

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 882, JUNE 25, 2014

Mayor Wengert called the Town Council's regular meeting to order at 7:30 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

Present: Councilmembers Maryann Moise Derwin and John Richards; Vice Mayor Jeff Aalfs; Mayor Ann Wengert

Absent: Councilmember Craig Hughes

Others: Nick Pegueros, Town Manager
Howard Young, Public Works Director
Brandi de Garmeaux, Sustainability & Special Projects Manager
Leigh Prince, Town Attorney
Sharon Hanlon, Town Clerk

ORAL COMMUNICATIONS

Louis Ebner, Wyndham Drive, complimented the Council on its vote at the June 18, 2014 meeting, but took exception to comments about how neighbors would have responded had a nature and science center been proposed for 900 Portola Road instead of affordable housing. He said that in December of 2012, he said he would try to find creative solutions to the affordable housing issue in Portola Valley, and he continues to work on that.

CONSENT AGENDA

- (1) Ratification of Warrant List: June 25, 2014 in the amount of \$92,610.37
- (2) Recommendation by Town Clerk: Consultant Agreement between the Town of Portola Valley and Barbara Templeton for transcription services
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley approving and authorizing execution of a Consultant Agreement between the Town of Portola Valley and Barbara Templeton (Resolution No. 2621-2014)
- (3) Recommendation by Administrative Services Manager: Approval of Investment Policy
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley adopting Town Investment Policy (Resolution No. 2622-2014)
- (4) Recommendation by Administrative Services Manager: Approval of 2014-2015 Appropriations Limit
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley determining and establishing the Appropriations Limit for 2014-2015 (Resolution No. 2623-2014)
- (5) Recommendation by Administrative Services Manager: 2014/2015 Woodside Highlands and Wayside II Road Maintenance District Tax Assessments
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley authorizing the San Mateo County Controller to apply the Special Tax for the Woodside Highlands Road Maintenance District to the 2014-2015 tax roll and to collect the tax at the same time as General County Taxes (Resolution No. 2624-2014)

- (b) Adoption of a resolution of the Town Council of the Town of Portola Valley authorizing the San Mateo County Controller to apply the Special Tax for the Wayside II Road Maintenance District to the 2014-2015 tax roll and to collect the tax at the same time as the General County Taxes (Resolution 2625-2014)
- (6) Recommendation by Public Works Director: Alpine Road Bank Project No. 2012-PW03 Federal Project No. ER-22X0(001)
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley approving plans and specifications and calling for bids for the Alpine Road Bank Protection Project No. 2012-PW03 Federal Project No. ER-22X0(001) (Resolution No. 2626-2014)

By motion of Councilmember Richards, seconded by Vice Mayor Aalfs, the Council approved the Consent Agenda with the following roll call vote:

Aye: Councilmembers Derwin and Richards, Vice Mayor Aalfs, Mayor Wengert.

No: None.

REGULAR AGENDA

- (7) Public Hearing: Adoption of the Fiscal Year 2014-2015 Budget [7:35 p.m.]
 - (a) Adoption of a resolution of the Town Council of the Town of Portola Valley adopting the Operating and Capital Budgets for Fiscal Year 2014-2015 (Resolution No. 2627-2014)

For the benefit of the audience, Mr. Pegueros summarized key points from the budget presentation at the May 28, 2014 Council meeting.

The General Fund operating surplus was anticipated to be approximately \$358,000, and has since been readjusted to \$347,000. The difference between operating revenues and expenditures is important as a measure of the Town's fiscal health. The Town's capital expenditure plan, however, uses the complete surplus and draws also from prior years' savings. Since the budget proposed on May 28, 2014, a new truck for the Building Official has been added to the capital expenditures category. Retiring Gary Fitzer is taking his personal vehicle with him when he retires, and until his replacement is hired CSG personnel will be handling inspections and using their own vehicles.

On the revenue side, Mr. Pegueros said the state had overpaid the Town \$221,000 in sales tax, and next year's figures will reflect an expenditure rather than revenue due to the way the state projects future taxes.

Operations expenditures in the General Fund are expected to increase by \$588,000, including \$323,000 for administration operations, which is where personnel costs are booked. It covers the fully burdened cost for the new Planning Director, \$100,000 for contract planning and administration staff, and \$50,000 for merit-based salary adjustments for Town staff.

General Fund reserves were estimated at a healthy \$2.6 million, and the recommendation is to increase it as we learn more about our pension liability. In response to Vice Mayor Aalfs, Mr. Pegueros said the Town would receive the unfunded pension liability amount in December 2014, but it's hard to say whether the total will be much greater than the \$1.4 million we'd be setting aside.

The budget also outlines a series of priorities, he said, including community service and engagement, emergency preparedness and sustainability. With a goal of providing excellent customer service to all Town residents and promote civic engagement, the first priority includes recruiting a Planning Director and Public Information and Communications Manager to help with community outreach.

Vice Mayor Aalfs asked whether the possibility of more people registering would have an impact on business license tax revenues. Mr. Pegueros said he didn't think so.

Mayor Wengert opened the public hearing.

Mr. Ebner asked how much of the Legal & Planning Consultants expenditure for Blue Oaks and affordable housing of \$79,706 in FY 2012-2013 came from the In-Lieu Housing Fund versus the General Fund. Mr. Pegueros said when the Town undertakes a discrete affordable housing project, such as the decision to sell Blue Oaks and purchase 900 Portola Road; all the related costs are charged to the In-Lieu Housing Fund. Otherwise, they are paid from the General Fund, including charges related to the Ad Hoc Affordable Housing Committee and other housing-related expenditures for administration and overhead.

With no other speakers coming forward, Mayor Wengert closed the public hearing.

Councilmember Derwin moved to approve the budget for FY 2014-2015. Seconded by Councilmember Richards, the motion carried 4-0.

(8) Recommendation by Sustainability and Special Projects Manager: Adoption of the Fiscal Year 2014-2015 Budget [8:00 p.m.]

- (a) A resolution of the Town Council of the Town of Portola Valley allowing a special rate adjustment to the Franchise Agreement for Collection of Garbage, Recyclables and Compostable Materials between the Town of Portola Valley and GreenWaste Recovery, Inc. (Resolution No. 2628-2014)

Ms. de Garmeaux explained that GreenWaste is requesting a special rate adjustment in addition to the entitled annual increase related to the Consumer Price Index (CPI). She indicated that staff has concerns about GreenWaste's rate model being inadequate to address changes in consumer demand for solid waste disposal; with the existing rate structure based on charging customers a fee for garbage service while effectively handling recycling and compost at no charge.

As customers reduce consumption of wasteful products, using their green bins for yard waste and other compostable materials, they actually may be using smaller garbage containers and thus paying less than previously for their garbage service, Ms. de Garmeaux said. Consequently, GreenWaste's revenue from fees declines as its costs increase on the recycling side.

The company is requesting the special rate adjustment this year to help address the problem created by its outmoded rate structure. Noting that the Town values its partnership with GreenWaste and appreciates the company's ongoing efforts to find innovative ways to increase Portola Valley's diversion rate, staff recommends approval of a one-time special rate adjustment of 3% in addition to the 2.58% CPI increase, for a total of 5.58%, effective July 1, 2014. It is the same as what the Woodside Town Council ultimately decided to award GreenWaste when it considered the same request, Ms. de Garmeaux said.

In addition to the rate increase, staff recommends that the Town Council encourage GreenWaste to undertake a comprehensive cost-of-service analysis and return with a proposed rate table that adequately reflects its cost of doing business.

Ms. de Garmeaux introduced Emily Hanson, GreenWaste's Director of Business Development and Communications. Ms. Hanson said GreenWaste Recovery is a local business founded in 1991, collecting and hauling as well as processing in its Material Recovery Facility (MRF). GreenWaste is affiliated with two sister companies:

- Zanker Road Resource Management, established in 1985, is a LEED-certified facility that focuses on construction and demolition (C&D) debris, source-separated material such as

excess dirt or concrete, some of which it converts into hardscape and landscape products, and composting at its Z-Best facility in Gilroy

- Zero Waste Energy Development Company began operating its first commercial anaerobic digestion system earlier this year, the largest such facility in the world; this advanced method of composting extracts methane, which can be used to produce electricity and compressed natural gas (CNG) fuels

GreenWaste operates what they call a three-stream collection system and a two-stream processing system, Ms. Hanson said. When residents put out their bins, GreenWaste dumps the high-value dry recyclables separately in one compartment on the truck, and combines and commingles the garbage and compostables – food waste and yard trimmings – in another compartment. Most solid waste disposal companies send the contents of garbage bins to landfill, she said, but GreenWaste's goal is to process 100% of the materials they pick up.

Upon arrival in San Jose, the collection trucks are off-loaded, with all the wet organic materials going into transfer trailers for shipment to Z-Best for composting, while recyclables are sorted, contaminants removed and commodity materials processed for sale.

Ms. Hanson said that in conjunction with the Town, GreenWaste has developed some awesome programs that have become models in other areas, and restructuring cleanup events to make it easier for people to get reusable materials back into circulation – for example, the Goodwill Give 'n' Go station on Neighborhood Cleanup Day. They focus first on what can be reused and secondly what can be recycled, Ms. Hanson said. Other GreenWaste services to Portola Valley include compost distribution at various events, an off-curb collection option

Because recycling works only to the extent that there are markets for recycled products, Ms. Hanson said GreenWaste focuses on cultivation of markets, and when there's a consistent market, the company will pick it up for recycling – even e-waste, batteries and (in a special jug) used oil. Until a recyclable market is consistent, though, residents should continue putting discarded materials in with the garbage or dispose of them as otherwise instructed. GreenWaste sorts through the garbage, and if something can be recovered for recycling, they will do so. She cited candles, CDs and DVDs as examples. The challenge with Styrofoam is that it has to be perfectly clean, she said.

How do GreenWaste's rates compare? Comparing rates that consumers see is difficult for several reasons, one of which is that different waste management companies have different rate structures. However, some communities mix trash collection charges in with street sweeping and/or utility services. Also, the ratio of commercial to residential customers varies, Ms. Hanson said. Ms. de Garneau pointed out that some places also are embedding stormwater enforcement costs in their garbage rates. In any case, Ms. Hanson said that in their attempt to create a like-for-like model to share with Portola Valley, they calculated that the only community with a residential rate higher than Portola Valley's is Monte Sereno, where there's no backyard service option but only curbside collection. For a standard 32-gallon container, Portola Valley residents pay about \$30 monthly versus \$37 in Los Altos Hills next at \$37, which is next on the list. Atherton residents pay \$76.

GreenWaste is trying to catch the rate model up to match the processing system; it costs just as much to pick up a container of garbage as it does a container of recyclables. Going from the premise that people should pay relative to what they're disposing of rather, GreenWaste is working on a wet-dry system based on a "pay as you throw" model, Ms. Hanson said. With the current rate structure, which is based solely on garbage bin volume, the better people are with recycling the lower GreenWaste's revenue. As a result, the company has lost money for the last three years, posting operating losses of 3%, 2% and 3% in FY 2011-2012, 2012-2013 and 2013-2014, respectively. Revenue collected for recyclable materials offsets operating costs to some extent, but this revenue stream has dropped 13.5% since 2011. Since 2008, she said, the cost of diesel fuel has risen 57%, drivers' wages – including a 2.5% increase effective July 1, 2014 – are up 14.3% and healthcare benefits have increased 50%.

As for its annual rate increases, Ms. Hanson pointed out that the cumulative CPI increase was 9.25% between 2008, when GreenWaste took over the Portola Valley contract, and 2013. Adding the requested special rate adjustment for 2014-2015 would bring the total to slightly more than 12% over the eight-year period. She said the special adjustment requested is intended to “stop the bleeding” and buy some time for more in-field auditing and more analysis of the data, subscription levels and tonnages to develop an innovative, more sustainable rate model.

GreenWaste's proposal for a total 9% rate adjustment in FY 2014-2015 would add \$2.33 to \$2.76 to the bills of the majority of Town residents, based on the two most common size-and-distance categories. Ms. Hanson said. Most of those customers would pay \$2.33 more per month (\$0.54 per week) for a single 32-gallon garbage bin up to 10 feet from the curb; 15% with single bins in the 25-100 foot range would pay \$2.76 monthly. Ms. Hanson said that the 3% that staff subtracted from the total requested would add \$0.89 and \$1.05 to those bills, respectively.

Mayor Wengert asked how long GreenWaste needs to create a new model based on the business evolution in terms of adding pickups for recycling and composting to its list of services. Ms. Hanson indicated three to six months.

Councilmember Richards asked how service would be affected if the rate increases don't come through. Ms. Hanson said GreenWaste knows what it charges each residence, but there are many more containers in the field than people pay for, so a detailed audit would be in order. A similar effort is underway in Santa Cruz County, she said, noting that it's a time-consuming, costly undertaking. It involves spending a lot of time in the field to figure out what people are actually getting in service to ensure all those services are being paid.

In response to Councilmember Derwin, Ms. Hanson said regardless of whatever increase the Council approves, GreenWaste still would come back with a proposal for a modified rate structure. Otherwise, by the time the contract matures in 2018, the same revenue erosion the company has experienced would continue, because as consumers get more efficient, they put less and less in the garbage. Ms. Hanson said GreenWaste needs the new rate model to align the processing and collection systems.

As consumers get better about recycling and putting out compostables, Vice Mayor Aalfs asked how GreenWaste would account for those materials becoming revenue-generating feedstock in the new model. Ms. Hanson explained that if GreenWaste delivered garbage directly to a landfill, they'd pay a tip fee per ton for disposal, but in an internal transaction, the MRF buys recyclables from the hauling side. Cherry-picking the material would make it fairly inexpensive to process, but the diversion goal creates a much higher labor expense, so recyclables are expensive to process despite the fact that the MRF pays for and profits from them.

As for yard trimmings and compostables, she said that even though compostable waste is a feedstock at Z-Best, it is more a cost to process. As an example, San Jose is the primary feedstock provider for GreenWaste's new system, and Republic is paying between \$85 and \$93 per ton to have GreenWaste process it. Ironically, she said landfill is cheaper. The anaerobic digestion system's energy production is more profitable than compost sales. Z-Best's only viable compost market is the Salinas Valley, where the agricultural community places orders for custom blends.

Mayor Wengert asked how GreenWaste's competitors deal with the issue of the increasing volume of recyclables against the decreasing volume of garbage. It's becoming more commonplace to charge for recyclables service on the commercial side, Ms. Hanson said, and in some areas, including Monterey County, commercial customers pay more for food scraps service than they do for garbage. On the residential side, it's pretty unusual for garbage to be processed. GreenWaste Chief Operating Officer and General Manager Frank Weigel added that the only place that processes garbage is the Sunnyvale Materials Recovery and Transfer Station (SMaRT), but it recovers about 18%, which is considerably less than what GreenWaste recovers.

Sharing common goals is what's made GreenWaste such a good fit for the Town, Mayor Wengert said, and she doesn't want to see the company jeopardize its future by losing money, so she encouraged doing the necessary analysis as quickly as possible. As a stopgap measure, she hopes the 3% the Town is considering for the special rate adjustment brings the company to the breakeven point based on its losses over the past few years.

Councilmember Richards agreed that GreenWaste's program is a great fit and its forward-looking stance complements the way Portola Valley sees itself.

Mr. Ebner, saying that some weeks he puts out barely any recyclables and others when he has a lot, asked whether it would help in some modest way to have a policy of holding back and waiting until the bucket is full before putting it out for collection. With fully automated trucks doing on-curb collection, Ms. Hanson said it wouldn't matter. Even going up the driveway, the only difference would be the number of containers they lift. The only real help would be to cut back on vehicle miles traveled.

Looking at wages up 11% with another 2.5% anticipated and healthcare up 39% over the last five years, Mr. Ebner noted that the sum in those two areas is 1.2% less than the increase in price of diesel. He asked what percentage of GreenWaste's fleet runs on diesel versus natural gas, and if they're looking to move more in the direction of natural gas, what can be done to encourage it.

Ms. Hanson said the way the companies are integrated, they like to internally self-reliant, so Zero Waste's anaerobic digester system is only the first phase of a three-phase project. The second phase involves CNG production. One of the biggest limitations to converting the fleet is the infrastructure doesn't exist. For instance, she said, the company operates a number of CNG trucks in Palo Alto, but has to rely on other facilities for "slow fill" refueling. (Delivering fuel at a low pressure via a compressor, slow fill is much more efficient, economical and flexible than the "fast-fill" systems that work well for light-duty vehicles, such as vans, pickups, and sedans.)

The trucks themselves present another challenge. Replacement one factor; Ms. Hanson indicated that they don't want to expire a vehicle before it reaches the end of its useful life and be paying for a new one. Furthermore, technological advances haven't reached the point that smaller CNG-powered trucks such as those GreenWaste would need to navigate a hilly region such as Portola Valley are yet on the market.

Mr. Weigel said they're hoping the small truck option comes soon, and in the meantime, are also researching smaller electric trucks, which are fairly new to the market but are being tested now and then. He also noted that the bigger trucks are very expensive, approximately \$300,000. In response to a Mr. Ebner asking what the Town could do to encourage movement in the direction of CNG, Mr. Weigel said an extended contract would enable GreenWaste to amortize the cost of new vehicles and pay for them over a longer period of time.

Mayor Wengert, observing that GreenWaste's rate structure is evolving due to such factors as its sustainability initiatives, its research and development (R&D), capital investment and continuing investment in new technology, said the Town would want to assist in those efforts but remain mindful of the need for a stabilized underlying model. She also reiterated the importance of the "pay as you throw" approach, pointing out that no one originally anticipated gardeners and landscape people taking advantage of the fact that we have significantly sized bins available to use freely. Nothing is free, she emphasized; it must be part of the model.

Ms. Hanson said a big point made in Woodside concerned the people using unlimited service end up being subsidized by those who don't. They discussed shrinking down the base services that everyone's entitled to and having everything else as add-on options. Mayor Wengert said from a modeling perspective that also may work well in Portola Valley.

Vice Mayor Aalfs suggested GreenWaste consider itemizing charges in a way that people know what they're paying for garbage versus recycling versus compostables.

Councilmember Derwin said she's a big fan of GreenWaste and attributes the fact that Portola Valley has one of the highest diversion rates in the county to the Town's partnership with GreenWaste. She's been expecting the company to ask for an increase because its charges to Town residents are so low relative to other communities. She understands the rationale for offering 5.58% rather than 9% requested, she said, but suggested the Council consider something higher than 5.58% inasmuch as the financial impact on customers would be so small. Councilmember Derwin said that when a new rate model is developed, we can expect to see an even a larger gap between this rate increase and the next one.

Mr. Pegueros said from staff's perspective, it's important to motivate GreenWaste to fix the problem because otherwise we can expect additional special rate increase requests down the road as the revenue base erodes and costs increase. The goal is to stop the bleeding and encourage GreenWaste to come back with a rate structure that solves the problem. Asked whether 5.8% would stop the bleeding, Mr. Weigel said 5.8% would get GreenWaste to about the breakeven point.

Mayor Wengert agreed with Mr. Pegueros that rolling out a whole new structure would avoid future requests for special adjustment. She said pioneering takes a certain amount of investment, so she encourages GreenWaste to create a new structure that ensures adequate budgeting in the context of short-, middle- and long-term goals. With the new rate structure in hand, the Council could give the issue a really close look in terms of the magnitude of increases and their probable impact. At this point, she said, the goal is to stop the bleeding and encourage GreenWaste to look at its rate increase model and strategy, implementing it incrementally.

Ms. De Garneau said with a new rate model in hand, the Town would come forward with a proposal that makes subscriptions to base garbage service mandatory and discourages illegal dumping. Mr. Pegueros added that staff anticipates a comprehensive review of the franchise agreements, which may include a term extension. Signed in 2008, our initial agreement with GreenWaste is due to expire in 2018.

Councilmember Richards moved to adopt the resolution approving a total rate increase of 5.58% for all garbage services provided by GreenWaste Recovery Inc. and to direct the company to return with detailed information regarding their operating loss by service level and a proposed new rate schedule to ensure that customers paying for the services they receive. Seconded by Vice Mayor Aalfs, the motion carried 4-0.

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

(9) Reports from Commission and Committee Liaisons [9:00 p.m.]

Councilmember Richards

(a) Conservation Committee

Meeting on June 24, 2014, the Conservation Committee discussed the handling of an issue involving the planting of a large olive tree on Corte Madera Road and a Town event to tie in the Backyard Habit awards.

(b) San Mateo County Emergency Services Council

Among highlights of the latest ESC meeting, held on June 19, 2014, were:

- A status report on the countywide Emergency Services Joint Powers Authority (JPA)

The San Mateo County Counsel requested some text and formatting changes to the draft document, so it will be coming back to the ESC for its next quarterly meeting, which is scheduled for September 19, 2014.

- A presentation by Kathy Schmidt, Chair and Documents Committee Director for the Burlingame Neighborhood Network (BNN), which is part of the Peninsula Preparedness Network coalition

Ms. Schmidt discussed guidelines for organizations such as CERPP to facilitate communications and involvement. She also addressed the issue of “resilience versus preparedness,” which differ in terms of:

<i>Resilience</i>	<i>Preparedness</i>
Being relationship-based	Being plan-based
Involving whole communities	Involving various agencies
Long-term	Short-term
Ongoing	Disaster-centered

In response to Vice Mayor Aalfs, Councilmember Richards agreed that the resiliency approach is bottom-up, based more on a neighbor-to-neighbor than agency-to-citizenry. He also said that Ms. Schmidt distributed handouts listing each community’s various types of preparedness organizations.

- A sobering drought update by Brian Molver, Emergency Services Coordinator at San Mateo County Sheriff's Office

Sam McDonald Memorial Park has closed all camping, and Pescadero Creek is so low that a YMCA camp north of the park ran out of water and could pump no more. The situation is much worse than most people realize; the gasps in the room were audible when Mr. Molver described relayed the news. Councilmember Richards said the Town’s Ad Hoc Water Conservation Task Force Committee should work on getting the word out. Ms. De Garmeaux said the Committee had been told to hold back until reporting back to the Council.

Councilmember Derwin

- (C) Countywide Integrated Waste Management Plan Study Ad Hoc Committee part of the City/County Association of Governments (C/CAG)

Ms. De Garmeaux joined Councilmember Derwin for a meeting of this committee, which is charged with reevaluating San Mateo County’s Integrated Waste Management Plan. The state requires each county to review its waste management program every five years on the basis of five elements in the plan: Source Reduction and Recycling, Household Hazardous Waste, Non-Disposal Facilities; Siting and Summary Plan.

In terms of siting, Councilmember Derwin said the Ox Mountain landfill representative said it’s important to look out 15 years to ensure enough landfill is available, and the County is in good shape on that score. In household hazardous waste, she said the rate of participation among Town residents is probably the highest in the County.

- (d) Housing Endowment and Regional Trust (HEART) of San Mateo County

At their meeting on June 25, 2014, members of the HEART Board:

- Approved the budget for FY 2014-2015
- Reviewed and approved the RFP for a consultant for HEART’s Opening More Doors program

Councilmember Derwin said this RFP, with the focus on determining how much HEART can rise rather than targeting a specified financial goal, and is a much better document than it was for the first consultant selected. HEART has an eye to choosing a new consultant in September 2014.

- Discussed loan activity

With 52 home buyer loans granted, Councilmember Derwin said Board members are excited about the high volume. The loan committee is considering a for-ownership condominium project on a small Redwood City lot where Habitat for Humanity wants to build 16 units, four per floor, and needs a \$500,000 loan.

Councilmember Derwin also reported that the Board had a big discussion about terminology, particularly the evolution from “below market rate” (BMR) to “affordable housing” and now “workforce housing.” She said she likes the evolution, and other Board members also think it has a better connotation than the other terms.

Vice Mayor Aalfs

(e) Architectural and Site Control Commission (ASCC)

On June 23, 2014, the ASCC reviewed an application for an “as built” planting modification to the landscape plan at 274 Corte Madera Road, which ASCC had approved previously. Upon inspection of installed plantings, Planning staff noted that several of the installed trees had not been approved, including a large olive tree. Most of the plantings were approved, although the ASCC directed a few changes.

Vice Mayor Aalfs said that Interim Town Planner Karen Kristiansson also told the ASCC about placement of “no parking” signs at Windy Hill. Unaware that the signs would be permanent, ASCC members were not happy about the news; he said they’d prefer seeing cars along the road to seeing signs. Mr. Pegueros said that inviting ASCC to offer formal comments on these signs would deviate from the process we’ve followed in the past. Mayor Wengert and Councilmember Derwin said ASCC comments on the aesthetics might be helpful.

Mayor Wengert

(f) Ad Hoc Water Conservation Task Force Committee

Joining the Committee at its June 24, 2014 meeting was Cal Water’s Ken Jacobs, whose presence was terrifically beneficial, Mayor Wengert said, and he did a great job of fielding questions. He had good news for the Committee, which has been anxious to obtain data that will enable establishing metrics and measuring performance. Mr. Jacobs said Cal Water is converting systems and soon will send the Committee month-by-month data broken down into three tiers of usage.

CalWater’s first priority after implementing its new system will be reaching out to the top 50 water users in the community and the top 20% of residential users to ask how CalWater might help them reduce their consumption, Mr. Jacobs said. Committee members said they’d like to help in that regard.

They also talked about increasing incentive programs, which currently include the smart irrigation controllers, low-flow toilets, faucets and sprinkler heads and a Lawn Be Gone! initiative. In Lawn Be Gone!, CalWater gives customers up to \$0.75 per square foot for lawn removal. Mr. Jacobs said CalWater is on the brink of a much more concerted media campaign, and will raise the incentive to \$1. He noted that Palo Alto has committed to matching funds to supplement the Lawn Be Gone! incentive, so Palo Alto residents will receive \$2 per square foot to take out their lawns.

Mr. Jacobs also talked about participating in bilingual seminars for gardeners. Councilmember Derwin indicated that Acterra would be a good contact for this, having developed the model with its Green Gardener program in Redwood City in 2010.

As Mayor Wengert put it, CalWater's thrust is on being more transparent and beefing up public relations and communications efforts. It was a very useful dialog, she said, and CalWater handled the program very well.

WRITTEN COMMUNICATIONS

(10) Town Council June 20, 2014 Weekly Digest [9:20 p.m.]

(a) #7 – Memo from Town Manager, Nick Pegueros re: Weekly Update – June 20, 2014

Mr. Pegueros updated the Council on the Planning Director recruitment effort, with:

- First-round interviews with a pool of seven applicants starting on June 20, 2014
- The panel tentatively established to meet with three finalists beginning July 1, 2014 (Mayor Wengert, Councilmember Richards, Planning Commission Chair Denise Gilbert, ASCC member Dave Ross, Town Attorney Leigh Prince and Assistant Planner Carol Borck)
- A probable start date for the new hire in late August or early September 2014

Vice Mayor Aalfs asked whether the Town had been notified about the June 24, 2014 incident involving three juveniles with an airsoft gun at Ormondale School. Mr. Pegueros said yes, explaining that in between the call to 9-1-1 and when Lt. Tim Reid phoned him, deputies had assessed the situation and determined there was no immediate threat.

Mr. Pegueros invited Councilmembers to a luncheon that he will host for staff to celebrate Deputy Building Official Gary Fitzer's retirement.

ADJOURNMENT [9:25 p.m.]

Mayor

Town Clerk