



CITY COUNCIL ACTION MINUTES

Special Meeting
October 3, 2022

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:33 P.M.

Present in person: Burt, Cormack, DuBois, Filseth, Stone, Tanaka

Present Virtually: Kou

Absent: None

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Sandra Blanch, Nicholas Raisch, Tori Anthony, Molly Stump, and Terence Howzell) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA), Palo Alto Peace Officers' Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA), Management and Professional Employees (MGMT) ; Authority: Government Code Section 54957.6 (a)

ACTION: Removed from Consideration

Special Order of the Day

2. Adoption of Resolution for Heather Souza Upon Her Retirement

MOTION: Council Member Cormack moved, seconded by Vice Mayor Kou to adopt a resolution for Heather Souza upon her retirement.

MOTION PASSED: 7-0

Agenda Changes, Additions and Deletions

Items 1 and 8 were removed from consideration prior to the meeting.

ACTION MINUTES

Consent Calendar

Council Member Cormack registered a no vote on Agenda Item Number 6.

Council Member Tanaka registered a no vote on Agenda Item Number 7.

Council Member DuBois, Stone, Tanaka requested to pull item 4.

MOTION: Council Member DuBois moved, seconded by Mayor Burt to approve Agenda Item Numbers 3 and 5-7 and pull Item 4 for discussion.

3. Approve Minutes from the September 19, 2022 City Council Meetings
4. Approval of a Professional Services Agreement With Eagle Systems (dba Synergy Companies) for Development and Administration of Heat Pump Water Heater Pilot Program, Energy and Water Efficiency, and Electrification Programs for the City's Utility Customers in a Total Not-to-Exceed Amount of \$7.705M for a 3-Year Term Through October 2025 **(Pulled for discussion)**
5. Approval of Construction Contract Number C23184924 with Ron Paris Construction Company, Inc. in the Amount of \$990,733; Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$99,073 for the Water, Gas, Wastewater Office Remodel Project, Capital Improvement Program Project PE-19001; and Approval of Budget Amendments in the Capital Improvement Fund, Water Fund, Gas Fund and Wastewater Collection Fund
6. Adoption of **Resolution 10073** Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency
7. Adopt **Resolution 10074** Authorizing the City Manager to Purchase a Portion of the City's Natural Gas Requirements From Certain Prequalified Natural Gas Suppliers Under Specified Terms and Conditions for Delivery During Calendar Years 2023 Through 2028, Inclusive, With a \$150 Million Maximum Aggregate Transaction Limit

MOTION SPLIT FOR THE PURPOSE OF VOTING

MOTION PASSED ITEMS 3,5: 7-0

MOTION PASSED ITEM 6: 6-1, Cormack no

MOTION PASSED ITEM 7: 6-1, Tanaka no

City Manager Comments

ACTION MINUTES

Action Items

8. TEFRA Hearing Regarding Conduit Financing for the Kehillah Jewish High School's for the Partial or Full Refinancing of the 2014 Loan and Financing the Development, Construction, Renovation, Improvement and Equipping of the Corporation's Campus at 3900 Fabian Way, Palo Alto; and Approving the issuance of a Tax-exempt Loan by the California Municipal Finance Authority for this Purpose and Other Matters Relating Thereto

ACTION: Removed from Consideration

9. Acceptance of Sustainability and Climate Action Plan (S/CAP) Goals and Key Actions; Review of Proposed Reach Code Changes; Adoption of Resolutions Adopting Advanced Heat Pump Water Heater Program Guidelines, Creating and Funding Electrification Reserves, Amending the City's Policy on the Use of Cap and Trade Allowance Revenues, and Adopting a Carbon Neutrality Goal; Approval of Budget Amendments in the Electric Fund, Gas Fund, and General Fund; and Direction to Staff to Amend the 2022 Utilities Legislative Guidelines

MOTION: Council Member Cormack moved, seconded by Council Member DuBois to

1. Direct staff to implement the Advanced Heat Pump Water Heater Program by:
 - A. Adopting **Resolution 10075** (Staff Report 14606, Attachment C) approving the Advanced Heat Pump Water Heater Program Design Guidelines;
 - B. Adopting **Resolution 10076** (Staff Report 14606, Attachment D) creating an Electrification Reserve, establishing reserve guidelines, and transferring \$4.5 million from the Electric Special Projects Reserve to the Electrification Reserve;
 - C. Adopting **Resolution 10077** (Staff Report 14606, Attachment E) amending the City's Policy on the Use of Freely Allocated Allowances Under the State's Cap-and-Trade Program and authorizing the City Manager to use \$1.25 million from the Gas Utility Cap and Trade Reserve for the Advanced Heat Pump Water Heater program; and
 - D. Amending the Fiscal Year 2023 Budget Appropriation by:
 - i. For the Electric Utility Funds:
 - a. Increase Electric Resource Management Operating Expenses for Contract Services by \$4,763,000
 - b. Decrease Electrification Reserve by \$4.5 million
 - c. Decrease Electric Supply Operations Reserve by \$150,000
 - d. Decrease Electric Distribution Operations Reserve by \$86,000
 - ii. For the Gas Utility Funds:
 - a. Increase Gas Resource Management Operating Expenses for Contract Services by \$1.25 million
 - b. Decrease Gas Cap & Trade Reserve by \$1.25 million
 - iii. For the General Fund:
 - a. Increase Planning & Development Operating Expenses for Contract Services by \$250,000

ACTION MINUTES

- b. Increase Planning and Development Services Revenue for Inspection Fees by \$250,000
2. Approve and authorize the City Manager or their designee to execute professional services agreement C23181953A with Eagle Systems, LLC doing business as Synergy Companies (Staff Report 14542, Attachment A)

MOTION PASSED: 6-1, Tanaka no

MOTION: Council Member Cormack moved, seconded by Council Member DuBois to

1. Accept the proposed S/CAP Goals and Key Actions (Staff Report 14606, Attachment A) as a summary of the City's workplan under the S/CAP Framework;
2. Adopt **Resolution 10078** Adopting a Carbon Neutrality Goal in 2030 to Further the Climate Goals of the Sustainability and Climate Action Plan (Staff Report 14606, Attachment F)
3. Direct staff to amend the 2022 Utilities Legislative Guidelines (Staff Report 14606, Attachment G) to include an Electrification Workforce Development guideline

MOTION PASSED: 7-0

MOTION: Council Member Cormack moved, seconded by Council Member Stone to refer to staff the design of a Climate Action Commission that will include student members and to bring this referral back along with a workplan at the end of the year

MOTION PASSED: 7-0

MOTION: Mayor Burt moved, seconded by Council Member DuBois to refer to S/CAP ad hoc committee to begin work on the following and present to the Council by year end an outline:

1. Identify community partner organizations and how they can help support the S/CAP moving forward
2. Preliminary committee review of a prospective commercial HVAC electrification program (E2)
3. An EV strategic plan (EV1-10)

MOTION PASSED: 5-2, Filseth, Tanaka no

10. Adoption of Support or Oppose Positions on State and Local Measures Presented to Palo Alto Voters on the November 8, 2022 Ballot

MOTION: Mayor Burt moved, seconded by Council Member Cormack to support Measure K and Measure L.

MOTION PASSED: 6-1, Tanaka no

MOTION: Mayor Burt moved, seconded by Council Member Cormack to support Proposition 1.

ACTION MINUTES

MOTION PASSED: 7-0

MOTION: Mayor Burt moved, seconded by Council Member Stone to support Proposition 28.

MOTION PASSED: 4-3, Cormack, Filseth, Tanaka No

MOTION: Mayor Burt moved, seconded by Council Member Filseth to support Proposition 31.

MOTION PASSED: 7-0

MOTION: Council Member DuBois moved, seconded by Council Member Cormack to support Proposition 30.

MOTION FAILED: 3-4, Kou, Tanaka, Burt, Filseth No

Council Member Questions, Comments and Announcements

Adjournment: The meeting was adjourned at 10:35 P.M.

ATTEST:

DocuSigned by:
Lesley Milton
E56491CF3DB34FA...

City Clerk

APPROVED:

DocuSigned by:
Patrick Burt
ED9E9CFB89E64FF...

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.

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Palo Alto , CA 94301

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Signer Events

Patrick Burt

pat@patburt.org

Mr

Security Level: Email, Account Authentication
(None)**Signature**

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Lesley Milton

Lesley.Milton@CityofPaloAlto.org

City Clerk

City Clerk

Security Level: Email, Account Authentication
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