

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 961, JANUARY 24, 2018

CALL TO ORDER AND ROLL CALL

Mayor Richards called the Town Council's Regular meeting to order at 7:00 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

Present: Councilmember Hughes, Councilmember Derwin, Councilmember Aalfs, Vice Mayor Wengert and Mayor Richards

Absent: None

Others: Jeremy Dennis, Town Manager
Cara Silver, Town Attorney
Howard Young, Director of Public Works
Brandi de Garmeaux, Assistant to the Town Manager
Sharon Hanlon, Town Clerk

ORAL COMMUNICATIONS

- (1) Presentation – Garrett Kuramoto, Library Manager for Portola Valley and Woodside with San Mateo County Library 2016-2017 Annual Report.

Mr. Kuramoto presented the 2016-2017 annual report, reported on new programs, and shared achievements and awards received.

CONSENT AGENDA [7:09 p.m.]

- (2) Approval of Minutes – Town Council Regular Meeting of January 10, 2018. *[Removed from Consent Agenda.]*
- (3) Approval of Warrant List – January 24, 2018, in the amount of \$210,883.19.
- (4) Recommendation by Town Attorney – Updating the Designated Positions and Disclosure Obligations in the Town's Conflict of Interest Code.
- (a) A Resolution of the Town Council of the Town of Portola Valley Designating Public Officials and Employees and their Disclosure Categories for the Town's Conflict of Interest Code (Resolution No. 2750-2018).
- (5) Recommendation by Public Works Director – Acceptance of the Spring Down Pond Restoration – Project #2017-PW05. *[Removed from Consent Agenda.]*
- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley to Accept the Completed Spring Down Pond Restoration Project #2017-PW05 in the Town of Portola Valley, CA and Authorizing Final Payment to "O. Nelson & Son, Inc." Concerning Such Work, and Directing the Town Clerk to File a Notice of Completion (Resolution No. 2751-2018)
- (6) Appointment by Mayor – Commissions and Committees Membership Appointments for 2018 *[Removed from Consent Agenda.]*

Councilmember Aalfs moved to approve Items 3 and 4 of the Consent Agenda. Seconded by Councilmember Derwin, the motion carried 5-0, by roll call vote.

(2) Approval of Minutes – Town Council Regular Meeting of January 10, 2018.

Councilmember Hughes moved to approve Item 2. Seconded by Councilmember Aalfs, the motion carried 4-0, with Councilmember Derwin abstaining.

(5) Recommendation by Public Works Director – Acceptance of the Spring Down Pond Restoration – Project #2017-PW05.

(a) Adoption of a Resolution of the Town Council of the Town of Portola Valley to Accept the Completed Spring Down Pond Restoration Project #2017-PW05 in the Town of Portola Valley, CA and Authorizing Final Payment to “O. Nelson & Son, Inc.” Concerning Such Work, and Directing the Town Clerk to File a Notice of Completion (Resolution No. 2751-2018)

Mayor Richards reported that the Conservation Committee met and discussed the possibility of having a contest to name the pond, hoping to hold the contest on Earth Day. He said there was also discussion about maintenance of Spring Down in general.

Councilmember Hughes moved to approve Item 5. Seconded by Councilmember Aalfs, the motion carried 5-0.

(6) Appointment by Mayor – Commissions and Committees Membership Appointments for 2018

Councilmember Hughes moved to approve Item 6. Seconded by Councilmember Aalfs, the motion carried 5-0.

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

(7) Microgrid Study Session

Councilmember Aalfs presented the proposed microgrid project at the Town Center. He described the benefits of a microgrid electrical system, including backup power, renewables integration, peak shifting power, etc. He described what a microgrid system would look like locally. He explained the value of battery storage, the duck curve, and net load. He introduced Malini Kannan from the Clean Coalition, a nonprofit organization that may be a good consultant to the Town regarding the requirements and design of a microgrid. He introduced Frank Bishop from Gridscape, the for-profit company that built the microgrid at Fremont Fire Station 11 and is involved in several other microgrid projects. Councilmember Aalfs said Gridscape received one of the first California Energy Commission grants and have become a leader in this field. He described the neighboring communities that have expressed interest including the Mayor of Woodside, Portola Valley School District, Woodside School District, Woodside Priory, and Woodside Fire Protection. He said Gridscape and Clean Coalition are two groups that would be good partners for Portola Valley and he would like to work with them on a design and proposal for a project to bring to the Council in the next couple of months.

Councilmember Hughes asked regarding the timeline for complete installation and coming online. Mr. Bishop said it is not a long-term project.

Councilmember Hughes said if all the groups mentioned took part it would have an impact on grid stabilization, but asked regarding that level of stabilization if it was just Portola Valley and how far

geographically the impact would reach. Councilmember Aalfs said the local impact would be low. He said people are now discussing creating home systems that can feed power and becoming part of the same process and the more the better. He said the Sequoias, in particular, would have a huge impact because it is a much bigger user and is at the very end of that power line.

Councilmember Hughes asked how battery life varied under the different usage scenarios. Mr. Bishop said the batteries' warrantee is 10 years and charging and discharging is fine as long they are maintained properly.

Councilmember Hughes asked if the system would need to be redesigned if the Town decided, in a few years, to add 10 more car chargers or build a new community center, thereby increasing the load substantially or changing the load profile. Mr. Bishop said it is a modular system and more batteries could be added as needed. Councilmember Aalfs said if the loads increased dramatically the service in from PG&E might change at some point, but that would be true with or without the microgrid.

In response to Vice Mayor Wengert's question, Councilmember Aalfs said the primary benefit to the Town was emergency backup power, which is the highest priority. Vice Mayor Wengert asked about the cost comparison between the microgrid and the diesel backup currently existing. Public Works Director Young said the diesel generator has two days of fuel on hand and can be refilled at a gas station. Councilmember Aalfs said the microgrid would provide backup power indefinitely, providing substantially increased backup power compared to the diesel generator.

Vice Mayor Wengert asked how the energy savings was defined. Councilmember Aalfs said the batteries would be charged and then used when the sun was not shining. Vice Mayor Wengert asked regarding the cost analysis. Ms. Kannan said the batteries allow the Town to shave their demand charges. She said they would do a detailed analysis of the Town's current energy bill. She said there is definitely benefit to the electric bill to have energy storage if there is EV charging. Councilmember Hughes said a difference here relative to other microgrids is that mostly all the Town's usage is during the daytime, including the car charging.

Vice Mayor Wengert said while there are future things that the Town should be looking at, she is not considering the speculative items, such as creating a market for local grid services. Councilmember Aalfs said he would not suggest including speculative future items in the Town's analysis of the proposal.

Vice Mayor Wengert said the Town has not articulated their goals in terms of how much EV they want to provide, and it should be included in the analysis. Councilmember Aalfs said the Town Center operates a certain way now and the analysis could include how it would operate differently if it had the resources.

Mayor Richards said in a power outage a microgrid backup is much preferable to hearing the loud generators spewing gas into the air.

Vice Mayor Wengert asked if the microgrid would replace the diesel generator. Councilmember Aalfs said it could and, for example, a short-term outage would not even be noticed.

Mayor Richards said the cost is driven largely by the cost of the battery system. Mr. Bishop said although batteries have come way down in price, they are probably still the largest cost in the system. He said the detailed costs will be in the proposal, but noted that the prices of batteries are continuing to come down. Mr. Bishop said in Fremont they are using the fire station as part of their sustainability plan for the city and they do not want to use the diesel generators at all, planning to phase them out completely.

Mayor Richards said the initial microgrid could be very small and ramped up later after studying the actual critical loads. Councilmember Aalfs said 100 kilowatt hours would be a good start, providing quite a bit of flexibility.

Vice Mayor Wengert asked how much the new system would be reliant on access to the internet in the event of a disaster. Mr. Bishop said the system is driven from the cloud and requires a connection; however, the system is designed so that profiles are downloaded locally and it can run forever on that profile.

Vice Mayor Wengert requested the proposal include an estimate of the ongoing costs in addition to the capital costs.

Councilmember Hughes said the net metering would also need to be factored into the cost estimates. Councilmember Aalfs said there would be decisions to be made regarding net metering and feed-in tariff.

Sustainability and Environmental Resources Committee (SERC) member Stefan Unnasch asked regarding revenue to the Town. He said it would be strange to take in all the solar power during the day and put it out in the evening for the benefit of PG&E. Councilmember Aalfs said the first priority is to provide backup power. He said when he talked about peak shifting, for example, it was to explore whether the system could be made more valuable financially, although some of those markets don't yet exist. Stefan said if the Town has 100-kilowatt hours of storage and 10 EV charging stations, the study should show how much would be made in LCSF credits, which should go to the Town. He said he will forward a PowerPoint by the ARB that describes the provision for smart metering to generate LCSF credits based on solar power. SERC Committee member Anne-Laure Strong said the charger owner is usually the one receiving that credit unless it is released to a different entity.

Assistant to the Town Manager de Garmeaux clarified the power load is not just from 8:00 to 5:00, for example, the exercise classes, the library, cleaning staff, multiple evening events and meetings.

Mayor Richards said an interesting application would be the ability to extend it to neighborhoods. He said it would be nice to have a demonstration project at the Town Center, which serves some benefit. Councilmember Aalfs said this proposal is also an effort to show leadership around this.

Further analysis and cost estimates will return to the Council at a March meeting.

- (8) Recommendation by Town Manager – Adoption of a Resolution Calling an Election to Vote on Ballot Measure to Authorize Reduction of Utility Users Tax from 5.5 Percent to 4.5 Percent
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Calling and Giving Notice of the Holding of a Special Election to be Held on June 5, 2018 for the Purpose of Submitting to the Voters of the Town of Portola Valley a Ballot Measure Reducing the Utility Users Tax Rate (Resolution No.____)

This item was pulled from tonight's agenda. Vice Mayor Wengert said she has been working with Town Manager Dennis, Town Attorney Silver, and Mayor Richards to figure out how to address concerns raised earlier this week. They came to the decision to form a subcommittee consisting of Mayor Richards, Vice Mayor Wengert, Finance Committee Chair Bill Urban, and Town Manager Dennis, to further analyze this subject and return to the Council with its findings at a near future meeting.

- (9) Recommendation by Town Attorney – Settlement of Lawsuit and Approval of Easement Agreement: *Blue Oaks Homeowners Association v. Cynthia Dorrell, et al.*

Town Attorney Silver explained the lawsuit, in which the Town of Portola Valley has been named as a cross-defendant, and the proposed settlement and easement agreement, as detailed in the staff report.

Vice Mayor Wengert moved to approve the Settlement of Lawsuit and Easement Agreement. Seconded by Councilmember Hughes; the motion carried 5-0.

(10) Recommendation by Mayor – Amendment No. 2 to the Town Manager Employer Agreement.

- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Approving Amendment No. 2 to the Town Manager Employment Agreement (Resolution No. 2752-2018)

Town Attorney Silver explained the Town Council's desire to amend the agreement to increase the Manager's base salary to reflect a 3.8 percent cost of living increase effective March 8, 2018, and to extend the agreement for one year, as detailed in the staff report.

Councilmember Derwin moved to approve Resolution of the Town Council of the Town of Portola Valley Approving Amendment No. 2 to the Town Manager Employment Agreement. Seconded by Councilmember Aalfs; the motion carried 5-0.

(11) Appointment by Mayor – Council Liaison Appointments for 2018.

The Council reviewed and approved the Council Liaison Appointments for 2018, as amended.

(12) COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Councilmember Hughes – Attended the January 17 Planning Commission meeting where they discussed the property on Firethorn, the shoulder-widening in front of the property, the tree removals, and traffic safety. He attended a Portola Valley School tour with Councilmember Aalfs. He met with Town Manager Dennis for an ALPR preview. He attended a meeting with PG&E to discuss the 20A Rule.

Councilmember Derwin -- Attended C/CAG Resource Management and Climate Protection Committee (RMCP) where they discussed city-level pilot programs such as microgrids, Energy Watch's call for projects, the BAWSCA update, and an annual water loss audit per SB555. She attended C/CAG Admin meeting with Town Manager Dennis. She attended the January 22 ASCC meeting where they discussed a remodel/addition at 40 Saddleback Drive and had their annual election of Chair and Vice Chair. In response to Councilmember Derwin's question, Town Attorney Silver said committee members serve at the will of the Council and it is appropriate for the Council to provide direction the Commission. She said if the Council Liaison sees an issue it would be appropriate to have a joint session to iron out issues. Councilmember Derwin suggested there be a refresher on how important it is that Commissioners remember they are representing the Town and not just their own points of view. She attended a Housing Endowment and Regional Trust (HEART) Board meeting today where they discussed a new program – Borrowing Idle Housing Funds from Cities.

Councilmember Aalfs – Attended the January 16 Trails & Paths Committee meeting where they discussed looking at all the trails and scoring them to assess the effects of the spraying program. They have received positive comments regarding the gates on the Toyon Trail.

Vice Mayor Wengert – Had lunch with Mayor Richards and Town Attorney Silver on Martin Luther King Day. She visited a commercial wellness center project on 3343 Alpine Road, where there are some challenges to overcome. She attended the first ad-hoc committee meeting on expanding membership of the San Francisco Roundtable.

Mayor Richards – Attended San Mateo County Emergency Services Council meeting where they discussed sirens. He attended a Conservation Committee meeting where they discussed rodenticides, owl boxes, and the broom pull.

(13) Town Manager Report – Town Manager Dennis reported ALPRs are installed and operational. There was follow up with participants of the various pedestrian/traffic gatherings, relative to the

Circulation Study. An ad has been published in the Almanac regarding the Planning Commission review of proposed regulations for commercial cannabis. There will be a Finance Committee meeting on February 12. Town Manager Dennis and Councilmember Derwin will attend a Home for All meeting on January 26. He said upcoming ASCC and Planning Commission meetings will look at flag lot issues, green infrastructure in setbacks, and outdoor lighting. The Planning and Building Director recruitment will close at the end of the month. Larry Strain will attend a March Council meeting to discuss the Town Center Master Plan findings. The Cultural Arts Committee will hold a youth photo show on March 10th.

WRITTEN COMMUNICATIONS

(14) Town Council Digest – January 12, 2018

None.

(15) Town Council Digest – January 19, 2018

None.

ADJOURNMENT [9:05 p.m.]

Mayor Richards adjourned the meeting.

Mayor

Town Clerk