase resources, visibility, and presence of people without shelter. This appeared to be one more statutory effort to criminalize and remove from view those who were not thriving in the economy.

APPROVAL OF MINUTES

Council Member Holman advised she would not be participating in the approval of these minutes as she was not in attendance at this meeting.

MOTION: Council Member Espinosa moved, seconded by Council Member Price to approve the minutes of February 13, 2012.

MOTION PASSED: 7-0, Holman not participating, Burt absent

CONSENT CALENDAR

Herb Borock thanked the City Manager for recommending the Council not act on Agenda Item No. 7. Casa Olga received special consideration because it was a convalescent home. The current proposal was to convert it to a hotel; therefore, it should not receive any deduction in future years. The new use should pay the normal assessment. He understood there had been a previous amendment, and felt the Council should receive the original agreement and amendment along with the Staff Report.

MOTION: Council Member Schmid moved, seconded by Council Member Holman to continue Agenda Item No. 7 to a date uncertain.

Council Member Klein advised he would not be participating in Agenda Item No. 7 as he had represented Casa Olga as their attorney.

MOTION PASSED: 7-0 Klein not participating, Burt absent

MOTION: Council Member Espinosa moved, seconded by Council Member Klein to approve Agenda Item Nos. 5-6.

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5. Resolution 9253 entitled "Resolution of the Council of the City of Palo Alto to Execute the Northern California Power Agency Legislative and Regulatory Program Agreement.
6. Budget Amendment Ordinance 5157 in the Amount of \$249,918 to Provide an Additional Appropriation for the Electrical/Mechanical Systems Upgrade Project at the Regional Water Quality Control Plant (WQ-80021); and Approval of a Wastewater Treatment Enterprise Fund Contract with DTN Engineers, Inc. in Total Amount Not to Exceed \$249,918 for Electrical/Mechanical Systems Design at the Regional Water Quality Control Plant-Capital Improvement Program WQ-80021.
- ~~7. Approval of Amendment No. 2 to an Agreement between the City of Palo Alto and Casa Olga Relating to the University Avenue Area Off-Street Parking Assessment District.~~

MOTION PASSED for Agenda Item Nos. 5, 6: 8-0 Burt absent

AGENDA CHANGES, ADDITIONS, AND DELETIONS

- ~~9. Public Hearing: Adoption of a Resolution Amending the Transportation Element of the Comprehensive Plan Incorporating the Bicycle and Pedestrian Transportation Plan and Approval of a Negative Declaration (Staff Request this be Continued to July 9, 2012).~~

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Scharff to continue this item to July 9, 2012.

MOTION PASSED: 8-0 Burt absent

ACTION ITEMS

8. Selection of Option for Connectivity Between the Art Center and the Main Library (CIPs PE-11000, PF-07000).

Public Works Director, Mike Sartor reported the purpose of Staff's recommendation was to bring the Main Library and Art Center campus into a cohesive area by restructuring the space between the two facilities and making some proposed improvements in landscaping and plaza area between the two buildings. Staff recommended that a connector or driveway be constructed between the parking lots of the two facilities, but would present options to that plan for pedestrians and bicycles.

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Public Works Assistant Director, Phil Bobel stated the point of this project was to integrate and unify the Art Center and Main Library, which were on the same piece of property. The part of the project that unified the two campuses had not been controversial. The controversy was whether or how to connect the two parking lots. Staff would present three options: A) a roadway to take cars across the space; B) a roadway limited to bikes and pedestrians; and C) a roadway located in the same general area but not disrupting the Community Garden for pedestrians only. The public process to date had been quite extensive, because Options A and B interrupted and required changes to the Community Garden. Staff had held two focus groups with gardeners; and the Historic Resources Board (HRB) had considered the overall project on two occasions as had the Architectural Review Board (ARB). Staff had a number of technical meetings and three community meetings, the latest on April 19, 2012, and met with the Parks and Recreation Commission (PARC) and the Library Advisory Commission (LAC). The goals for the project were: safety; an integrated and unified approach to the three facilities; improved signage; a focal point for people to meet and greet in the area between the two facilities; consolidation of the main and annex Gardens; increased number of parking spaces within the current hardscape area without adding hardscape; and, increased connectivity between the parking lots. There was very little controversy about achieving most of those goals in the central area between the two buildings. Staff believed that traffic would be slowed, and it would be a safer experience for all. The proposal increased the public space, made the space better for people to meet and greet, and unified the campus. The controversy occurred in the goal of connecting the Main Library parking lot with the smaller parking lot and the Art Center parking lot. Option A would provide a short driveway between the two parking lots. Option B was located in the same area and would be built for pedestrians and bikes. Option C was an alternative that would not locate the driveway through the Community Garden but between the annex and main Garden, would not disrupt current garden plots, and would be for pedestrians only. A fourth option, which Staff called D in the Staff Report, was to leave the area as it was. All options included the major features between the two buildings. The next steps were to follow the Council's guidance to complete the Main Library design and letting the Main Library project for bid in November or December 2012. This project was part of the Main Library project, and Staff sought the Council's guidance tonight to stay current with the remainder of the project.

Council Member Holman asked where bike racks were located.

Dawn Merkes, Group 4 Architecture reported bike racks were located at the entryway, the crossover, and the shared plaza between the buildings. Two

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were covered for weather protection. Additional bike racks were located at the other entry, at the proposed entry to the Garden, and at the main entry to the Garden.

Council Member Holman asked if there were bike lockers as well.

Ms. Merkes answered yes.

Council Member Holman inquired if the area with the bike lockers allowed passage all the way through.

Ms. Merkes described it as a path that did not meet Americans with Disabilities Act (ADA) requirements for accessibility.

Rita Morin stated the community did not need a roadway. A roadway did not help people. The path idea was good, but neither Option A or B maximized parking, instead they decreased parking. Option C or a modified Option B limiting disruption to the annex Garden and not decreasing parking spaces would be better. The area was an oasis and needed to remain that way.

Bob Moss as a member of the Library Advisory Commission wanted to explain the LAC's rationale. There was currently a driveway between those two parking lots. It was unpaved, traveled through the Garden, and was used for delivery trucks and heavy vehicles. The worst case scenario provided three additional parking spaces. The LAC believed the important thing was integration of the access between the Art Center and the Main Library. The Main Library and Art Center would have increased numbers of events and more people visiting those buildings once they were remodeled. Currently people had to travel from one parking lot, into the street, and back into the other parking lot. Residents of the neighborhood stated that was a problem, because children biked and walked in that area. The LAC felt a driveway was safer, more appropriate for connecting the two buildings, and Group 4 indicated the paving would discourage cars from traveling faster than 15-20 m.p.h. The design included removable bollards. The bollards could be removed from the roadway during events with high traffic, and left in the roadway to convert it to a bike and pedestrian path. The roadway would provide more space for the Community Garden. He recommended Option A.

Carol Kenyon was a member of the Community Garden, a weekly user of the Library, and a strong advocate of the Art Center. She favored Option A, because it connected the campus and focused attention on the two buildings.

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Mark Hager disagreed with the previous speakers, and encouraged the Council to review Packets for the overwhelming endorsement of Option C. He understood from Ms. Merkes that the current roadway was an emergency vehicle and service delivery path. This option was the most cost effective and provided a few more parking spaces. Staff incorrectly indicated Option C only saved the Garden. It was not just about saving the Garden for gardeners; it was about saving a resource for the citizens of and visitors to Palo Alto. A road would create traffic and, regardless of speed, cars would pass too close to a park space. He asked the Council to consider Palo Alto's values of increasing pedestrian and bicycle access and protecting green space. He had monitored parking before construction on the Art Center began and currently, and could find a parking space.

Barbara Kerckhoff, a gardener at the Community Garden, had noticed more walkers than gardeners used the space at any given time. People used the park to walk and jog, to walk their dogs, and to paint landscapes. The current unpaved road was a wide walking trail rarely used by vehicles. None of the options increased Community Garden space. This was an opportunity to decide in favor of pedestrians, gardens, and green space. She asked the Council to preserve the peacefulness of that area as it now existed.

Ute Engelke did not favor a roadway, because so much space was already dedicated to cars. Creating a campus was a fantastic idea and would highlight and incorporate the Garden. Having cars go through that beautiful campus seemed a bad idea.

Herb Borock supported Option D. If the Council chose Option D, he suggested the roadway be narrow to prevent cars from using it. Stanford University had a policy of prohibiting vehicles within the campus. Options A and B would not create a campus. Option C provided a connection between a building and a parking lot. The Council should decide if a new pathway was needed. If the Council chose a pathway, it should be narrow enough to prevent use by vehicles.

Bern Beecham stated renovating the Main Library and the Art Center would substantially increase their functionality and usage. These actions were intended to attract a renewed generation to these facilities. The City was making some additional parking spaces available, not taking additional space for parking spaces. Option A was well thought out, and the Staff Report showed it was the best option for the broader community. He noted use of the Downtown Library had increased after its renovation, and hoped the same would occur at these facilities. The City needed to optimize the space

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available there, and needed to ensure it was available for all Palo Alto residents to use without undue negative influence on the surrounding areas.

Yezdi Dordi supported Option A. He and his family lived behind the Library and used it and the Art Center extensively. Option A blended form and function, maximized use of the property, considered aesthetics, and balanced the interests of the public and gardeners. Option A would provide a smoother traffic flow and improve some garden plots by moving them into a sunny area. It was a win-win for all.

Jeff Levinsky stated the proposed road in Option A was squeezed into a small area and would have no paved sidewalks. Bicyclists and people in wheelchairs and with strollers would be forced onto the narrow roadway with traffic. Community events were often held after night fall. Visitors were unfamiliar with the parking lots. The proposed road had a curve that impaired visibility. The road behind the Main Library offered no safety advantages to bikes and pedestrians. A large number of bicyclists used Newell Road around 3:00 P.M. on weekdays when school dismissed, and Option A did not help those children. Options A and B violated promises that Library improvements would not impact the Garden. The Commissions that reviewed these plans were told the gardeners would receive additional land. As plans were refined, the additional land evaporated. The new plans contained errors, ignored hundreds of square feet of planted area outside the fences that would be lost, and proposed unusable plots in deep shade. In actuality the gardeners would lose land. He applauded the Staff for offering Option C, which provided a safe path for pedestrians and bikes without harming the Garden. Options C and D did not create a dangerous roadway and kept promises to the gardeners.

Council Member Price asked Staff to respond to concerns regarding the safety of the proposed road in Option A, particularly lighting.

Ms. Merkes reported light bollards on timers were included in the proposed design. They could be used when the buildings were used and would meet parking lot standards for pedestrian access in the evening.

MOTION: Council Member Holman moved, seconded by Council Member XXX to approve Staff recommendation to: 1) direct Staff to design and construct a bicycle/pedestrian connecting path which is adjacent to (but not impacting) the community garden plots with no paving (Option C).

MOTION FAILED DUE TO LACK OF A SECOND

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Council Member Holman stated the existing driveway was rarely used, and proposed plans would change the environment of the garden area. This roadway was the pedestrian and bike path, maintained emergency access between the facilities, and did not disturb the Garden. Option C was the lowest cost, and eliminating the hardscape decreased the cost further. Hardscape of cobble paving was not easy to walk or bike on. Bike racks were located conveniently, which led her to believe a connection was not needed, but she believed it was better to enhance it. Option C maintained the bucolic environment of the Gardens while providing good pedestrian and bicycle access.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Shepherd to approve Staff recommendation to: 1) approve the removal of a redundant driveway in front of the Art Center, installation of a plaza area between the Art Center and Main Library, removal of a parking lot shed (Component 1 of Options A, B, C, and D); and 2) approve the construction of a vehicular connector and an accessible path between the Art Center and Main Library parking lot and removal and relocation of impacted community garden plots (Component II of Option A), an existing redwood tree would be retained and the connector driveway would be curved as much as feasible so as to slow traffic.

Vice Mayor Scharff stated Option A made a lot of sense for connecting the Main Library and Art Center parking and allowed better access, particularly with increased usage after renovations were complete.

Council Member Shepherd believed the parking lots were confusing and the linkage was missing. The proposed roadway was an ideal way to integrate the two parking lots.

SUBSTITUTE MOTION: Council Member Schmid moved, seconded by Council Member Holman to approve Staff recommendation to: 1) approve the construction of a bicycle and pedestrian connection and an accessible path between the Art Center and Main Library parking lots and removal and replacement of impacted community garden plots (Component II of Option B).

Council Member Schmid believed connectivity was important. The project would create a campus with three different elements, and the pathway hit the meeting point of those elements. It was appropriate to have comfortable and easy access to the Library and Art Center. The informality of the natural meeting point was important. Extending the plaza and meeting space resulted in more paved areas. He expressed concerned that

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adding a pathway for cars would further decrease the natural setting. Option B provided real connectivity without losing the natural setting.

Council Member Holman asked Staff to explain the discrepancy between project costs listed in the Staff Report and stated in the presentation. She noted there was also a discrepancy of one parking space between the report and the presentation. She supported the Substitute Motion because it removed the car path. This was an environment where a pedestrian and bicycle connection was the more important and appropriate connection.

Mr. Bobel indicated Staff would review the project costs, and the presentation contained updated information on parking. Option A created 23 parking places, Option B created 24, and Option C created 26.

Council Member Espinosa had seen the traffic problems at the Art Center and Library, and heard strong opinions about harming the ambience of the Garden. After reviewing the various reports and studies, he believed the increased capacity justified a vehicular connection between the two parking lots.

Council Member Klein stated renovations of the Art Center and the Main Library would increase usage. He felt Option A was the environmentally preferred choice, would result in less automobile traffic, and was the better aesthetic choice. The road was more of a paved path than a lane on the freeway. He asked how long the roadway would be.

Mr. Bobel indicated it was approximately 50 yards.

Council Member Klein felt the cars would be traveling the roadway at 10-15 m.p.h., and would not be a safety concern. Option A favored environmental and aesthetic issues. He did not support the Substitute Motion and would support the original Motion.

Council Member Price concurred with the comments of Council Members Klein and Espinosa. She believed the proposal illustrated comprehensive site planning. The proposal captured the site integration goals outlined in the Staff presentation and provided the greatest flexibility with the addition of bollards. This made it possible to utilize the enhanced and intensive use of the broader campus. Increased parking spaces would allow people with limited mobility to use the facilities. She supported Option A.

Mr. Bobel reported the cost estimates in the presentation had been updated since the Staff Report.

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Mayor Yeh associated himself with comments for Option A. The flexibility of bollards was important. The design of the roadway acknowledged concerns regarding speed.

SUBSTITUTE MOTION FAILED: 2-6 Holman, Schmid yes, Burt absent

MOTION PASSED: 7-1 Holman no, Burt absent

10. Utilities Advisory Commission Recommendation to Pursue a Carbon-Neutral Electric Portfolio and Develop a Plan by December 2012.

Senior Resource Planner, Monica Padilla reported in 2007 the City Council adopted a Climate Protection Plan for the City which established community-wide greenhouse gas emission reduction goals. In March 2011, the City Council approved the latest version of the Long-Term Electric Acquisition Plan which, among other things, directed Staff to review requirements to implement a carbon-neutral portfolio for the Electric Supply Portfolio. In December 2011, Staff presented the results of a preliminary analysis to the Utility Advisory Commission (UAC) and asked them to support a recommendation to develop a plan to achieve carbon neutrality. The UAC supported that recommendation. In March 2012, the Finance Committee (FC) expressed its support of achieving carbon neutrality for the electric portfolio. Specifically the FC asked Staff to consider adopting a 100 percent clean electric portfolio. The preliminary analysis reviewed many different portfolio options and assumed the City could achieve a certain level of the Renewable Portfolio Standard by 2020 and achieve certain levels of energy efficiency based on ten-year energy efficiency goals. Based on those assumptions, the City could achieve carbon neutrality at minimal rate impacts in the range of 5 percent. Given that, Staff decided to move forward with the recommendation to develop a carbon-neutral plan. That plan would define goals for carbon neutrality; set a timeframe for achieving carbon neutrality; recommend acquisition and portfolio management strategies; identify cost, rate, and bill impacts to ratepayers; assess the risk and cost uncertainties of achieving this type of portfolio; identify an implementation plan; and recommend modifications to the Palo Alto Green Program. Staff was in the process of defining carbon neutrality and reviewing portfolio options. If the Council directed Staff to develop a plan, Staff would present recommendations for a definition of carbon neutrality and portfolio options to pursue; obtain community input in the next few months to determine customers' willingness to pay for further climate impact reduction efforts; and refine the analysis based on the options and definition that the Council approved. In December, Staff hoped to recommend a plan to the Council.

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City Manager, James Keene noted Staff's report was focused on a timeline to present a specific plan. The City was on the threshold of the potential to achieve a carbon-neutral electric portfolio. The Council should consider the potential factors for reaching this goal.

Utilities Advisory Commission Chair, Jon Foster stated the Staff Report covered the UAC recommendations.

Mayor Yeh had the privilege of working as liaison to the Northern California Power Agency. There was a tremendous amount of forethought and progressive thinking concerning an electric utility's actions to support sustainability goals. Consideration of a carbon-neutral portfolio differentiated Palo Alto from sister utilities in the northern California region. The Council had seen the community's willingness for early adoption of different technologies through the Palo Alto Green Program, where people chose to have 100 percent of energy from clean sources. As more people adopted hybrid and electric vehicles, individuals were choosing to reduce the largest emitter of greenhouse gases. The electric utility had to communicate to ratepayers that it was a partner in the effort to move to cleaner transportation to result in zero emissions. The Council's consideration of a plan with minimal rate impacts highlighted the need for this possibility.

Council Member Price referenced regulatory uncertainty and Cap and Trade work on page 6 of the Staff report, and asked what Staff anticipated occurring in those areas.

Assistant Director, Jane Ratchye felt there would always be regulatory uncertainty. Concerning the Cap and Trade Program, Staff had learned the number of allowances the City would receive until 2020. New legislation or new requirements at the State and Federal levels were always possible. Staff's proposals would not put the City at a disadvantage. Staff would review those issues as the plan developed and comment when those risks could be better identified.

Utilities Director, Val Fong stated uncertainty existed over the amount of hydroelectric generation the City would receive from facilities, because of attempts to direct water to other purposes. Staff would work through a transition if necessary and identify that to the Council.

Council Member Price inquired about other communities, either inside or outside of California that had done this successfully.

Ms. Padilla reported Staff was reviewing other communities for their definitions of carbon neutrality and had found a wide range of definitions.

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The Marin Energy Authority and Seattle City Lights had policies to achieve a carbon-free status. At a future meeting, Staff would present an assessment of the in-depth studies and efforts of other communities to define and achieve carbon neutrality.

Council Member Price inquired about Federal funds to support this effort.

Ms. Padilla reported Staff would review alternative sources for funding.

Council Member Klein concurred with Mayor Yeh's comments. He asked why it had taken five months for this to be presented to the Council.

Ms. Fong explained the Council's Agendas were full and this topic was continued many times.

Council Member Klein hoped this would have priority.

Ms. Fong felt the City Manager was committed to this issue and would not continue it again.

Council Member Klein asked Staff for a possible implementation date.

Mr. Keene asked if he meant the date a plan could be implemented or the date carbon neutrality could be achieved.

Council Member Klein answered both.

Ms. Padilla indicated the date depended on how the community, the Council, and the UAC directed Staff to define carbon neutrality as that was the key component. Staff hoped to develop a timeframe in the next few months along with a recommendation.

Mr. Keene reported a potential date could be within a few years depending on the option that the Council chose to achieve carbon neutrality.

Council Member Klein hoped Staff did not spend much time addressing the reasons for pursuing carbon neutrality, because the reasons were self-evident. He expressed concern about the degrees of uncertainty stated in the Report. If the Council did nothing, it would pay more than the amounts mentioned in the Report. He was interested in the City being a leader, but the purpose of a leader was to encourage others to follow.

Council Member Schmid noted the flow of energy in a good or even average hydroelectric year resulted in carbon neutrality on a net basis over the entire

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year. That meant the City would not be carbon neutral at all times. He asked if the plan was to be carbon neutral at all times or on average, and could the City accumulate credit points part of the year and then spend them at other times in the year.

Ms. Padilla stated measurements, reports, protocols, balances and carry-overs were part of the definition of carbon neutrality.

Council Member Schmid said there was a bigger issue of reaching carbon neutrality in a dry year. He was interested in issues like that as Staff discussed the definitions of carbon neutrality.

Vice Mayor Scharff suggested carbon neutrality could be achieved through a two-step process. The first step was achieving carbon neutrality in 2013. He asked whether the Palo Alto Green Program could be applied to the entire City.

Ms. Fong was unsure. She asked if he meant could Staff apply Renewable Energy Certificates (REC).

Vice Mayor Scharff answered yes. Staff had mentioned actions such as increasing the Renewable Portfolio Standard (RPS) to 51 percent.

Ms. Fong noted cost was a consideration. Staff would have to return with that information.

Vice Mayor Scharff suggested this could be done in 2013 by utilizing a program similar to the Palo Alto Green Program. The second phase, which could take 18 months or longer, would consider other approaches that could have a greater impact. He felt the Council could find an approach that was fast, less expensive, and did not require long-term contracts while it determined the regulatory environment.

Ms. Fong indicated Staff did not preclude that.

Vice Mayor Scharff wanted to see a plan to achieve carbon neutrality faster than 18 or 24 months. That could be an initial step on the plan. RECs were relatively inexpensive. He assumed carbon offsets were relatively inexpensive.

Mr. Keene stated that could be done.

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Vice Mayor Scharff expressed concern about taking a long time to get the plan absolutely right. He wanted to know if that could be done, and the City Manager indicated it could.

Bruce Hodge, founder of Carbon Free Palo Alto, commended Staff for their Report recommending pursuit of a carbon-neutral electricity portfolio. The Report was a watershed in Carbon Free Palo Alto's efforts to bring real and meaningful reductions in the electricity carbon footprint. He believed this was the single most effective action the City could take to reduce its carbon footprint. It implemented a platform for plugging in electric vehicles, and addressed a parallel need to drastically reduce emissions in the transportation sector. Making smart choices and using a blend of strategies could keep the total cost to the lower end of the range indicated in the Report. Moving to a carbon-neutral portfolio would have some small initial costs, but the City would be in a better economic position by being removed from the likely increased costs and volatility of the brown power market. Another salient point was the cost of inaction. Multiple studies had reaffirmed the strategy that it was more economical to invest in mitigation now rather than later. Time was not working in the City's favor, because every year greenhouse emissions increased. He realized Palo Alto was a small contributor to this problem, but the community could influence other activists and policymakers. He strongly urged the City to have a carbon-free portfolio in place by January 1, 2015. He urged the Council to vote in favor of Staff's recommendation on this critically important issue.

David Coale stated these were things the Council could consider going forward, and it should not dither any more with this process. The vote on this issue was fairly easy. There was no cost associated with studying this. The next vote to move forward would make a difference in impact. All studies indicated the effects of climate change were happening far faster than expected. There was really no time left to consider this.

Walt Hays was the Chair of the Green Ribbon Task Force that looked into a Climate Protection Plan for the City of Palo Alto. The City adopted an aggressive Climate Protection Plan. Tonight's remarks indicated general support for maintaining that aggressive stance. If the Council was genuinely committed to this aggressive stance, it could not take a better step than adopting this recommendation. He supported Vice Mayor Scharff's idea. He suggested the Staff Report due at year end recommend adoption of the plan no later than January 1, 2015. This was an urgent issue. He hoped the Council would continue its strong support by asking Staff to implement this by January 1, 2015 if possible.

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Michael Closson, Executive Director of Acterra, urged adoption of the recommendation to implement a carbon-neutral plan in the electricity portfolio for Palo Alto. Global warming was an urgent and unprecedented threat. It was particularly important for a city like Palo Alto, which had its own utility, to act. Change had to come from far-sighted, early-adopting cities such as Palo Alto. He was disappointed that only 25 percent of Palo Alto residents had signed up for Palo Alto Green. Acterra wanted to use this as a catalyst to energize the community, because each resident had to consider ways to reduce his personal carbon footprint. He hoped the Council would support the recommendation.

MOTION: Mayor Yeh moved, seconded by Council Member Klein to accept Staff recommendation to support a policy to pursue a carbon-neutral electric portfolio and direct Staff to develop a plan by December 2012 to achieve that goal.

Mayor Yeh appreciated that Staff would have some time to pursue definitions. It was important for other utilities to see Palo Alto's actions and to take similar action. The analysis period would be important to understand Cap and Trade revenues and potential uses for them relating to a carbon-neutral policy. It was important to understand how these programs impacted renewable energy sources in the City's portfolio. Moving towards a 100 percent clean portfolio did not detract from the importance of energy efficiency. The demand on load would initially counteract efficiency measures. The Council needed to balance efficiency with a goal of 100 percent clean energy.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff that the December 2012 staff report will have a goal that the program be fully implemented no later than January 1, 2015.

Council Member Klein hoped Staff could return in October 2012 with a timeline of when the report would be presented to the UAC and to the Council.

Mr. Keene indicated Staff would continually update the Council.

Council Member Klein was disappointed that only 25 percent of residents had signed up for Palo Alto Green. The Council needed to persuade citizens this was the most serious issue of their lives.

Council Member Shepherd was concerned that this policy would have a rate effect. Residents were well educated and understood the risks of

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implementing a carbon-neutral policy. She preferred an in-depth discussion to determine methods for moving carbon-neutral resources into the City's portfolio. She supported the Motion.

Vice Mayor Scharff referenced the alternative strategy of increasing the ten-year electric energy efficiency goal. He wanted to ensure the design of these programs differentiated new users who used more electricity. A two-stage approach would be a good option. The City should not use RECs only to achieve this. It was logical to accomplish this in 2013, and have a second stage with more impacts by 2015.

Mr. Keene indicated the date stated was January 1, 2015, which was only one year more than the 18-month interim step.

Council Member Espinosa associated himself with the general comments of Council Member Klein and others. The Council needed to ensure it was setting an example for communities across the country.

Council Member Schmid stated the definition of carbon neutral was critical, and flexibility in goals and methods was important. He noted the discussion at the UAC that identified a number of risk possibilities and changes in regulations, technology, Federal and State mandates, and markets. Long-term goals had to be flexible to take advantage of these changes. One of the City's goals concerned electric vehicles. Policies for the electric utility had to encourage people to move in that direction. He was not enthusiastic about the use of RECs, allowances, credits, or offsets to achieve these goals. It was essential to integrate Palo Alto Green into this program, so the public could see it was a participant in this goal and program.

Council Member Holman aligned herself with Council Member comments, and hoped the Council could move forward in an aggressive fashion to accomplish sustainability goals.

MOTION PASSED: 8-0 Burt absent

11. Approval of Policy & Services Committee Recommendation on Infrastructure Funding.

Council Member Holman reported the Policy & Services Committee (P&SC) voted unanimously in support of the recommendation. P&SC discussed an election in November 2012, and concluded there was not sufficient time to determine the best funding mechanism. P&SC had outlined a detailed timeline for an election in 2014.

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Omar Chatty was a transportation activist and concerned about gas taxes and funding of roads and transit. He supported the electric vehicle charging stations, and wondered if there would be taxes or costs on that service. He requested the Council consider an analysis of automobile-based revenues and their use to support infrastructure.

Bob Moss felt there would be many measures on the ballot in 2012. That was another reason Council elections should have remained in odd years. Infrastructure had been underfunded for decades. He suggested three items for the ballot in 2014: 1) a \$50 million to \$60 million capital improvement bond for Public Safety facilities; 2) increasing the document transfer tax; and, 3) a business license tax. These measures would allow the City to catch-up infrastructure needs and renovate Public Safety facilities.

MOTION: Council Member Shepherd moved, seconded by Council Member Price to accept Policy & Services Committee recommendation to: 1) not place a bond measure or other revenue measure on the November 2012 general election; 2) direct Staff to start planning for a 2014 election; 3) direct Staff to develop a detailed plan and timeline for a 2014 election to include financial considerations, identification of potential assets to be constructed or remodeled, appropriate polling and identification of potential revenue sources, and to bring the plan and timeline to Council for approval by September 1, 2012; and 4) direct Staff to include identification of potential projects and the estimated costs as the first task accomplished under the timeline.

Council Member Shepherd stated elections and ballot initiatives were difficult. The four steps recommended by P&SC was the correct way for the City to operate. Staff would need all of the time to prepare for an initiative in 2014.

Council Member Price said this was an ongoing critical discussion. She agreed with deferring ballot measures to 2014. It was critical for this combination of a potential bond measure and other revenue enhancements to be successful. She concurred with Mr. Moss's comments regarding options for increased revenue. She looked forward to a successful campaign.

Council Member Holman indicated the Council would receive and evaluate the Infrastructure Blue Ribbon Commission (IBRC) Report, and analyze, strategize, and implement it for a launch of infrastructure. It was understood within the Motion that Staff would present to the Council an evaluation and cost analysis of Capital Improvement Program (CIP) projects reviewed by the IBRC.

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Council Member Schmid noted the Motion specifically mentioned September 1, 2012 as a deadline for Staff to identify projects and estimated costs. He asked if Staff could meet that date.

City Manager, James Keene said it was an aggressive schedule, but Staff could achieve that.

Mayor Yeh would support the Motion.

MOTION PASSED: 8-0 Burt absent

Mayor Yeh reported Staff would provide all Council Members with a template and instructions for Council Members to prioritize projects identified in the IBRC Report. This would maximize discussion at the last Retreat in June 2012 and provide Staff with general guidance for their work.

Mr. Keene suggested discussion at the Retreat include projects not included in the IBRC Report. It would be helpful for the Council to have specific concepts for discussion.

City Attorney, Molly Stump noted Staff prepared the tax exhibits based on the most typical way that the taxes were organized. There were abilities under some scenarios to use a different format. A tax that was typically placed in the General Fund for a general purpose could be specified for an identified purpose, which would shift it to a special tax and those rules would apply. As the Council reviewed the exhibits, it should be aware that in some cases there could be refinements or creative approaches to an added increment at an election in the future.

Council Member Holman inquired if the Planning and Transportation Commission would offer advice on infrastructure projects prior to the Retreat.

Mr. Keene stated the Council could identify some directions and refer items to the Planning and Transportation Commission or other parties. That would be part of the input process. It was important for the Council to review projects first. Because the IBRC Report was delivered to the Council, the Council should develop responses to the Report. There was time to work with the Planning and Transportation Commission.

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12. Rail Committee Status Report on Current High Speed Rail and Caltrain Electrification Submitted for Council Review and Comment.

Public Works Management Specialist, Richard Hackmann reported the last presentation to Council was on December 19, 2011. On April 12, 2012, the California High Speed Rail Authority (HSRA) approved the final 2012 Business Plan and the Southern California Blended System Memorandum of Understanding (MOU). On April 19, 2012, the HSRA approved the Bay Area to Central Valley partially revised final program level Environment Impact Report (EIR). On May 3, 2012, the Peninsula Corridor Joint Powers Board (JPB) approved the Northern California Blended System MOU, and the HSRA approved the Merced to Fresno final project level EIR. Staff worked with the City's legislative advocate, Professional Evaluation Group, to track High Speed Rail (HSR) legislation. Staff monitored the Sacramento environment to support some of the City's HSR strategy formation and worked with the Rail Committee (RC) on those issues. The Packet provided information on legislation being monitored. Staff had sent seven letters in 2012 to communicate the City's HSR positions based on Council-approved Guiding Principles and sought to keep important issues at the forefront of discussions. Attachment B to the Report was a spreadsheet of all correspondence and responses sent since July 1, 2012. Staff continued to work with the Peninsula Cities Consortium (PCC), other regional groups, and San Francisco Mayor Ed Lee and his staff regarding advocacy of enhanced commuter rail service. A new document regarding the HSRA Business Plan was released which reduced the estimated cost from approximately \$100 billion to \$70 billion. Three key changes occurred: 1) use of a blended system; 2) early investments in the bookends; and, 3) cost reduction. Costs were reduced due to the lower need for dedicated infrastructure. The HSRA would work initially on an Initial Operating Section (IOS), a \$6 billion segment from approximately Merced to Fresno. That segment was tied to the \$3 billion in stimulus funds, was scheduled for operation in 2022, and had a cost of \$31 billion to \$37 billion. The next phase was the Bay to Basin, a one-seat ride from San Francisco to the San Fernando Valley. That phase was scheduled for operation in 2026 with a cost of \$51 billion to \$61 billion. The Phase 1 blended system would connect San Francisco to Los Angeles, was scheduled for operation in 2029, and would cost \$68 billion to \$80 billion. Caltrain completed an analysis of the blended system operation in March 2012. The analysis indicated the blended system was operationally viable, but did not define a service plan or infrastructure needed. Passing tracks existed in certain parts of the Corridor. Without additional tracks, up to eight HSR trains could travel per peak hour per direction. A scenario for additional passing tracks had not been selected. The initial cost of the blended system was approximately \$1.5 billion, \$706 million of that from the HSRA and the remainder from funding partners. The City challenged the

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document, and the court ruled the HSRA needed to revise certain elements of the program level EIR for the Bay Area to Central Valley, which they did. The City commented on the re-circulated document before the February 21, 2012 deadline. The partially revised final program EIR was certified by the HSRA on April 19, 2012. Staff continued to be concerned that the document did not limit the final build out to a blended system; referred to a four-track system; continued to recommend the Pacheco Pass as the preferred access point to the Bay Area; used standard mitigations over local standards and locally approved mitigations; and did not adequately address traffic impacts from the potential loss of lanes on Alma Street. Staff had hoped the program level EIR would reflect the blended system and remove the reference to the four-track. Staff was awaiting the return of the writ, and would then evaluate next steps. Staff expected Central Valley agricultural interests to challenge the Merced to Fresno project level EIR. The San Francisco to San Jose project level EIR was scheduled for adoption in December 2014. Caltrain would be subject to a tiered environment clearance process. In the fall a grade crossing traffic analysis study would be released. The study would review the impacts of six, eight and ten trains per direction per hour at every grade crossing on the Corridor and provide an understanding of mitigations necessary for each crossing. The six train per hour scenario would be incorporated into the current electrification EIR. The electrified and modernized Corridor would cost approximately \$1.5 billion. The Governor's May Revised Budget was released May 14, 2011. The HSR budget was approximately \$6.1 billion, approximately \$2.8 billion from Proposition 1A and \$3.3 billion from stimulus funds. The cost of the initial construction segment (from Merced to Fresno) was the bulk of that money.

Council Member Klein, Chair of the City Council Rail Committee (CCRC) stated the majority of citizens did not believe the \$3 billion bond issue could happen; while feedback from lobbyists and elected officials indicated it was likely to happen. He urged the Council and citizens to contact Senator Simitian, Assembly Member Gordon, Assembly Member Hill, and former Assembly Member Leiber to vote no on any funding of HSR. Leaders in the Assembly and State Senate were pressing these four people to vote yes. The HSRA could possibly seek an exemption from EIR laws to avoid problems, and the HSRA Chairman would not state unequivocally if it would or would not. The bond issue would impact the State's General Fund, most likely by reducing other services. He understood proponents of HSR were considering a strategy of not including funding in the General Budget, but delaying a vote until the summer. The Federal Government was also applying pressure to State Government to act swiftly. The Governor advocated the project as a vision for the future, while ignoring reports of flaws.

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Mr. Hackmann suggested the daily expenditure would be \$3 million.

Council Member Klein indicated Federal funds were conditioned on the project being completed by September 2017. To meet that goal, the project would spend \$3.5 million per day for improvements. No project in the United States had spent money that rapidly. The Farm Bureaus of Merced and Madero Counties announced they would file objections to the EIR. Another lawsuit challenging the blended system was pending.

Council Member Holman inquired whether the tiered environmental approvals segmented the California Environmental Quality Act (CEQA) which was illegal.

City Attorney, Molly Stump deferred to Mr. Hackmann on the structure of the tiering, because she was not familiar with that matter. She understood it was not segmenting and did use a tiering practice allowed under the statute. There were substantial questions about the various phases and their adequacy under the law.

Council Member Holman believed the practice would segment CEQA.

Mr. Hackmann explained environmental documents ceased to be considered accurate at a certain point in time, because the environment had changed. Caltrain planned to electrify the existing corridor in the next five years. The HSRA planned to complete construction in this corridor in 2026. Thus, the HSRA did not have enough information to include that in the initial environmental review. In addition, the timeframe was so far out, the HSRA did not have the ability to do that. Caltrain wanted to have its project approved and then, when the HSRA had specific details about its project, have that additional capacity on the tracks approved.

Council Member Holman felt the issue deserved investigation, because of a cumulative effect in the environmental process. If the HSRA project was a known scenario, it should be considered at the same time as the Caltrain project according to CEQA.

Mr. Hackmann stated he would follow up.

Council Member Price recalled the presentation mentioned the blended system and the operational analysis performed by Caltrain. She inquired whether the HSRA or Caltrain would be in charge of that environmental work.

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Mr. Hackmann explained Caltrain had an EIR for electrification. It would incorporate updated information into that current EIR and seek approval of the EIR. The HSRA would then need to have an EIR approved for its additional capacity when it was ready to make the connection.

Council Member Price asked if the Caltrain electrification project had been certified with the current information.

Mr. Hackmann indicated Caltrain had an electrification EIR in some form for quite some time, but it had not moved to have the EIR approved.

Council Member Price inquired if Staff knew when Caltrain would seek approval.

Mr. Hackmann reported Caltrain had indicated it would have a gate crossing traffic analysis completed by the fall or end of the year. That analysis would be the basis for mitigations required in the Corridor when electrification occurred. At that point, dialog about the EIR would begin, and a time table for approval of the document could be determined. The scale of those mitigations could change the complexity of the dialog and the outreach needed. Working through issues would impact how quickly clearance could occur.

Council Member Price stated the original assumption was that Caltrain hooking its future to funding for HSR would help pay for electrification and modernization of the Corridor. She asked for the status of that link.

Council Member Klein indicated that financing had been superseded by a series of MOUs between the Metropolitan Transportation Commission (MTC) and Caltrain, San Francisco, and San Jose. The purpose of the MOUs was to allow matching funding from MTC. He felt the HSRA was correct regarding organization of the EIRs. The issue of segmentation had not been raised. Caltrain and HSR were viewed as two separate projects. Caltrain's EIR would be prepared on the assumption that Caltrain's project stood alone. The HSRA would prepare its own EIR in addition to Caltrain's EIR. The difference in funding led to a different method for handling the EIRs.

Council Member Price was familiar with the MOUs. She asked whether funding via the MOUs was sufficient for the future of Caltrain.

Mr. Hackmann explained the investment under discussion was capital funding. Council Member Price was inquiring about operating funding. Caltrain was funded through the end of the next fiscal year for its current schedule. However, if a dedicated or other funding source was not

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discovered, it would face the same crisis as a year ago. Although Caltrain had a strong fare box recovery, it was not 100 percent. Caltrain was reviewing a number of scenarios to close that gap.

Council Member Price said community members needed to be aware of the peril that Caltrain faces in terms of funding and the fact that it needed to express concerns about fixed rail and sustainability. Both messages should be conveyed to elected officials at the State level.

Council Member Schmid asked if the next step for the Caltrain electrification EIR would be an examination of grade crossings in the fall or winter of 2012.

Mr. Hackmann indicated the completion of the study was scheduled for fall or winter 2012.

Council Member Schmid inquired whether those grade crossing needs would be the same at the six plus two step with HSR or would it reopen from step one.

Mr. Hackmann could not answer the question at the current time. There would be steps, and the analysis would determine each step. He did not have information on the step from six Caltrain trains to six trains plus HSR.

Council Member Schmid inquired if six was close to the current step.

Mr. Hackmann reported it was five peak hour trains per direction. Caltrain expected to increase one train initially with a future addition of either three or five trains.

Council Member Schmid asked if Caltrain would go up to eight trains per hour in its EIR.

Mr. Hackmann answered no. Caltrain's EIR focused on only six trains per peak hour at any point.

Council Member Schmid inquired if Federal funds had been approved and placed in an account.

Mr. Hackmann stated funds were placed in a theoretical account.

Council Member Schmid inquired if permission had been given for release of the funds.

Mr. Hackmann replied yes. Funds were earmarked for use here.

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Council Member Schmid noted Proposition 1A funds were different in that they were not in the May14, 2012 Budget.

Mr. Hackmann explained Proposition 1A funds could only be spent once approved. If the Legislature never approved expenditures, then the funds would never be spent.

Council Member Schmid asked whether the Legislature was concerned with only the annual interest rates.

Mr. Hackmann responded yes. The Legislature's main responsibility was matching funds to Federal dollars. Proposition 1A stated that all funds must be matching dollars. It made the most sense to match Proposition 1A funds with stimulus funds.

Council Member Klein stated the vote by the Legislature would be to issue bonds. The bonds had been authorized by voters, but not issued. Once the bonds were issued, interest rates were automatically paid as required by the State Constitution.

Council Member Schmid inquired if the State's interest rate was fairly high.

Council Member Klein indicated the interest rate was not as bad as the rating would indicate.

Omar Chatty stated \$15 million to \$25 million was still in the budget. He hoped some people would push that back. He suggested pursuing discussions with Bay Area Rapid Transit (BART) or Santa Clara Valley Transportation Authority (VTA) because that could be an opportunity to derail the train north of San Jose. If funding for the study of congestion pricing could be stopped, that could be an opportunity for reconsideration of Pacheco Pass. Heavy rail was the most expensive and subsidized rail. He asked if anyone had communicated with Union Pacific regarding its opinion of the blended system. He hoped to move from Caltrain to BART, because Caltrain was too dangerous. He asked the Council to consider alternatives, to stop HSR, and to allow the people of California to spend their taxes on schools, the disabled, the disadvantaged, the elderly, and the sick.

Herb Borock indicated Slide 8 omitted the fact that none of the alternatives studied satisfied the requirement for a 30-minute time between San Francisco and San Jose. He requested Staff provide a written statement from the HSRA regarding project level EIR timelines. He also requested Staff provide a written statement from the HSRA regarding the electrification

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EIR not including any HSRA project. Dan Richard explained to the Senate Committee that a Judge's decision on the request for modification of CEQA should provide for mitigations rather than an injunction. He interpreted that to mean that a Judge could add mitigations rather than set aside an EIR. Mr. Richard also claimed that California could not fund the bookends unless it also funded the Central Valley segment. He did not believe that was an accurate interpretation of the law. If the Legislature wanted to fund existing rail systems that could be connected to HSR, then it was not necessary to fund the Central Valley system.

Mayor Yeh appreciated the RC's review, analysis, and discussion of the many issues related to financing and MOUs.

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Klein reported he attended the Bay Area Water Supply and Conservation Agency (BAWSCA) meeting last week. The discussions centered around; 1) the current bay area water supply, 2) WSIP water supply project being on target at this time, and 3) a group of San Francisco voters who are trying to put a ballot measure on this November to drain the Hetch Hetchy Reservoir. He also reported on attending the annual Avenidas fundraiser this past week.

Council Member Schmid reported on attending a meeting with the Santa Clara Valley Water District who has sent a letter to the City to have the Council support the Clean and Safe Water Bond measure.

Council Member Holman stated that the Council and Staff had recently withheld support for that Bond, and were the only city to not support it. She reported on several events that occurred this past weekend including the Palo Alto Women's Club Kitchen Tour, Barron Park Neighborhood Association who had a successful May Fete event, and the Past Heritage had their preservation awards.

Mayor Yeh invited the community to the second Mayor's Challenge to be held on June 3, 2012, called Day in the Park. The 3 events will be Bocce Ball, table tennis and Yoga. He also spoke about a possible partnership centered around Beijing.

ADJOURNMENT: The meeting was adjourned at 11:08 P.M.