

Special Meeting
November 1, 2010

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:05 p.m.

Present: Burt, Espinosa, Holman, Klein, Scharff, Schmid, Shepherd, Yeh
arrived @ 7:35 p.m.

Absent: Price

STUDY SESSION

1. Joint Meeting With Parks and Recreation Commission Regarding Parks and Recreation Issues.

Get a paragraph from Rob DeGeus

Council took a break from 7:20 p.m.-7:40 p.m.

SPECIAL ORDERS OF THE DAY

2. Presentation by the Housing Trust of Santa Clara County.

The City Council did not hear the presentation due to a scheduling conflict of the Housing Trust.

CITY MANAGER COMMENTS

City Manager, James Keene reported on October 25th the Community Services Department (CSD) employees participated in an experienceology workshop with Stephanie Weaver to explore ways to improve customer service. Valley Transportation Authority (VTA) Technical Review Team recommended funding for two City of Palo Alto grants for the California Avenue hub corridor and Safe Routes to School Program. The Junior Museum and Zoo reopened the Bat House. The College Terrace Library pre-

opening ceremony will be held Saturday, November 6th. The City was presented with the 2010 Emergency Preparedness Certificate from the Federal Emergency Management Agency (FEMA).

ORAL COMMUNICATIONS

Wynn Grcich, spoke regarding fluoride.

CONSENT CALENDAR

MOTION: Council Member Yeh moved, seconded by Vice Mayor Espinosa to approve Agenda Item Nos. 3-6.

3. Resolution 9113 entitled "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Sign Up To Four Successive One-Year Term Extensions of the Letter of Agreement 07-SNR-01080 to Facilitate the Provision of Hydroelectric Consulting Services by Palo Alto Utilities Staff Members to the Western Area Power Administration and the United States Bureau of Reclamation".
4. Ordinance 5096 entitled "Ordinance of the Council of the City of Palo Alto Amending Section 2.23.050 of Chapter 2.23 of Title 2 of the Palo Alto Municipal Code to Add the Subjects of Wastewater Collection and Fiber Optics to the Purposes and Duties of the Utilities Advisory Commission". *(First reading October 18, 2010 – Passed 7-2, Holman, Schmid no)*
5. Approval of Extension of Library Advisory Commissioner Mark Hoose's Term to January 31, 2014 and Waiver of Appointment Process Set Forth in Palo Alto Municipal Code Section 2.24.030.
6. Approval of Amended Bylaws to the Santa Clara County Cities Association.

MOTION PASSED: 8-0 Price absent

ACTION ITEMS

7. Authorize the City Manager to Decline a New Power Purchase Agreement Offer From Ameresco Butte County LLC That Could Otherwise Partially Replace the Recently Terminated Ameresco Butte County LLC Power Purchase Agreement.

MOTION: Council Member Scharff moved, seconded by Council Member Holman to authorize the City Manager to decline Ameresco Butte County LLC's October 5, 2010 offer to draft and execute a Power Purchase

Agreement (PPA) similar to the terms Ameresco negotiated with Alameda Municipal Power.

Council Member Scharff stated he felt the Staff Report presented valid reasons for support of the Motion.

Council Member Schmid asked for clarification that the vote was to approve the waiver of a Power Purchase Agreement (PPA) because Staff was continuing to study the long term electric resource planning.

Director of Utilities, Valerie Fong stated Staff had received an offer of a new PPA by Ameresco and the Staff recommendation was to decline the offer. Staff felt the PPA was not a low price option, although by declining the PPA the City continued to retain the right of first refusal for the next five years. She clarified Staff had yet to bring back to Council the long term electric acquisition plan and the incorporation into the plan on the cost effective energy efficiency.

Council Member Schmid commented as we have an opportunity to talk about the program it was important to point out the modified Butte County landfill gas proposal had doubled the price of what was available on the current market. There should be a discussion of the science behind our renewable energy portfolio to ensure the City was reaching the goal of greenhouse gas emissions as well meeting the letter of the California law.

Council Member Yeh asked if Staff knew the known risks encountered in Butte County in terms of estimating the production levels for energy generation.

Senior Resource Originator, Tom Kabat stated each of the contracts had built-in delays in their construction and eventual production. The City was only financially responsible for the energy after it was generated and delivered. The only risk was for a delayed delivery and the contract lasted twenty years from the date of the start of delivery.

Council Member Yeh asked whether there had been feedback for Johnson Canyon given there was merely a three month difference between them and Butte County.

Mr. Kabat stated he had not been informed of any particular delays with Johnson Canyon. He advised he had a scheduled trip to review the gas purchase contract behind the agreements with Johnson Canyon.

MOTION PASSED: 8-0 Price absent

8. High Speed Rail Update.

Project Manager, Rob Braulik stated the High Speed Rail Authority (HSRA) was meeting November 4th to discuss the corridor selection criteria. They will be reviewing the four corridors; San Francisco, San Jose, Merced and Fresno and the selection criteria for those corridors. The meeting will include a legislative hearing discussion on ridership numbers, Staff will be in attendance to read the City's concerns into the record. He announced the Rail Corridor Task Force will hold its first meeting November 3rd.

Council Member Klein announced there was to be a rally at the Burlingame rail station on November 7th at 11:00 a.m. The CEO of the High Speed Rail Authority (HSRA) had informed San Mateo County officials a tunnel option was out of the question on the Peninsula due to the incompatibility with freight train systems. He stated there was an exchange of correspondence between Congresswoman Eshoo and the Secretary of Transportation LaHood that had been distributed and he recommended it be reviewed.

Council Member Shepherd stated she had attended a tour of the Warm Springs Bay Area Rapid Transit (BART) area where they were tunneling. She met with Molly McCarther, a BART representative for community relations, who informed her to ensure there were vibration and sound mitigations clearly articulated in the Environmental Impact Report (EIR) documentation.

Mayor Burt noted he had viewed video from the Warm Springs BART tunneling project. He suggested Staff upload the video to the website for community access. He stated it was an important concern to understand the boundaries of the vibration opposed to the extent of the possible damage that could be caused beyond that boundary. The City and community needed to understand the legal ramifications for the homeowners.

Michael Krug spoke regarding support for the High Speed Rail (HSR) and a station in Palo Alto. With the HSR, communities would drive less, walk more and consume less energy.

Mayor Burt noted the City had evaluated the HSR for close to two years and as a Council had gone from unanimous support of the concept to unanimous opposition to the plan as designed. The transition of the decision came about as a result of information and knowledge.

Council Member Holman shared her concern for the community where constituents had approached her anticipating the need to move from Palo Alto due to the HSR.

Council Member Schmid stated there had been visual simulation requests for the Churchill Avenue area and he requested there be one for the Charleston Avenue intersection. He clarified it was the busiest "at grade" intersection

with the most densely populated area on both sides and a main thoroughfare for children.

Mayor Burt announced there was a tentative meeting scheduled with the HSRA CEO, Mr. van Ark, for November 16th. He stated there had been information indicating the Caltrain route from San Jose to San Francisco had not been selected as the first segment of work to be completed. If the first segment to be completed was located in the Central Valley, the second segment could considerably be pushed out five or more years. The question should be asked, how long would it be before a segment connecting the Metropolitan areas were connected together. During a meeting with Congresswoman Eshoo it was made clear she and her Congressional Colleagues had signed on with Secretary of Transportation LaHood that the other options of covered trench would continue to be evaluated in the alternatives considered. He clarified the immediate and most critical goal was to slow down the EIR and complete it according to the process in which was promised to the City, as context sensitive solutions. The end result should be well defined so in the event there was funding to move forward with HSR on the Peninsula, it would have to be built according to what had been agreed upon in the EIR process. He broached the subject of ridership being the driving force behind the number of train's necessary per hour, grade separations, the number of tracks needed and finally the success or failure of the business plan.

Council Member Shepherd clarified during the BART tour she attended she was informed the project had begun and had been stopped before the EIR had been certified. BART began negotiations with the City who had ended up paying for the stations they wanted. The project came in at forty percent below cost when they went out to bid.

Mr. Braulik stated the HSRA was scheduled to publish a new business plan in February 2011 which explained how they planned on attracting private capital.

Mayor Burt stated Mr. van Ark spoke in San Jose last month and was quite explicit in his direction stating without a full federal commitment for a funded share of \$18 to \$20 billion, there would not be private investment sought.

Council Member Klein stated the last draft of the business plan called for private financing. The HSRA represented their position as without a revenue guarantee there would be no private financing.

Council Member Shepherd stated in working with Caltrain they were beginning to talk more openly about their vision of the corridor. She asked whether there had been any information brought forward to Staff.

Mr. Braulik stated Staff had not had recent discussion with Caltrain regarding their vision of the corridors. The focus at the Technical Working Team level had been on the HSR. He noted there were team members from Caltrain.

Mayor Burt stated his understand was Caltrain was seeking \$20 million out of the current Federal Railroad Administration (FRA) allocation for additional engineering work on Positive Train Control. Positive Train Control was a safety program mandated for all rail systems in the United States by 2015. Caltrain was required to implement the Positive Train Control by 2015 unless the deadline was extended.

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Holman reported on attending the Santa Clara Valley Water District (SCVWD) meeting where they discussed what would be required of the Cities within the County for water conservation. She clarified she would be presenting more information at a later date.

Council Member Klein stated there was going to be a meeting to discuss SB375 on Monday, November 8 at the Santa Clara County offices at 70 W. Hedding Street in San Jose. He was inquiring about who would be attending as this may impact the Council meeting that evening.

Mayor Burt stated the Council meeting on November 8, 2010 started at 6:00 p.m. with a Study Session with the Library Advisory Commission (LAC). Due to the fact that the agenda for that night was not long, he inquired if the meeting could start at 6:30 p.m. or 7:00 p.m.

City Clerk, Donna Grider stated the Public Hearing ads had been published and the start time was listed as 7:00 p.m. or as near as possible thereafter.

Mayor Burt stated with consensus of the Council that the Council meeting of November 8, 2010 would begin at 6:30 p.m.

Council Member Yeh stated the recent refunding or selling of the City's hydro-power bonds netted the City a five percent savings, which translated to approximately a \$1 million savings per year. He asked when the Development Agreement with Stanford would be returning to Council.

City Manager, James Keene stated it was tentatively scheduled to be brought back on December 6, 2010 as a Study Session.

Council Member Schmid noted that he recently took a walk in Arastradero Preserve and the rebuilt trails had held up well in the rain and made it a

pleasurable walk. He thanked Staff for their work on the upgrades to the Preserve.

Mayor Burt reported on the Climate Change Art reception held on October 29th in the City Hall lobby. On October 28th he attended the San Francisquito Creek JPA meeting where the discussion was on increased costs of the upgrade to the lower segment of the below Highway 101 upgrade. The disruption to our golf course would only be a matter of months rather than years and the work would be done during non-peak golf season. He had the opportunity to look at the new facility being built by Bellomo Architects which would be the first LEED Platinum building for Palo Alto.

ADJOURNMENT: The meeting adjourned at 8:50 p.m.