



TOWN OF PORTOLA VALLEY

7:30 PM – Regular Meeting of the Town Council

Wednesday, June 10, 2015

Historic Schoolhouse

765 Portola Road, Portola Valley, CA 94028

REGULAR MEETING AGENDA

I. CALL TO ORDER AND ROLL CALL – 7:30 PM

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

II. ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

III. CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

1. **Approval of Minutes** – May 27, 2015 (3)
2. **Approval of Warrant List** – June 10, 2015 (15)

IV. REGULAR AGENDA

A. PRESENTATIONS – None

B. COMMITTEE REPORTS & REQUESTS

1. **Conservation Committee – Proposal regarding Garden Area in front of the Historic (28)**
Schoolhouse
2. **Update on Retaining a Consultant to Assist with Aircraft Noise Impact Analyses (34)**
3. **Update on Drought Emergency** – *There are no written materials for this agenda item*
4. **Council Liaison Reports** - *There are no written materials for this agenda item*

C. PUBLIC HEARINGS –

1. **Recommendation by Town Attorney** – Introduction of an Ordinance Amending Title 2 of (35)
the Portola Valley Municipal Code
 - (a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance Amending
Title 2 [Administration and Personnel] of the Portola Valley Municipal Code (Ord. __)
2. **Recommendation by Town Planner** – Introduction of an Ordinance Amending Section (45)
18.64.010 of Title 18 [Zoning] – Referral of Projects for Architectural and Site Plan Review of
the Portola Valley Municipal Code (Ord __)
 - (a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance of the
Town of Portola Valley Amending Section 18.64.010 [Applicability-Purpose] of the
Portola Valley Municipal code (Ord. __)

D. STAFF REPORTS AND RECOMMENDATIONS

1. **Report from Town Planner** – Annual Housing Element Progress Report for 2014 (61)
2. **Presentation by Town Manager** – 2015/2016 Proposed Budget Workshop (69)
3. **Discussion and Council Direction** – Agenda Format and Protocol for Comments from (117)
the Audience

E. Council Liaison Reports on Regional Agencies and Organizations - *There are no written materials for this agenda item*

V. WRITTEN COMMUNICATIONS

1. **Town Council Digest** – May 29, 2015 (123)
2. **Town Council Digest** – June 5, 2015 (293)

VI. ADJOURNMENT

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required. Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public Hearing(s).

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO.911, MAY 27, 2015

I CALL TO ORDER AND ROLL CALL

Mayor Aalfs 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 Craig Hughes, John Richards, Ann Wengert; Vice Mayor Maryann Moise Derwin, Mayor Jeff Aalfs

Absent: None

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

II ORAL COMMUNICATIONS – None

III CONSENT AGENDA [7:31 p.m.]

- (1) Approval of Minutes: Special Town Council Meeting of April 29, 2015.
- (2) Approval of Minutes: Regular Town Council Meeting of May 13, 2015
- (3) Approval of Warrant List: May 27, 2015, in the amount of \$120,257.86
- (4) Recommendation by Public Works Director – Adoption of a Resolution for the Alpine Road at Arastradero Road Shoulder Widening Project No. 2015-PW02.
 - (a) Adoption of a Resolution Approving Plans and Specifications and Calling for Bids for the Alpine Road Shoulder Widening Project No. 2015-PW02 (Resolution No. 2659-2015)
- (5) Recommendation by Sustainability and Special Projects Manager – Adoption of a Resolution Waiving Inspection Fees and Geotechnical Consultant Pass-Through Charges for the Decommissioning of Swimming Pools
 - (a) Adoption of a Resolution Waiving Inspection Fees and Geotechnical Consultant Pass-Through Charges for the Decommissioning of Swimming Pools to Promote Water Conservation in Response to the Drought Emergency of 2015-16 (Resolution No. 2660-2015)

Councilmember Wengert moved to approve the Consent Agenda. Seconded by Councilmember Richards, the motion carried 5-0.

IV REGULAR AGENDA [7:32 p.m.]

(A) Presentations

- (1) Chindi Peavey, District Manager for San Mateo Mosquito & Vector Control District – with “West Nile Virus and other Vector-borne Diseases”

Ray Williams introduced District Manager Chindi Peavey, who presented the San Mateo Mosquito & Vector Control District's Update 2015 report and slide show regarding vector

management and the West Nile Virus. She reported that 2014 was a busy year for West Nile Virus in California, seeing more activity than past years. She said a new species of mosquito, *aedes aegypti*, has been introduced to San Mateo County and the District is continuing its efforts to eradicate it.

(B) Committee Reports and Requests [7:45 p.m.]

(1) *Report by the Trails & Paths Committee – Committee Annual Report to the Town Council*

Trails & Paths Committee Chair Terry Lee presented the Committee Charter and Annual Report. He reported that the Committee continues to work on its priorities for the upcoming year and beyond, exploring trail use and improved communications.

Councilmember Wengert asked Mr. Lee if the Council was providing the committee with the resources and support they needed. Mr. Lee said it has been a very collaborative process between the Committee and the Town Council, with Councilmember Wengert's and Mr. Young's guidance. He said the Committee added a small allocation to the proposed budget this year for community outreach activities to make it easier for citizens to learn about and engage with the Trails & Paths Committee.

Mayor Aalfs asked if Mr. Lee envisioned any separate interaction with MidPen regarding the Hawthornes. Mr. Lee said the Committee is aware that when they're interacting with larger partners, such as the Mid Peninsula Regional Open Space District, the Council has the best perspective on the relationships that have historic and future precedence. He said that the Committee does not want to be in a position of representing their personal feelings about anything in particular and they are only there to assist and do not lead until asked. He said the Committee's greatest concern is that the community at large not try to represent the Council, despite their well-intended interests, without coordinating through the Council or the Committee, which is at the Council's service.

Councilmember Wengert said that some of their issues bridge across multiple committees and the Council is trying to manage a process where all committees are involved as early as possible. She asked if this had been an issue for the Trails & Paths Committee. Mr. Lee said in his experience, and through consultation with fellow Committee members, he thinks the communication coordination has been strong as it relates to the Trails & Paths Committee and invitations they have received to participate and be included are appreciated.

(2) *Council Liaison Reports*

- Councilmember Wengert – Attended Finance Committee budget meeting where they reviewed the Town's unfunded pension liability and first draft of the 2015-16 fiscal year budget.
- Councilmember Richards – Attended Conservation Committee meeting where they discussed their continued work on the Backyard Habitat Program, invasive plants on Shady Trail, Monarch Waystation, Historic Schoolhouse landscaping, and a joint letter with the Town of Woodside, and possibly Los Altos Hills, requesting local nurseries not sell invasive plants.
- Councilmember Hughes – Attended Cable and Undergrounding meeting, which did not achieve a quorum as committee member Bob Bondy has passed away.
- Vice Mayor Derwin -- None
- Mayor Aalfs – Attended ASCC meeting and a water meeting at the Priory.

(C) Public Hearings: None

(D) Staff Reports and Recommendations [8:04 p.m.]

- (1) *Request by Public Works Director* – Request for Additional Funds in the amount of \$100,000 to Expand the 2014/2015 Capital Improvement Program Budget for Street Resurfacing and Trail Improvements.

Howard Young presented the report with a recommendation to the Town Council to:

1. Authorize a \$100,000 allocation of General Fund unassigned fund balance to increase the 2014-15 Capital Improvement (CIP) Budget for street resurfacing and trail improvements; and,
2. Authorize the Town Manager to execute contracts or additional work scope for the expanded paving project.

Vice Mayor Derwin asked if citizens were being adequately informed of work to be performed on their streets. Mr. Young said a flyer went out to a very large area, it was published in the Council Digest, and signs were placed on every street. He said 48 hours before slurry seal, the contractors are required to place door hangars on all doors advising residents of the exact time and date of the work to be performed. He said the scheduled dates for slurry seal have been posted to the website and he will be posting information to the PV Forum tomorrow.

Councilmember Wengert asked how the additions of work on Cima Way, Mapache Drive, and Deer Meadow to this year's plans impact the longer-term calendar. Mr. Young said these streets were previously identified and budgeted to be repaired this year.

Councilmember Hughes asked how long it had been since those streets had been previously repaired. Mr. Young said it had been more than 13 years and those streets were rated at the lower end of the pavement condition index of all of the Portola Valley streets.

In response to Councilmember Hughes' question, Mr. Young said the Town received a good price and a good contractor, who is upgrading the slurry seal to the superior micro surfacing at no additional cost.

With no comment from the public, Mayor Aalfs called for a motion.

Councilmember Hughes moved to approve Expenditure of an Additional \$100,000 on the Capital Improvement Budget for 2014-15. Seconded by Councilmember Richards, the motion carried 5-0.

Councilmember Hughes moved to Authorize the Town Manager to execute contracts or additional work scope for the expanded paving project. Seconded by Councilmember Richards, the motion carried 5-0.

(2) *Discussion* – San Mateo County Library JPA Donor Funds

Anne-Marie Despain, Director of Library Services for San Mateo County, presented a history of the County Library system, the San Mateo County Library Joint Powers Authority (JPA), and the restricted JPA Donor Funds. She said that based on equity issues raised by JPA members, the governing board held a study session, and a Library Donor Funds subcommittee was created and tasked with providing recommendations for the Governing Board. She said the subcommittee is actively engaged in fulfilling their charge and wished to provide all JPA member cities with an update regarding the discussions that were happening.

Mr. Pegueros clarified that although the issue is called "Donor Funds," they are actually earmarked tax dollars. He said this arrangement, which effectively earmarks tax dollars for cities with high assessed property values, is extremely unique in taxation in general. He said there is generally no special accounting of the services provided to Portola Valley compared to the revenue the County receives. He said that 25 years ago this was not an issue, but with the rising property values in the area, an issue is emerging whereby resources that would otherwise be allocated to other purposes in the library system are being earmarked to provide specific services in individual communities.

Councilmember Hughes asked regarding the process of a Town accessing and spending the Donor Funds. Mr. Pegueros said every January Ms. Despain sends out requests to the Donor Fund cities asking the Towns if they have any specific projects or need for the funds. He said currently Portola Valley uses approximately \$33,000 per year of the approximately \$100,000 annual allocation to help support the maintenance of the library. The Library Staff meets with Town Staff and discusses proposed projects. The requests then go to the Town Council through Staff's budgeting process and simultaneously goes to the JPA Board, who ultimately makes the funding allocation and appropriation. He said it is his understanding that it is unlikely the Library JPA would approve something not supported by the Town Council.

Councilmember Hughes asked Vice Mayor Derwin, who sits on the JPA Governing Board, if the subcommittee had considered revising the allocation models to the point of eliminating the earmarked tax allocation. Vice Mayor Derwin said they were discussing a compromise of a 50 percent split of the funds in excess of an overall cap of \$1 million. Vice Mayor Derwin said that a large percentage of students in San Mateo County JPA library districts are not reading at grade level and the wealthiest cities are amassing excessive property tax money that should be shared. It is for this reason she is hoping to reach consensus with the subcommittee.

In response to Councilmember Hughes' question, Ms. Despain said that if consensus was achieved and a different sharing model and cap were established, the extra tax revenue would go into the Library's general fund and become part of the budget process. There is also discussion, however, regarding funneling the extra funds to another restricted account that is applied for by Library or other individual member libraries. Ms. Despain supports applying the excess funds to the Library's general fund.

Ms. Despain said the San Mateo County Library System has received a star rating for the last several years in the library ranking system and is ranked 2nd in the State of California.

Councilmember Wengert agreed that the JPA should be a cooperative collaborative initiative that benefits all of the participants, not just those most able to afford it. She asked if the negotiations included revising the agreement to clear up the ambiguities. Ms. Despain said that the issues with the agreement have been noted and are being addressed.

In response to Councilmember Richards' question, Vice Mayor Derwin said the subcommittee is meeting at the end of July and hopes to bring a recommendation back to the Governing Board by November.

Mayor Aalfs asked for public comment.

Sue Crane, Portola Road, President of the Friends of the Portola Valley Library, said she does not understand the hierarchy from County to Town to Town Library to the Friends of Portola Valley Library, which is the fundraising arm of the library. She asked if there could be a collaboration between the money the Friends raise for the Library and the money the Town has for the Library. Ms. Despain said all of the San Mateo Libraries have Friends groups which are valuable for fundraising, advocacy, support and supplement funding for the Library system. She said the San Mateo County Library JPA is responsible for operations and the member cities are responsible for the facilities and they work together to support maintenance and other capital

projects. Ms. Despain said the Donor Funds have traditionally been used to support building or facility or hours, not programming. Mr. Pegueros explained that programming sets a level of service that, if the Donor Funds go away, would have to come from the Town's General Fund or the service would have to be eliminated. With regard to the process of accessing the Donor Funds, Mr. Pegueros said that generally, when a facility need is identified, it goes to the City Council, and the City Council decides whether or not to use General Fund money to improve the building. He said Portola Valley is in the unique situation of having the Donor Fund. He said the Town Council makes a recommendation for funding to the JPA Governing Board who then authorizes the Town's use of the Donor Fund. Councilmember Hughes said if the Friends come to the Council and requested a wheelchair ramp, for example, they would make the recommendation to Town Staff, it would get discussed at Council level, and, if approved, it would move to the JPA for funding approval.

Ms. Crane asked how the Friends can make requests for Donor Funding and possibly do more than they're able via fundraising alone. Mr. Pegueros said the staff of the Library identifies needs and works with Town Staff to determine if those items will move forward in the budget. He said staff has never received requests directly from Friends and if the Town wished to develop this new relationship, a management plan would need to be developed. Ms. Crane said she supports exploring that avenue because the Library could better benefit with input from the Friends of the Library.

Donna Mackowski, Los Charros Lane, a member of Friends of the Portola Valley Library, said until recently no one on the board was aware of the Donor Funds. She said the Friends want to be involved. She said she is concerned that citizens, having read in the newspaper that the Library has \$500,000 in funds available, will be less inclined to donate. Vice Mayor Derwin pointed out that Atherton and Woodside have \$8 million and \$3 million in funds available, respectively, and both have Friends groups and are still able to fundraise.

Wendi Haskell, Old Spanish Trail, a member of Friends of the Portola Library, asked Vice Mayor Derwin regarding the process required if they wanted, for example, handicapped buttons for the heavy doors going into the Town Center, the Library, and Town Hall. Vice Mayor Derwin reiterated that the JPA ultimately makes the decision regarding Donor Funds, but the requests first come through the Town process. She said that because this issue is new, there is no clear process at this time. Ms. Haskell requested increased transparency by the Town Council with the Friends. She said the Friends are struggling trying to raise money to help the Library. Ms. Haskell asked if staffing was not covered by Donor Funds, why Donor Funds were allowed for increasing Library hours, which involves staffing.

Ms. Despain replied that funding for increased hours does not come out of Donor Funds but is embedded in the operational cost. Councilmember Hughes explained that if the Library has longer operating hours, less Donor Funds are accumulated, so the funds are not actually being drawn from the Donor Fund account. Mr. Pegueros further explained that up to three years ago, the Library JPA would send the Donor Funds to the Towns, which were allocated to a restricted fund to be used for expenditures approved by the JPA. Two years ago, the JPA decided to keep the funds at the County. He explained that this resulted in Donor Funds held at the JPA, which grows each year, and Funds being held by the Town, which is not being added to and is declining as it is used. The combined total of available Donor Funds as of June 30, 2014, was \$537,833.

Vice Mayor Derwin encouraged Friends members to attend JPA meetings. Ms. Haskell asked for a liaison for their group from the Town Council. Vice Mayor Derwin said the Friends of Portola Valley Library are not an official Town Committee so a liaison could not be assigned, but she has attended past meetings.

At the conclusion of public comment, Mayor Aalfs brought the issue back to the Council for comment.

Councilmember Hughes agrees that Portola Valley and other highly assessed communities accumulating funds while other Libraries in the County were cutting hours is unfair. He supports a compromise.

Councilmember Wengert asked if we have been using the Donor Fund monies held by the Town for the Town's budgeted operational expenditures for the Library. Mr. Pegueros said the funds held by the Town require JPA approval, with the same rules and restrictions as the funds held by the JPA. He said the Town-held Donor Funds draw down first and when those funds are depleted, there will only be the funds held by the JPA. At that point, the Town will make the expenditure and send a reimbursement request to the JPA.

Councilmember Hughes pointed out that the funds and allocations listed in the JPA Agenda Item 1.B. do not calculate to the Fund balance listed in the staff report. Mr. Pegueros said staff will research and report on that when they bring it back to the Council.

Mr. Pegueros said he understands that, particularly from a transparency perspective, it is confusing that there are two pots of money. He asked Council if there was a desire to transfer the Town-held funds back to the Library JPA. Councilmember Hughes suggested that either way is cumbersome and the Town should probably continue with their established pattern until it changes in 2017.

Councilmember Wengert supports Vice Mayor Derwin's endeavors to more equally distribute the excess JPA Donor Funds. She supports allowing communities that have accumulated large balances to retain some for use in capital projects but agrees that at least 50% of the excess funds should go to the JPA's operating budget.

Councilmember Richards agrees that the exorbitant fund balances accumulated by communities that don't need it must be made more equitable. He would prefer it all be distributed into the JPA General Fund, but acknowledges that will not likely happen.

Councilmember Hughes suggested to Mr. Pegueros that the handling of the Donor Funds be considered when preparing the Master Plan.

Staff will further research the process of Donor Funds allocation and bring a recommendation to the Council at a future meeting.

(3) Sustainability and Special Projects Manager – Community Choice Aggregation (CCA) Program Next Steps

Brandi de Garneau presented the report including background and discussion regarding their request for funding for professional services for program process analysis, draft contracts, and analysis of environmental benefits.

Councilmember Wengert asked if the Town knows the financial terms and conditions of PG&E's program. Ms. de Garneau said they expect to have that information in the 3rd or 4th quarter of this year, but that PG&E will likely be more expensive. She said the Town would use cost deltas versus revenue regarding the purchase of higher percentages of renewable energy, where as PG&E would use the money as profits. Councilmember Wengert cautioned against using that terminology because it did not appear to be completely representative of what would be happening on a CCA level and may not be fair or accurate.

Mayor Aalfs asked regarding the effect on the Town's Climate Action Plan target and goals if they kept the agreement with PG&E. Ms. de Garneau said the Climate Action Plan accounts for PG&E's portfolio gradually increasing to 33 percent renewables by 2020. She said she thought CCA could account for 75 percent of the Town's total reduction requirements, but that the CCA

is a measurable reduction, versus many of the measures in the Climate Action Plan which are difficult to quantify, such as bike lanes.

Councilmember Hughes said that even if the Town outsources and has CCP or someone else managing it, the process will still require staff time, board meetings, etc. He suggested the Council consider the Town costs, resource requirements, and time requirements that will become more clear upon reviewing the draft contract.

Councilmember Wengert supported the goal of bringing into play the highest percentage of renewables as possible, but said it is a tradeoff in terms of allocation of resources and, in this case, she is most concerned about staff time required for a new program. She is also mindful that the Council is charged with the expenditure of taxpayers' dollars and is hiring more and more consultants. She said there is a lot more that will be played out in this topic, and questions whether Portola Valley, being such a small community, should be a leader in the sense of pioneering a whole new business concept. She said she thinks an in depth analysis would be required. Due to the many other higher-priority issues facing the Town, she questions if this is the right timing to put additional stress on staff.

Vice Mayor Derwin said climate change is the most important story of our lifetimes and our children's lifetimes and to get to 100 percent renewable is the most important thing the Town can do and should be the top priority. She said she supports looking into contracting with CCP and putting resources into staff time for that purpose.

Mayor Aalfs invited comments from CCP representatives in attendance.

Kelly Foley from CCP said they are very close to closing contracts with Lake County and Humboldt County and she expects contracts to be signed by the end of June. She said they are also on the calendar for Mendocino County. She said all three Counties, which have full County Counsel offices, reviewed the documents in-house and they have been working primarily with the County Administrator and Assistant County Administrators. She said they had originally conservatively anticipated 1/2 FTE, but it appears to be closer to 1/4 or less. She said it is up to each individual Council how much work they want to put into their CCAs. She said in her experience at Sonoma Clean Power, one appointed entity, such as a Councilperson or staff member, attends meetings once a month that can last up to four or five hours, usually out of town, and you only have one vote out of many votes. She said the way CCP is structured, the Town decides the mix of the energy and decides what their rates will be, which are set on a percent below PG&E. She said at 100 percent renewable, the rate will likely be equal to PG&E's rate and the Council will have to meet once a year to review the rates upon PG&E's yearly rate adjustment. She said that is the only mandatory Council meeting required. She believes it is completely feasible for Portola Valley to be a leader and be the first community in California to be 100 percent renewable. She said the Lancaster program is run entirely by City staff with a lot of outside consultants. She said the difference between Lancaster's model and CCP's model is that CCP's model is all inclusive and the Town of Portola Valley does not have to contract out to multiple contractors or provide any of the financing. She said they have financials that they can share with any of the Council who are interested.

Mr. Pegueros said with regard to staff resources, he anticipates that the major drain will be community education which, which is critical to avoid losing customers. Long-term, he said the amount of staff time required would depend on issues that result from either the contract or by law. The only requirement by law is the rate setting, similar to how staff works with Green Waste. He said the Town has control with regard to the level of effort required by staff.

Ms. Foley said the CCP boilerplate contracts are public. She said that assistance with community outreach is included as well as in-kind assistance for which they have expertise on staff at no extra cost, such as undergrounding, demand site management programs, net energy metering for solar, etc.

Mayor Aalfs agrees with Vice Mayor Derwin and supports taking a leadership stand in this area, after carefully reviewing any agreement. He said Portola Valley being the first 100 percent renewable entity would present the kind of leadership that Portola Valley has tried to shown in other issues. He supports continued exploration of this topic to meet the Town's goals and to send out a powerful and important message addressing climate change. He agrees that long term there is nothing more important we can do for our children.

Councilmember Hughes agrees this is the most important thing the Town should deal with. He agrees that acting as a leader and being the first community to be 100 percent renewable is appealing, being careful and cautious in going through whatever path is followed. He said that because Portola Valley is a small community, it will be easier to find 100 percent renewable power at a good price.

Councilmember Wengert said she was concerned the Council has rushed into this because of the County's push and are now moving to a contract without performing thorough due diligence. She said she shares Vice Mayor Derwin's goals but questions the timing. She thinks PG&E will be forced into being more competitive and wants to be sure that all of the options have been thoroughly examined. She said she was not advocating waiting, but did not feel comfortable with her level of knowledge of the business model and how it could work without a lot of additional Council and staff resources. She was also mindful of the effect it would have on the Town's other priorities. She said if 100 percent renewable is indeed deemed the top priority, then this may be the right path, but there has not been a discussion of priorities, which continue to shift.

Councilmember Hughes anticipates that Portola Valley could be in a situation where the County is ready to ask the Town to commit to their CCA. He said that if the Town does not have an alternative, it will be very difficult to explain to residents why Portola Valley did not join with the green County CCA. Councilmember Wengert said due diligence needs to be conducted on all of the options available, including the County CCA option. She said that as a resident, she would expect to have access to the details of that due diligence.

Mr. Pegueros said that his understanding is that PG&E data requests are taking six to nine months and the County cannot perform the feasibility study without that data. He said either option would require a feasibility study, whether it is the CCP or County approach. He asked the Council for clarification with respect to timing and if they wanted to consider the County CPA parallel to CCP.

Councilmember Richards said the 100 percent renewable CCA was very alluring and he appreciated Councilmember Wengert's words of caution. He agreed with Vice Mayor Derwin, however, that the climate change issue is not only as important as the drought, it is the drought, and the Town has no choice but to address the issue. He said if it is agreed that this proposal is the best option, the Council should put the time to it.

Mr. Pegueros said resources are already being devoted to the issue based on the County's process. He said the County will eventually release documents regarding their CCA and the Town will need to analyze it, which will require staff issue. Mr. Pegueros asked if staff should analyze both options at the same time.

Mayor Aalfs suggested starting with what is before the Council now. Mr. Pegueros said either option has an appeal that begs the question of why we aren't taking advantage of this great opportunity. He said the County option, because of the size of the County, cannot go 100 percent renewable. He said a selling point for the CCA in Marin and Sonoma was the notion of lowering the residents' PG&E bills by going into the CCA. Marin was the first to go down that path and had the burden of proving the rates would be lower which was borne out and there is now precedent. He said the environmentalists would suggest there are dual benefits – reducing the cost of living for some of the residents while improving the impact on the environment. He anticipated the County would move very fast with their decision.

Councilmember Richards said his concern with the speed of this process is the difficulty of getting the message across to the Town.

Ms. Prince said she has experience with regional power purchase agreement processes and advises that it is not an easy process and wanted to temper expectations with regard to the significant time that will be required.

Mr. Pegueros said at the end of the day the business relationship is a contract and the terms of the contract are what will drive the benefit and the cost. He said the due diligence on California Clean Power needs to be done and a subcommittee of the Council could work on that. He said the ability to provide a higher rate of renewables at a comparable cost to PG&E is very appealing and we need to demonstrate that it is possible. With regard to timing, he said climate change is the most important issue facing local government. He said, from a leadership perspective and the Town's efforts in other areas of green issues, the Town must address this very complex issue.

Councilmember Hughes offered to serve on the subcommittee. He said that reviewing CCP's draft contract and public templates is the correct next step in order to move forward.

Councilmember Wengert, while not disagreeing that climate change is a top priority, would like to have a discussion regarding shifting priorities and management of the Council's time and resources, as well as the general uptick in the hiring of various consultants.

Councilmember Hughes said this is an expense can be stopped at any time because the Town is not committing to an ongoing service. He said that since the Town has excess money in accounts that are not keeping up with inflation anyway, this would be an appropriate way to spend some of that money.

Mr. Pegueros said the CCA will not involve Mr. Young in terms of priorities. He said when he speaks of priorities, he is speaking of things such as trail construction, the Town Center master plan, etc. He said one of their biggest challenges to staff resources are the new issues that arise, such as tonight's issue regarding a possible new process for Friends of the Library.

Councilmember Hughes agreed that the most important priority for local government is climate change.

Mr. Pegueros said the PG&E program is opt-in which requires every customer to voluntarily agree to change the mix of energy they purchase by calling PG&E, which will result in a small percentage of participation. Because CCAs are opt-out programs, everyone is automatically enrolled versus making a decision whether or not they want to stay with PG&E, resulting in CCAs receiving a much higher participation rate. He said the County CCA may not even reach 50 percent. He said if there is a consensus for exploring the CCA, whether it is joining Marin Clean Energy or trying to join another CCA, to optimize the amount of renewable energy consumed by Town residents on an opt-out basis, it takes PG&E out of the running, weighs heavily against the County, and isolates the CCP proposal as the most likely to achieve that goal.

Mr. Pegueros suggested eliminating the recommendations regarding interns and outreach programs mentioned in the staff report.

Vice Mayor Derwin moved to adopt the three recommendations as stated in the May 27, 2015, memo regarding Community Choice Aggregation Program Next Steps with an expenditure of \$5,000. Seconded by Councilmember Hughes, the motion carried 5-0.

(4) *Update on Drought Emergency* – Adoption of a Resolution Endorsing & Supporting the Efforts of California Water Service in Response to the State Water Resources Control Board and the Governor's Executive Order Related to the Drought (Resolution No. 2661-2015).

- (a) Resolution Endorsing and Supporting the Efforts of the California Water Service Company Related to the Drought (Resolution No. 2661-2015).

Ms. de Garneau presented the background and outline of Cal Water's Schedule 14.1 Water Shortage Contingency Plan and recommended adopting a resolution rather than an ordinance.

Councilmember Hughes is in general support of Cal Water's efforts, but does not fully endorse Schedule 14.1, particularly the penalization of users who have been conserving for years.

Mayor Aalfs said the endorsement is for the efforts to obtain local compliance with CPUC mandates, not every aspect of Schedule 14.1. He said Councilmember Hughes' concern is a common one and has been acknowledged by Cal Water.

Mr. Pegueros said this issue initially came to the Town with Cal Water's request for the Town to adopt their enforcement mechanisms as stated in Schedule 14.1. Staff discussed it and decided it was not feasible to incorporate Cal Water's rules into the Town's municipal code. He said the Council does not technically have to take action on this issue. He said Atherton has adopted a resolution and Woodside opted not to approve an ordinance at the second reading.

Vice Mayor Derwin moved to adopt a Resolution Endorsing & Supporting the Efforts of California Water Service. Seconded by Councilmember Wengert, the motion carried 5-0.

- (b) Update on Drought Activities

Ms. de Garneau provided an update regarding the drought activities. She said that on June 1, 2015, customers will receive water budgets for the July billing cycle, which will be accessible online, and surcharges will begin to be assessed in the July billing cycle. The watering schedule is two days a week with odd addresses watering on Sunday and Wednesday and even or no addresses watering on Saturday and Thursday. No watering will be allowed between 8:00 a.m. and 6:00 p.m. with the exception of micro-spray irrigation, drip irrigation, and hand-watering. Staff will send out a notice on the PV Forum on Monday that will instruct citizens on how to access their water budget, the watering schedule, and other items.

She said the public hearing held on May 19 had a good turnout and it appears that Cal Water is relying on the appeals process as far as the water budgets.

Ms. de Garneau said that this morning they met with the large landscape and institutional users. She said staff will be sending out information to this group and has asked the Priory to create a narrative on their efforts to share, perhaps thereby creating an informal competition. Ms. de Garneau said is exploring a gray water project with the Priory and will be working with Cal Water to connect the entities with resources for toilets, etc.

Ms. de Garneau said the Town's May water bill indicated at 63% overall reduction from 2013 figures for water use in the fields.

Ms. de Garneau said there will be staff a meeting next week to review guiding documents regarding gray water. She said the Water Conservation Committee met today and reviewed the notice that will be sent out on Monday. She said the survey with High Energy Analytics is moving along with help from Al Sill and Rebecca Flynn. They are targeting a July 1 launch date for the survey. In the meantime, Al has developed an online estimator for customers to use to estimate their water budget and potential bill.

Mr. Sill presented and explained the estimator and how residents would use it. He also presented the results of an analysis of Town fields and properties using the estimator.

Ms. de Garneau said the notice regarding the mandatory water reductions start date will be on the website on June 1, with links to water budgets, the bill estimator, watering schedules, how to read a meter and check for leaks, and other water conservation tips. The Committee will have a table at the Town Picnic to assist residents in setting up online Cal Water accounts and will help them use the estimator. The handouts provided by Cal Water explaining the water budget and rules, reading the water meter, and rebates will also be available at the Town Picnic. She said the Town will host a Laundry to Landscape Gray Water class on June 27 at the Community Hall and hope to provide a basic Laundry to Landscape kits for sale. The Committee will also be there to assist residents.

Mr. Pegueros asked for Council guidance regarding the expectation regarding the fields. Councilmember Hughes said that since Ford Field was not operational in 2013, the water budget for it should be appealed. Mr. Pegueros said they have asked Cal Water to aggregate the bills across all fields. Mr. Pegueros asked if, even if the Town appeal regarding Ford Field is accepted, the Town wanted to exceed the mandatory reduction if that results in the fields being brown. Councilmember Hughes supported reducing to 36%, unless the result will be expensive long-term permanent damage to the fields. Ms. de Garneau suggested Mr. Young's input is necessary for this discussion because some of the fields are on a cycle where they would be in the normal rotation to be replaced anyway, and it might be that if Cal Water lets the Town aggregate the fields, more water could be spent on one field while letting another one go brown.

- (5) *Recommendation by Town Manager – Payment of \$907,699 to the California Public Employees' Retirement System to Reduce the Town of Portola Valley's Unfunded Pension Liability*

Mr. Pegueros presented the staff report. He said the Finance Committee reviewed the recommendation to use some of the Town's General Fund surplus to pay down unfunded pension liabilities and recommends a 95% payment of the liability by June 30, 2015. The money has already been set aside as an assigned fund and would not come out of the General unallocated funds, but would irrevocably transfer cash from the Town to CalPERS. He said that payment of this unfunded liability will not prevent the recurrence of unfunded pension liabilities resulting from future fluctuations in investment performance and/or changes in actuarial assumptions.

Vice Mayor Derwin moved to authorize Town Staff to make a \$907,699 payment to the California Public Employees' Retirement System for the purpose of reducing the Town of Portola Valley's unfunded pension liability. Seconded by Councilmember Richards, the motion carried 5-0.

- (6) *Recommendation by Town Manager – Not-for-Profit Agency Funding Requests*

Mr. Pegueros presented the report of Not-For-Profit Agency Funding Requests to the Town.

Town Council directed the Town Manager to approve the not-for-profit agencies' funding requests in an amount not to exceed \$7,000.

- (E) Council Liaison Reports on Regional Agencies and Organizations [10:51 p.m.]

- (1) Councilmember Wengert – None
 (2) Councilmember Richards – None

- (3) Councilmember Hughes participated in an ABAG Special General Assembly Business teleconference meeting where their annual budget was approved.
- (4) Vice Mayor Derwin attended a C/CAG meeting on May 14 where the County conducted a presentation of their proposed water agency and approved the first draft of the program budget. She attended the Library JPA meeting where the introduction of the first budget was approved.
- (5) Mayor Aalfs will attend the first CCA Countywide Advisory Committee meeting scheduled for May 28. He participated in their teleconference May 21.

V WRITTEN COMMUNICATIONS [10:58 p.m.]

- (1) Town Council Digest: May 15, 2015 – None.
- (2) Town Council Digest: May 22, 2015 – None.

VI ADJOURNMENT [11:02 p.m.]

Mayor Aalfs adjourned the meeting.

Mayor

Town Clerk

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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

ALL FENCE COMPANY INC.	Security Gate for CH A/V	16405	06/10/2015	
			06/10/2015	
1900 SPRING STREET	0013		06/10/2015	0.00
REDWOOD CITY	BOA	49676	06/10/2015	0.00
CA 94063	62243			1,085.00

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4341	Community Hall	1,085.00	0.00

Check No.	49676	Total:	1,085.00
Total for	ALL FENCE COMPANY INC.		1,085.00

ALLIANT INSURANCE SERVICES	Event Insurance, Horse Fair	16412	06/10/2015	
			06/10/2015	
SPECIAL EVENTS	475		06/10/2015	0.00
NEWPORT BEACH	BOA	49677	06/10/2015	0.00
CA 92658	342529			306.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4167	Trails & Paths Committee	306.00	0.00

Check No.	49677	Total:	306.00
Total for	ALLIANT INSURANCE SERVICES		306.00

ALMANAC	May Advertising	16413	06/10/2015	
			06/10/2015	
450 CAMBRIDGE AVE	0048		06/10/2015	0.00
PALO ALTO	BOA	49678	06/10/2015	0.00
CA 94306	38782			1,922.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4320	Advertising	1,922.00	0.00

Check No.	49678	Total:	1,922.00
Total for	ALMANAC		1,922.00

ANIMAL DAMAGE MGMT INC	May Pest Control	16450	06/10/2015	
			06/10/2015	
16170 VINEYARD BLVD. #150	804		06/10/2015	0.00
MORGAN HILL	BOA	49679	06/10/2015	0.00
CA 95037	82437			295.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	295.00	0.00

Check No.	49679	Total:	295.00
Total for	ANIMAL DAMAGE MGMT INC		295.00

AT&T (2)	June M/W	16414	06/10/2015	
			06/10/2015	
P.O. BOX 5025	877		06/10/2015	0.00
CAROL STREAM	BOA	49680	06/10/2015	0.00
IL 60197-5025				65.53

GL Number	Description	Invoice Amount	Amount Relieved
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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

05-52-4152	Emerq Preparedness Committee	65.53	0.00	
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Check No.	49680	Total:	65.53
Total for	AT&T (2)		65.53

BANK OF AMERICA	May Statement	16404	06/10/2015	
Bank Card Center			06/10/2015	
P.O. BOX 53155	0022		06/10/2015	0.00
PHOENIX	BOA	49681	06/10/2015	0.00
AZ 85072-3155				1,604.94

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4168	Water Conservation Committee	16.50	0.00
05-54-4214	Miscellaneous Consultants	395.00	0.00
05-64-4308	Office Supplies	112.15	0.00
05-64-4311	Internet Service & Web Hosting	109.99	0.00
05-64-4326	Education & Training	205.38	0.00
05-64-4336	Miscellaneous	765.92	0.00

Check No.	49681	Total:	1,604.94
Total for	BANK OF AMERICA		1,604.94

ROBERT BERGSTROM	Refund Dep, 111 Corte Madera	16416	06/10/2015	
			06/10/2015	
111 CORTE MADERA RD	0537		06/10/2015	0.00
PORTOLA VALLEY	BOA	49682	06/10/2015	0.00
CA 94028				739.07

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	739.07	0.00

Check No.	49682	Total:	739.07
Total for	ROBERT BERGSTROM		739.07

PAIGE BISHOP	Music for Town Picnic	16403	06/10/2015	
			06/10/2015	
131 GROVELAND STREET	712		06/10/2015	0.00
PORTOLA VALLEY	BOA	49683	06/10/2015	0.00
CA 94028				500.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4158	Parks & Recreation Committee	500.00	0.00

Check No.	49683	Total:	500.00
Total for	PAIGE BISHOP		500.00

CALPERS	May 2015	16421	06/10/2015	
FISCAL SERVICES DIVISION			06/10/2015	
ATTN: RETIREMENT PROG ACCTG	0107		06/10/2015	0.00
SACRAMENTO	BOA	49684	06/10/2015	0.00
CA 94229-2703				18,956.96

GL Number	Description	Invoice Amount	Amount Relieved
05-00-2522	PERS Payroll	665.50	0.00
05-50-4080	Retirement - PERS	18,291.46	0.00

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City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Check No. 49684 Total: 18,956.96

CALPERS	Reduce Unfunded Pension Liab	16453	06/10/2015	
FISCAL SERVICES DIVISION			06/10/2015	
ATTN: RETIREMENT PROG ACCTG	0107		06/10/2015	0.00
SACRAMENTO	BOA	49685	06/10/2015	0.00
CA 94229-2703				907,699.00

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4080	Retirement - PERS	907,699.00	0.00

Check No. 49685 Total: 907,699.00

Total for CALPERS 926,655.96

SUE CHAPUT	Reimbursement, CAC Open House	16422	06/10/2015	
			06/10/2015	
358 ALAMOS ROAD	0266		06/10/2015	0.00
PORTOLA VALLEY	BOA	49686	06/10/2015	0.00
CA 94028				100.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4150	Cultural Arts Committee	100.00	0.00

Check No. 49686 Total: 100.00

Total for SUE CHAPUT 100.00

CLEANSTREET	April Litter/Street Cleaning	16406	06/10/2015	
			06/10/2015	
1937 W. 169TH STREET	0034		06/10/2015	0.00
GARDENA	BOA	49687	06/10/2015	0.00
CA 90247-5254	78160			1,603.62

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4342	Landscape Supplies & Services	74.00	0.00
20-60-4260	Public Road Surface & Drainage	659.52	0.00
22-60-4266	Litter Clean Up Program	870.10	0.00

Check No. 49687 Total: 1,603.62

Total for CLEANSTREET 1,603.62

COMCAST	WiFi, 5/21 - 6/20	16424	06/10/2015	
			06/10/2015	
P.O. BOX 34744	0045		06/10/2015	0.00
SEATTLE	BOA	49688	06/10/2015	0.00
WA 98124-1227				88.77

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4318	Telephones	88.77	0.00

Check No. 49688 Total: 88.77

Total for COMCAST 88.77

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Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

COPYMAT	CAC Survey Postcard	16425	06/10/2015	
			06/10/2015	
240 HARBOR BLVD	0046		06/10/2015	0.00
BELMONT	BOA	49689	06/10/2015	0.00
CA 94002	CMB586			276.32

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4310	Town Publications	276.32	0.00

Check No.	49689	Total:	276.32
Total for	COPYMAT		276.32

COTTON SHIRES & ASSOC. INC.	April Applicant Charges	16426	06/10/2015	
			06/10/2015	
330 VILLAGE LANE	0047		06/10/2015	0.00
LOS GATOS	BOA	49690	06/10/2015	0.00
CA 95030-7218				12,362.25

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4190	Geologist - Charges to Appls	12,362.25	0.00

Check No.	49690	Total:	12,362.25
Total for	COTTON SHIRES & ASSOC. INC.		12,362.25

COUNTY OF SAN MATEO	Environmental Impact Report -	16440	06/10/2015	
	16/42 Santa Maria		06/10/2015	
555 COUNTY CENTER	389		06/10/2015	0.00
REDWOOD CITY	BOA	49691	06/10/2015	0.00
CA 94063				2,260.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4336	Miscellaneous	2,260.00	0.00

Check No.	49691	Total:	2,260.00
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COUNTY OF SAN MATEO	Environmental Impact Report -	16441	06/10/2015	
	Cal-Water Pipeline/Pump Stn		06/10/2015	
555 COUNTY CENTER	389		06/10/2015	0.00
REDWOOD CITY	BOA	49692	06/10/2015	0.00
CA 94063				2,260.00

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4336	Miscellaneous	2,260.00	0.00

Check No.	49692	Total:	2,260.00
Total for	COUNTY OF SAN MATEO		4,520.00

CULLIGAN	June Service	16427	06/10/2015	
			06/10/2015	
1785 RUSSELL AVE	0250		06/10/2015	0.00
SANTA CLARA	BOA	49693	06/10/2015	0.00
CA 95054-2032	029134			41.20

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4336	Miscellaneous	41.20	0.00

Check No.	49693	Total:	41.20
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Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Total for CULLIGAN 41.20

MARK DEEM	Refund Dep, 357 Westridge Dr	16417	06/10/2015	
			06/10/2015	
357 WESTRIDGE DRIVE	0514		06/10/2015	0.00
PORTOLA VALLEY	BOA	49694	06/10/2015	0.00
CA 94028				3,038.33

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	3,038.33	0.00

Check No. 49694 Total: 3,038.33

Total for MARK DEEM 3,038.33

MARK GAINEY	Refund Dep, 205 Georgia	16415	06/10/2015	
			06/10/2015	
205 GEORGIA LANE	0536		06/10/2015	0.00
PORTOLA VALLEY	BOA	49695	06/10/2015	0.00
CA 94028				2,341.24

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	2,341.24	0.00

Check No. 49695 Total: 2,341.24

Total for MARK GAINEY 2,341.24

TODD W. GEBHART	Refund Dep, 110 Tan Oak	16428	06/10/2015	
			06/10/2015	
110 TAN OAK	0539		06/10/2015	0.00
PORTOLA VALLEY	BOA	49696	06/10/2015	0.00
CA 94028				2,000.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	2,000.00	0.00

Check No. 49696 Total: 2,000.00

Total for TODD W. GEBHART 2,000.00

DAN GILBERT	Refund Dep, 50 Pine Ridge	16429	06/10/2015	
			06/10/2015	
50 PINE RIDGE	1040		06/10/2015	0.00
PORTOLA VALLEY	BOA	49697	06/10/2015	0.00
CA 94028				2,597.31

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	2,597.31	0.00

Check No. 49697 Total: 2,597.31

Total for DAN GILBERT 2,597.31

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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

WILLIAM GREEN	Refund Deposit, 440 Golden Oak	16430	06/10/2015	
			06/10/2015	
440 GOLDEN OAK DR	713		06/10/2015	0.00
PORTOLA VALLEY	BOA	49698	06/10/2015	0.00
CA 94028				649.77

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	649.77	0.00

Check No.	49698	Total:	649.77
Total for	WILLIAM GREEN		649.77

MARK GURTNER	Refund Dep, 230 Shawnee Pass	16418	06/10/2015	
			06/10/2015	
230 SHAWNEE PASS	0503		06/10/2015	0.00
PORTOLA VALLEY	BOA	49699	06/10/2015	0.00
CA 94028				4,625.24

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	4,625.24	0.00

Check No.	49699	Total:	4,625.24
Total for	MARK GURTNER		4,625.24

HAYWARD LUMBER CO	Replacement Fence Posts, Rossotti	16449	06/10/2015	
			06/10/2015	
429 FRONT STREET	1237		06/10/2015	0.00
SALINAS	BOA	49700	06/10/2015	0.00
CA 93901-3609				271.22

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	271.22	0.00

Check No.	49700	Total:	271.22
Total for	HAYWARD LUMBER CO		271.22

HINDERLITER, DE LLAMAS & ASSOC	Sales Tax Audit/Contract Svcs 2nd Qtr	16431	06/10/2015	
			06/10/2015	
1340 VALLEY VISTA DRIVE	1128		06/10/2015	0.00
DIAMOND BAR	BOA	49701	06/10/2015	0.00
CA 91765	0023846-IN			1,559.62

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4214	Miscellaneous Consultants	1,559.62	0.00

Check No.	49701	Total:	1,559.62
Total for	HINDERLITER, DE LLAMAS & ASS		1,559.62

HORIZON	Field Fertilizer	16448	06/10/2015	
			06/10/2015	
P.O. BOX 52758	0289		06/10/2015	0.00
PHOENIX	BOA	49702	06/10/2015	0.00
AZ 85072-2758	1N216699			304.28

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	304.28	0.00

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City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Check No.	49702	Total:	304.28
Total for	HORIZON		304.28

INFORMATION STATION SPECIALIST	Internet Audio Feed For RadioS	16432	06/10/2015	
	ta	00006292	06/10/2015	
P.O. BOX 51	1361		06/10/2015	0.00
ZEELAND	BOA	49703	06/10/2015	0.00
MI 49464	0431503			1,819.65

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4152	Emerq Preparedness Committee	1,819.65	1,819.65

Check No.	49703	Total:	1,819.65
Total for	INFORMATION STATION SPECIAL		1,819.65

BRITNEY KING	Instructor Fees, Spring 2015	16455	06/10/2015	
			06/10/2015	
4068A 26TH STREET	0380		06/10/2015	0.00
SAN FRANCISCO	BOA	49704	06/10/2015	0.00
CA 94131				11,951.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4246	Instructors & Class Refunds	11,951.00	0.00

Check No.	49704	Total:	11,951.00
Total for	BRITNEY KING		11,951.00

LARRY LANGDON	Refund Deposit	16419	06/10/2015	
			06/10/2015	
121 ASH LANE	0538		06/10/2015	0.00
PORTOLA VALLEY, CA	BOA	49705	06/10/2015	0.00
94028				1,187.43

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4207	Deposit Refunds, Other Charges	1,187.43	0.00

Check No.	49705	Total:	1,187.43
Total for	LARRY LANGDON		1,187.43

SIMONE LAVALLE	Reimbursement, Town Picnic	16433	06/10/2015	
	Flyers		06/10/2015	
103 GAMBETTA LANE	0410		06/10/2015	0.00
PORTOLA VALLEY	BOA	49706	06/10/2015	0.00
CA 94028				10.29

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4158	Parks & Recreation Committee	10.29	0.00

Check No.	49706	Total:	10.29
Total for	SIMONE LAVALLE		10.29

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Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

DEVA LUNA	Presentation "Laundry to Landscape Greywater"	16434	06/10/2015	
			06/10/2015	
11255 MT. HAMILTON RD.	0540		06/10/2015	0.00
SAN JOSE	BOA	49707	06/10/2015	0.00
CA 95140				350.00

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4168	Water Conservation Committee	350.00	0.00

Check No.	49707	Total:	350.00
Total for	DEVA LUNA		350.00

NCE	CIP14-15 Road Resurfacing	16407	06/10/2015	
Nichols Consulting Engineers	PSE thru May 15		06/10/2015	
1885 S. ARLINGTON AVE	0183		06/10/2015	0.00
RENO	BOA	49708	06/10/2015	0.00
NV 89509	424175503			4,285.00

GL Number	Description	Invoice Amount	Amount Relieved
05-68-4536	CIP14/15 Street Resurface	4,285.00	0.00

Check No.	49708	Total:	4,285.00
Total for	NCE		4,285.00

O. NELSON & SON, INC.	Sausal/Hillbrook Trail	16408	06/10/2015	
	Cactus Removal		06/10/2015	
3345 TRIPP ROAD	634		06/10/2015	0.00
WOODSIDE	BOA	49709	06/10/2015	0.00
CA 94062	172			5,255.49

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4270	Trail Surface Rehabilitation	5,255.49	0.00

O. NELSON & SON, INC.	Install Scoreboard Ford Field	16409	06/10/2015	
			06/10/2015	
3345 TRIPP ROAD	634		06/10/2015	0.00
WOODSIDE	BOA	49709	06/10/2015	0.00
CA 94062	173			1,161.50

GL Number	Description	Invoice Amount	Amount Relieved
05-68-4531	Ford Field Renovation	1,161.50	0.00

O. NELSON & SON, INC.	Repairs at Mapache Road	16410	06/10/2015	
			06/10/2015	
3345 TRIPP ROAD	634		06/10/2015	0.00
WOODSIDE	BOA	49709	06/10/2015	0.00
CA 94062	174			2,073.57

GL Number	Description	Invoice Amount	Amount Relieved
20-60-4260	Public Road Surface & Drainage	2,073.57	0.00

Check No.	49709	Total:	8,490.56
Total for	O. NELSON & SON, INC.		8,490.56

PAW PRINTS	Picnic Banners, Date/Time Chge	16435	06/10/2015	
			06/10/2015	
3166 BAY ROAD	857		06/10/2015	0.00
REDWOOD CITY	BOA	49710	06/10/2015	0.00
CA 94063	29539			76.30

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4158	Parks & Recreation Committee	76.30	0.00

Check No.	49710	Total:	76.30
Total for	PAW PRINTS		76.30

PEELLE TECHNOLOGIES, INC	Digitization of Plans	16436	06/10/2015	
		00006305	06/10/2015	
197 EAST HAMILTON AVE	961		06/10/2015	0.00
CAMPBELL	BOA	49711	06/10/2015	0.00
CA 95008	TOPV2134/TOPV2135			1,597.60

GL Number	Description	Invoice Amount	Amount Relieved
05-54-4208	GIS Mapping	1,597.60	1,597.60

Check No.	49711	Total:	1,597.60
Total for	PEELLE TECHNOLOGIES, INC		1,597.60

PG&E	May Statements	16454	06/10/2015	
			06/10/2015	
BOX 997300	0109		06/10/2015	0.00
SACRAMENTO	BOA	49712	06/10/2015	0.00
CA 95899-7300				420.22

GL Number	Description	Invoice Amount	Amount Relieved
05-64-4330	Utilities	420.22	0.00

Check No.	49712	Total:	420.22
Total for	PG&E		420.22

PLATINUM FACILITY SERVICES	May Janitorial	16437	06/10/2005	
			06/10/2015	
1530 OAKLAND RD., #150	402		06/10/2005	0.00
SAN JOSE	BOA	49713	06/10/2015	0.00
CA 95112	20333			2,987.51

GL Number	Description	Invoice Amount	Amount Relieved
05-66-4341	Community Hall	722.01	0.00
05-66-4344	Janitorial Services	1,487.65	0.00
25-66-4344	Janitorial Services	777.85	0.00

Check No.	49713	Total:	2,987.51
Total for	PLATINUM FACILITY SERVICES		2,987.51

PORTOLA VALLEY HARDWARE	May Statement	16411	06/10/2015	
			06/10/2015	
112 PORTOLA VALLEY ROAD	0114		06/10/2015	0.00
PORTOLA VALLEY	BOA	49714	06/10/2015	0.00
CA 94028				506.73

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	123.62	0.00
05-60-4267	Tools & Equipment	81.75	0.00
05-66-4340	Building Maint Equip & Supp	32.83	0.00
05-68-4531	Ford Field Renovation	126.26	0.00

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

20-60-4260	Public Road Surface & Drainage	142.27	0.00	
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Check No.	49714	Total:	506.73
<u>Total for</u>	PORTOLA VALLEY HARDWARE		506.73

PRICE PRODUCTIONS	Music, PV Concert Series 6/18/15	16438	06/10/2015	
4942 ALAN AVENUE	0529	00006304	06/10/2015	
SAN JOSE	BOA		06/10/2015	0.00
CA 95124		49715	06/10/2015	0.00
				700.00

GL Number	Description	Invoice Amount	Amount Relieved	
05-52-4150	Cultural Arts Committee	700.00	700.00	

Check No.	49715	Total:	700.00
<u>Total for</u>	PRICE PRODUCTIONS		700.00

RAMONA'S SECRETARIAL SERVICES	Transcription - May 2015	16451	06/10/2015	
18403 WATTERS DRIVE	1370		06/10/2015	0.00
CASTRO VALLEY	BOA	49716	06/10/2015	0.00
CA 94546	5862			1,380.00

GL Number	Description	Invoice Amount	Amount Relieved	
05-54-4188	Transcription Services	1,380.00	0.00	

Check No.	49716	Total:	1,380.00
<u>Total for</u>	RAMONA'S SECRETARIAL SERVIC		1,380.00

RON RAMIES AUTOMOTIVE, INC.	April Fuel Statement	16439	06/10/2015	
115 PORTOLA ROAD	422		06/10/2015	0.00
PORTOLA VALLEY	BOA	49717	06/10/2015	0.00
CA 94028				505.53

GL Number	Description	Invoice Amount	Amount Relieved	
05-64-4334	Vehicle Maintenance	505.53	0.00	

Check No.	49717	Total:	505.53
<u>Total for</u>	RON RAMIES AUTOMOTIVE, INC.		505.53

SAN MATEO SHERIFF	FY 14-15, 4th Qtr Law	16442	06/10/2015	
OFFICE OF EMERGENCY SERVICES	Enforcement		06/10/2015	
400 COUNTY CENTER	0119		06/10/2015	0.00
REDWOOD CITY	BOA	49718	06/10/2015	0.00
CA 94063-0978	10186			230,240.75

GL Number	Description	Invoice Amount	Amount Relieved	
05-62-4282	San Mateo County Sheriff's Ofc	163,439.25	0.00	
05-62-4284	COPS Addl Traffic Patrols	66,801.50	0.00	

Check No.	49718	Total:	230,240.75
<u>Total for</u>	SAN MATEO SHERIFF		230,240.75

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

SCIENTIFIC ART STUDIO INC	Playground Equip Repairs	16443	06/10/2015	
			06/10/2015	
500 B STREET	951		06/10/2015	0.00
RICHMOND	BOA	49719	06/10/2015	0.00
CA 94801	1119			5,500.00

GL Number	Description	Invoice Amount	Amount Relieved
05-58-4240	Parks & Fields Maintenance	5,500.00	0.00

Check No.	49719	Total:	5,500.00
Total for	SCIENTIFIC ART STUDIO INC		5,500.00

STANDARD INSURANCE CO.	June LTD/Life Premium	16444	06/10/2015	
			06/10/2015	
PO BOX 5676	0469		06/10/2015	0.00
PORTLAND	BOA	49720	06/10/2015	0.00
OR 97228				339.81

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4091	Long Term Disability Insurance	339.81	0.00

Check No.	49720	Total:	339.81
Total for	STANDARD INSURANCE CO.		339.81

STATE COMP INSURANCE FUND	June Premium	16445	06/10/2015	
			06/10/2015	
PO BOX 748170	0122		06/10/2015	0.00
LOS ANGELES	BOA	49721	06/10/2015	0.00
CA 90074-8170				1,447.08

GL Number	Description	Invoice Amount	Amount Relieved
05-50-4094	Worker's Compensation	1,447.08	0.00

Check No.	49721	Total:	1,447.08
Total for	STATE COMP INSURANCE FUND		1,447.08

TOWNSEND MGMT, INC	Encro Insp (App) - April	16452	06/10/2015	
			06/10/2015	
P.O. BOX 24442	609		06/10/2015	0.00
SAN FRANCISCO	BOA	49722	06/10/2015	0.00
CA 94124	200064-04-15			230.00

GL Number	Description	Invoice Amount	Amount Relieved
96-54-4194	Engineer - Charges to Appls	230.00	0.00

Check No.	49722	Total:	230.00
Total for	TOWNSEND MGMT, INC		230.00

UBERPRINTS	T-Shirts Zots Race 2015	16446	06/10/2015	
		00006311	06/10/2015	
115 RUTH DRIVE	0535		06/10/2015	0.00
ATHENS	BOA	49723	06/10/2015	0.00
GA 30601	681349			1,633.13

GL Number	Description	Invoice Amount	Amount Relieved
05-52-4158	Parks & Recreation Committee	1,633.13	1,633.13

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TOWN OF PORTOLA VALLEY

Vendor Name	Invoice Description1	Ref No.	Discount Date	
Vendor Name Line 2	Invoice Description2	PO No.	Pay Date	
Vendor Address	Vendor Number		Due Date	Taxes Withheld
City	Bank	Check No.	Check Date	Discount Amount
State/Province Zip/Postal	Invoice Number			Check Amount

Check No.	49723	Total:	1,633.13
Total for	UBERPRINTS		1,633.13

WESTERN WHEELERS BIKE CLUB	Refund Deposit	16447	06/10/2015	
			06/10/2015	
PO BOX 60367	1044		06/10/2015	0.00
PALO ALTO	BOA	49724	06/10/2015	0.00
CA 94306				100.00

GL Number	Description	Invoice Amount	Amount Relieved
05-00-2562	Field Deposits	100.00	0.00

Check No.	49724	Total:	100.00
Total for	WESTERN WHEELERS BIKE CLUE		100.00

Total Invoices: 51

Grand Total:	1,245,311.26
Less Credit Memos:	0.00
Net Total:	1,245,311.26
Less Hand Check Total:	0.00
Outstanding Invoice Total:	1,245,311.26

TOWN OF PORTOLA VALLEY
Warrant Disbursement Journal
June 10, 2015

Claims totaling \$1,245,311.26 having been duly examined by me and found to be correct are hereby approved and verified by me as due bills against the Town of Portola Valley.

Date _____

Nick Pegueros, Treasurer

Motion having been duly made and seconded, the above claims are hereby approved and allowed for payment.

Signed and sealed this (Date) _____

Sharon Hanlon, Town Clerk

Mayor

Proposal to PV Town Council re front yard of Old Schoolhouse for presentation to TC

Problem:

Garden area in front of historic Old Schoolhouse is unattractive, underused and not as safe as it should be. One of the major front doors of the Town should be attractive, safe, and a model to residents and others for how landscape can be managed in a drought.

Working group:

With initial impetus from Conservation Committee, and after consultation with Director of Public Works Howard Young and Town Manager Nick Pegueros, a working group with representation from several Town committees was formed.

Members – Judith Murphy (Convener) – Conservation Committee
Joyce Shefren – Trails & Paths Committee

Nona Chiariello Open Space

Sue Chaput and Elizabeth Popodopolus Cultural Arts

Danna Breen ASCC

Bob Waterman resident with landscape design skills.

Nancy Lund Town Historian was consulted for historical and preservation issues.

Several other residents dropped in to contribute to our discussions which were held on site during farmer's market hours.

Major considerations:

1. Improve safety
2. Respect historic Old Schoolhouse
3. Increase hardscape to direct foot traffic away from plantings and to decrease water use and maintenance.
4. Enhance for increased community use of this space
5. Respect drought limitations

Solution:

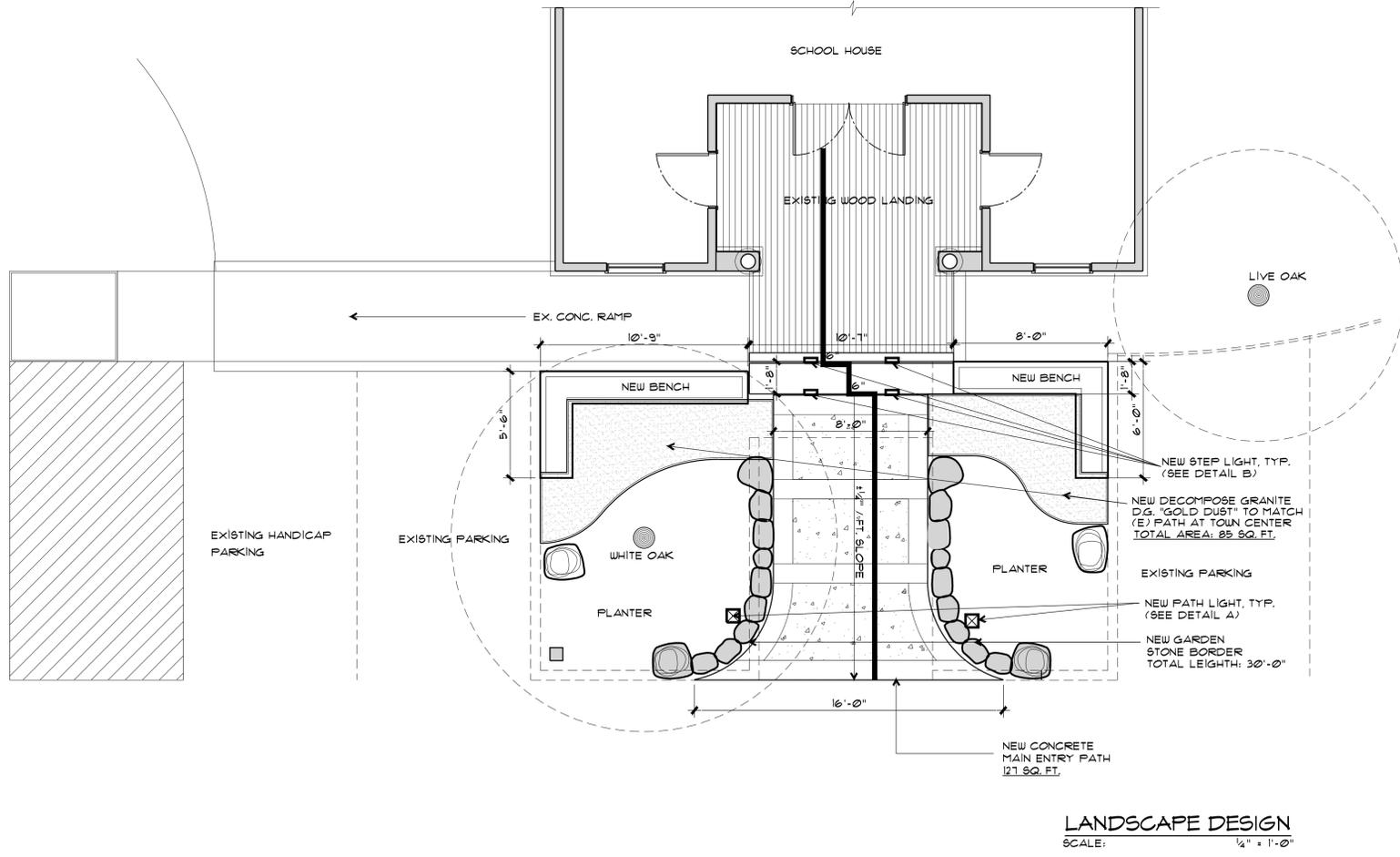
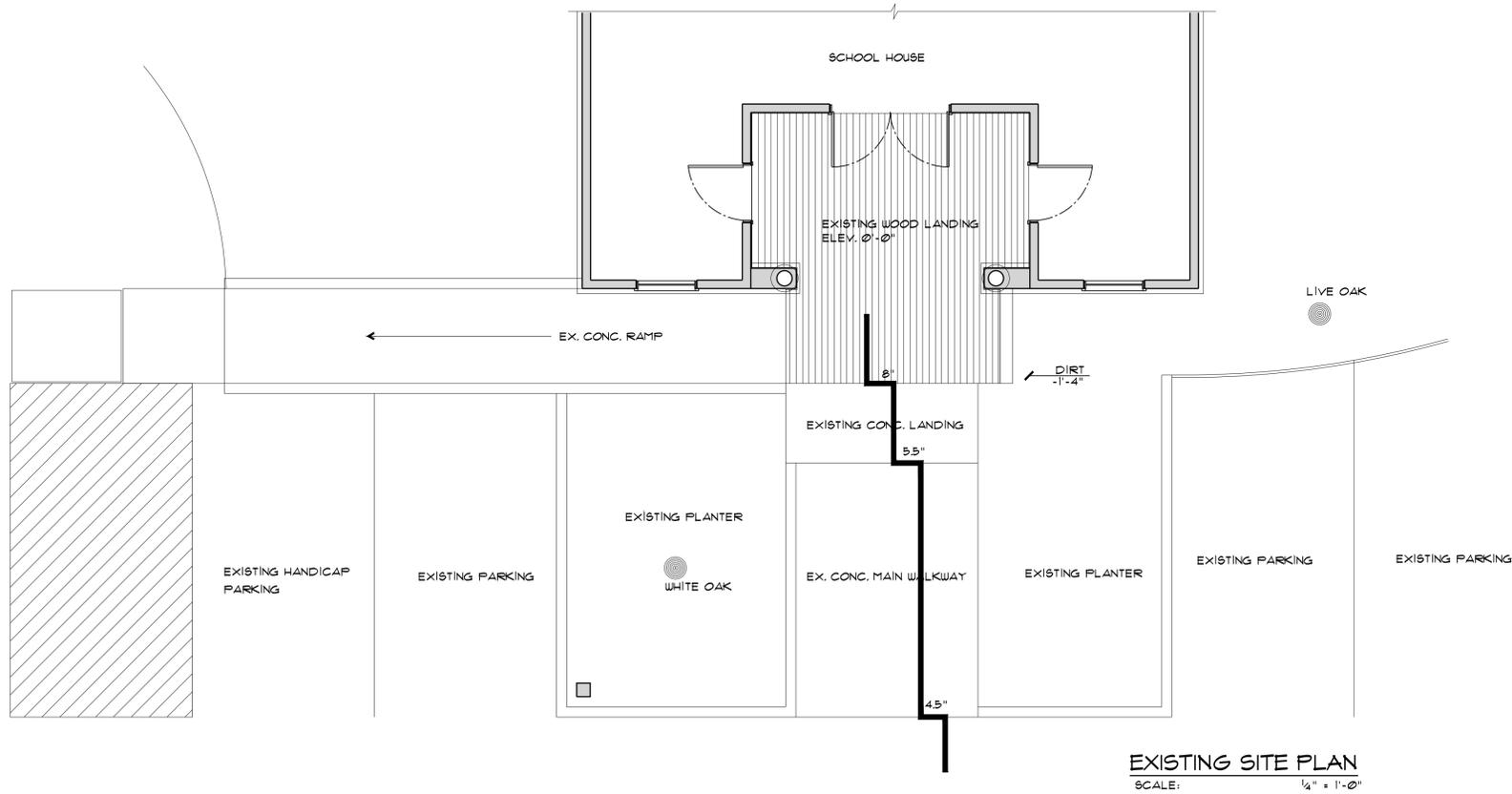
All members agreed on:

- need to preserve view of historic structure of Old Schoolhouse
- need to blend esthetically with historic structure of Old Schoolhouse (materials, symmetry) and rest of Town Center (materials)
- design of central path
 - 2 steps together at edge of porch with slope down to grade of driveway
 - concrete to match that at Town Center – with leaf impressions
 - rounded at entrance where shortcutting most occurs
 - rockwork to restrain planting areas and direct foot traffic.
- design of side paths to direct traffic, prevent plant trampling and provide secure footing to benches. To be made of same materials as central path or a decomposed granite material to match that used elsewhere.
 - provision of benches for sitting and socializing
 - installation of ASCC compliant step and path lighting
 - use of native, low water use plantings. Precise planting plan to be designed by Breen and Conservation Committee after Council approves plan.

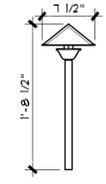
Several iterations of plans were drawn by Bob Waterman distilling the essence of our discussions.

The final plan submitted to the Council reflects our decisions after consideration of expanding the porch area (deemed inconsistent with historic preservation standards), various construction materials, and several other variations of bench placement.

REVISIONS	BY:



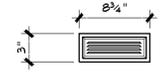
DETAIL A



MODEL: 8PJ11-02
MOUNTING: 1/2" NPT DUAL FIN SPIKE
SOCKET: SINGLE CONTACT BAYONET
ELECTRICAL: 12V
LED: NICHIA

PATH LIGHT
SCALE: 1" = 1'-0"

DETAIL B



MODEL: 8PJ11-04
MOUNTING: RECESSED
ENGINE: FB-2UREC-TA-5-B-2100K
COLOR TEMP: 2700K
ELECTRICAL: 9-15V, 120V
LUMENS: 125
LED: NICHIA

RECESSED STEP LIGHT
SCALE: 1" = 1'-0"

NOTES

1. PROVIDE NEW DRIP IRRIGATION SYSTEM, ONLY WHILE PLANTS ARE BEING ESTABLISHED
2. DEMOLISH EXISTING BLACKTOP UNDER 6" OF SOIL, MIN.

Waterman & Sun
RESIDENTIAL BUILDING AND LANDSCAPE DESIGN
CUSTOM HOMES • REMODELS • GARDEN STRUCTURES
ROBERT H. WATERMAN (650) 321-9640
4117 ALPINE ROAD • PORTOLA VALLEY, CALIFORNIA • 94028

A NEW LANDSCAPE FOR:
SCHOOL HOUSE
TOWN CENTER, PORTOLA ROAD
PORTOLA VALLEY, CALIFORNIA

DRAWN	M.S.
CHECKED	R.H.W.
DATE	MAY 8, 2015
SCALE	AS SHOWN
JOB NO.	
SHEET	L1



Forever Bright

SPECIFICATION FEATURES

- Finish:** Our naturally etched finishes will withstand the test of time. All finishes are individually treated insuring consistency. Our meticulous application results in a fixture that truly becomes "a one of a kind".
- Electrical:** Available in 8-15V
- Labels:** ETL Standard Wet Label
C-ETL

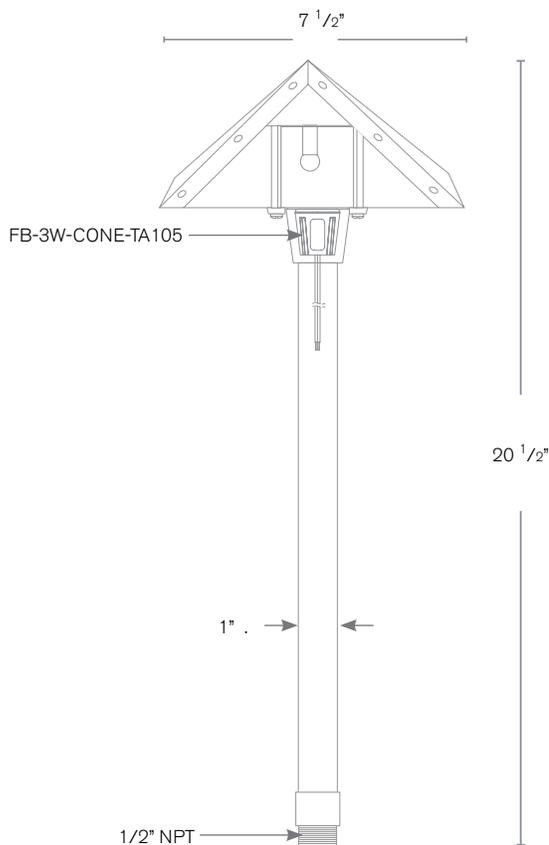


Model: **SPJ11-02**
Finish: Matte Bronze

Path / Area Light

DESCRIPTION

- Model#:** SPJ11-02
- Material:** Solid Brass
- Electrical:** 8-15V
- Engine:** FB-3W-Cone-TA105
- Lumens:** 105
- Color Temp:** 2700 k
- Mounting:** 1/2" NPT. Dual Fin Spike Incl.
- LED:** Nichia



Wet Listed



ORDERING INFORMATION

Model#	Finishes	Wattage	Lumens	Color Temp.	Electrical
SPJ11-02	MBR	3W	105	2700K	8-15V

- V = Verde
- GM = Gun Metal
- M = Moss
- B = Black
- AG = Aged Brass
- R = Rusty
- MBR = Matte Bronze
- PVDP = PVD Polished
- RC = Raw Copper
- PVDS = PVD Satin

Forever Bright

SPECIFICATION FEATURES



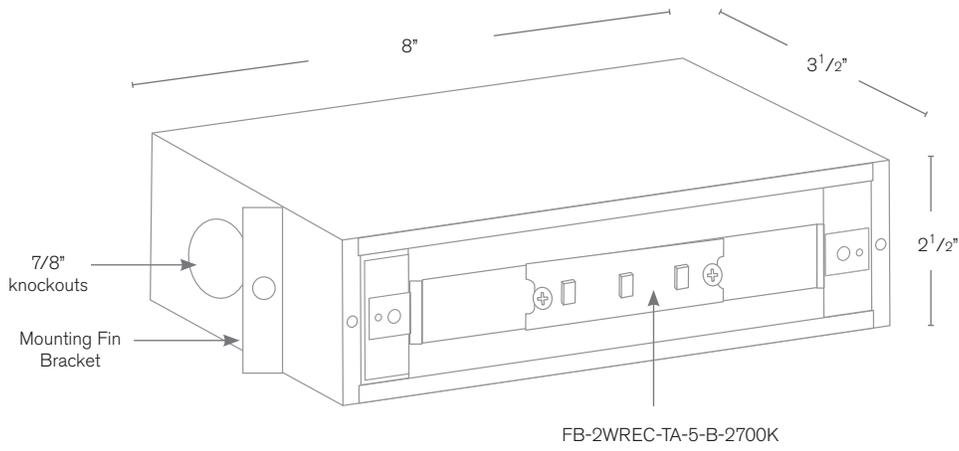
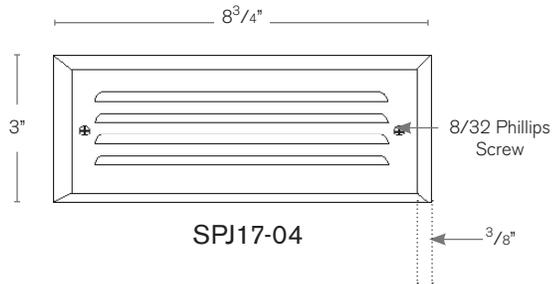
Model: **SPJ17-04**
Finish: Verde

- Finish:** Our naturally etched finishes will withstand the test of time. All finishes are individually treated insuring consistency. Our meticulous application results in a fixture that truly becomes "a one of a kind".
- Electrical:** Available in 9-15V or 120V
- Labels:** ETL Standard Wet Label
C-ETL

Step Light Recessed

DESCRIPTION

- Model#:** SPJ17-04
- Mounting:** Recessed
- Engine:** FB-2WREC-TA-5-B-2700K
- Color Temp:** 2700k
- Electrical:** 9-15V, 120V
- Lumens:** 125
- LED:** Nichia



Wet Listed



ORDERING INFORMATION

Model#	Finishes	Wattage	Lumens	Color Temp.	Electrical
SPJ17-04	V	2W	125	2700K	9-15V

- V = Verde
- GM = Gun Metal
- M = Moss
- B = Black
- AG = Aged Brass
- R = Rusty
- MBR = Matte Bronze
- PVDP = PVD Polished
- RB = Raw Brass
- PVDS = PVD Satin





MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council

FROM: Nick Pegueros, Town Manager

DATE: June 10, 2015

RE: **Update on Retaining a Consultant to Assist with Aircraft Noise Impact Analyses**

Staff has worked with Councilmember Wengert and town residents Tina Nguyen and Vic Schachter to more fully explore the scope of work required to document the aircraft noise impact of arrival flights to the San Francisco International Airport.

Work is ongoing; a verbal update will be provided to the Town Council at the June 10th meeting.



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Honorable Mayor and Members of the Town Council

FROM: Leigh F. Prince, Town Attorney

DATE: June 1, 2015

RE: Ordinance Amending Title 2 of the Portola Valley Municipal Code

RECOMMENDATIONS

Read title, waive further reading and introduce an ordinance amending Title 2 [Administration and Personnel] of the Portola Valley Municipal Code.

BACKGROUND

At the March 25, 2015 meeting, the Town Council reviewed and provided input regarding draft revisions to Title 2 of the Portola Valley Municipal Code. Since then, the Architectural and Site Control Commission (“ASCC”) and the Planning Commission have provided input regarding starting their meetings one-half hour earlier at 7:00 p.m. Attached is a summary of that input. Town staff also reached out to other local communities and compiled a list of the salary and benefits received by council and commission members. The Town Council discussed the compensation memo at its May 13, 2015 meeting.

DISCUSSION

Comments received from the Town Council during the March 25th meeting have been incorporated into the attached ordinance. This ordinance will set a new meeting time for the Town Council, ASCC and Planning Commission of 7:00 p.m. The new meeting time will go into effect thirty (30) days after the date of the second reading and adoption of the ordinance. The ordinance does not include a provision for salary or benefits for Council members. The Council can revisit the issue of compensation at any time.

Next Steps

Because the appendix designating the public officials and employees and disclosure categories is being removed from the Municipal Code, the Council will need to adopt a resolution designating those positions and categories to complete the Town’s conflict of interest code. In addition, the Council will need to adopt a resolution to become subject to the uniform construction cost accounting procedures.

FISCAL IMPACT

Staff anticipates minimal fiscal impact in preparing the resolutions associated with the ordinance amending Title 2.

CONCLUSION

Upon completion of the first reading, the ordinance will come back on the consent calendar for a second reading.

ATTACHMENTS

1. Input Regarding Meeting Start Time
2. Ordinance Amending Title 2 [Administration and Personnel] of the Portola Valley Municipal Code

Input Regarding Meeting Start Time

ASCC		Planning Commission	
Dave Ross	Prefers 7:30, but can do 7	Nicholas Targ	No ²
Iris Harrell	Yes	Judith Hasko	Yes
Danna Breen	Yes	Nate McKitterick	Yes
Jeff Clark	Yes	Denise Gilbert	Yes
Megan Koch	No ¹	Alex Von Feldt	Yes

¹ Not in favor of the change because will miss dinner with kids.

² The later time would work very well.

ORDINANCE NUMBER _____

**ORDINANCE AMENDING TITLE 2 [ADMINISTRATION
AND PERSONNEL] OF THE PORTOLA VALLEY MUNICIPAL CODE**

WHEREAS, the Town Council of the Town of Portola Valley (“Town”) desires to update Title 2 [Administration and Personnel] of the Portola Valley Municipal Code to accurately reflect current law and practice; and

WHEREAS, there have been changes in the law and in Town practice since many of the sections in Title 2 [Administration and Personnel] were last updated, many in the 1960s and 1970s.

NOW, THEREFORE, the Town Council of the Town of Portola Valley does **ORDAIN** as follows:

1. AMENDMENT OF CODE. Chapter 2.04 [Council Meetings] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby amended in its entirety to read as follows:

2.04.010 Regular Meetings

The Council shall meet in regular session on the second and fourth Wednesday of each month at the hour of 7:00 p.m., and may adjourn from time-to-time as in their judgment may seem proper.

2.04.020 Place of Meetings

Meetings of the Council shall be held in the Historic Schoolhouse, 765 Portola Road, Portola Valley, CA 94028.

2.04.030 Books and Records

The books and records of all Town actions shall be open at all times during office hours in compliance with the California Public Records Act, Government Code Section 6250 et seq.

2. AMENDMENT OF CODE. Chapter 2.05 [Town Council Vacancies] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby amended in its entirety to read as follows:

2.05.010 Filling of Vacancy

As authorized by California Government Code Section 36512, within 60 days from the commencement of the vacancy, the Council shall either fill the vacancy by appointment or call a special election to fill the vacancy. If a special election is called, it shall be held on the next regularly established election date not less than 114 days from the call of the special election. If the Council appoints a person to fill the vacancy until the special election, that person holds office only until the date of the special election. Nothing

herein shall require the Council to fill a vacancy by appointment until the special election.

2.05.020 Appointment Process

If the Council desires to appoint a qualified individual to fill a vacancy, the Council may determine, in its discretion, if and how interviews and selection will be conducted, provided the process complies with all applicable laws and statutes, including the Brown Act, California Government Code Section 54950 et seq.

2.05.030 Term

A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent.

3. AMENDMENT OF CODE. Section 2.08.010 [Compensation of town clerk] and Section 2.08.020 [Town treasurer will not be compensated] of Chapter 2.08 [Town Clerk and Treasurer] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code are hereby amended to read as follows:

2.08.010 Town Clerk

The Town Clerk shall be appointed by and be responsible to the Town Manager. The Town Clerk shall serve as clerk to the Council as well as the Town's election officer. The Town Clerk shall maintain the official records of the Council and perform such other duties as set forth in the general laws of the state.

2.08.020 Town Treasurer

The Town Manager shall serve as the Town Treasurer. The Town Treasurer shall maintain the accounts of the Town in accordance with the approved final budget and accepted municipal accounting procedures and shall perform such other duties as set forth in the general laws of the state.

4. REPEAL OF CODE. Section 2.08.030 [Town clerk and town treasurer – Bonds] of Chapter 2.08 [Town Clerk and Treasurer] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby deleted in its entirety as the Town Clerk and Town Treasurer are not required to post a bond prior to entering service.

5. AMENDMENT OF CODE. Section 2.12.010 [Transfer of Assessment and Tax Collection Duties to County] of Chapter 2.12 [Assessment and Tax Collection] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby amended to read as follows:

2.12.010 Transfer of Assessment and Tax Collection Duties to County

The Council elects to proceed pursuant to Government Code Section 51500 et seq. providing for the transfer of the assessment and tax collection duties ordinarily performed by the Town Assessor and Tax Collector to the San Mateo County Assessor and Tax Collector.

6. AMENDMENT OF CODE. Section 2.16.030 [Powers and duties] and Section 2.16.040 [Meetings] of Chapter 2.16 [Architectural and Site Control Commission] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code are hereby amended as follows:

2.16.030 Powers and Duties

The Architectural and Site Control Commission shall have the powers and duties necessary to assist and advise the Town Planning Commission, which may be modified from time to time. The Architectural and Site Control Commission powers and duties shall include the following:

- A. Study and make recommendations for the disposition of permits requiring architectural and site review;
- B. Study and make recommendations on all requests for variances;
- C. Study and make recommendations on all applications for subdivisions and resubdivisions;
- D. Study and make recommendations on ordinances for grading, signs, private roads, and such other items as the Planning Commission shall direct;
- E. Hear and act upon abatements and appeals regarding violations of zoning ordinances and building codes;
- F. Supervise rulings of the Planning Commission as directed.

2.16.040 Meetings

The Architectural and Site Control Commission shall meet in regular session on the second and fourth Monday of each month at the hour of 7:00 p.m. in the Historic Schoolhouse, 765 Portola Road, Portola Valley, CA 94028, and may adjourn from time-to-time as in their judgement may seem proper.

7. AMENDMENT OF CODE. Section 2.20.020 [Powers and duties] and Section 2.20.030 [Meetings] of Chapter 2.20 [Planning Commission] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code are hereby amended to read as follows:

2.20.020 Powers and Duties

The Planning Commission shall have the powers and duties set forth in the Government Code and the general laws of the state, and as set forth in the ordinances of the Council, which shall include the following:

- A. Prepare a General Plan for the development of the Town, for recommendation to the Council;
- B. Recommend such ordinances and resolutions to the Council as are necessary to implement the General Plan;
- C. Supervise the land use in the Town, by conducting necessary public hearings and acting upon applications for zoning amendments, conditional use permits, variances from the existing ordinances, subdivisions, resubdivisions, and building permits;

- D. Review, reappraise, redefine and submit changes, where necessary, to elements of the General Plan in accordance with the timeframes provided in State law or as directed by Council.

2.20.030 Meetings

The Planning Commission shall meet in regular session on the first and third Wednesday of each month at the hour of 7:00 p.m. in the Historic Schoolhouse, 765 Portola Road, Portola Valley, CA 94028, and may adjourn from time-to-time as in their judgement may seem proper.

8. AMENDMENT OF CODE. Section 2.28.010 [State holidays] of Chapter 2.28 [Holidays] of Title 2 [Administration and Personnel] is hereby amended to read as follows:

2.28.010 Holidays; Town Offices Closed

A. State holidays listed in Government Code Section 6700, including Martin Luther King, Jr. Day, Cesar Chavez Day and Thanksgiving Day apply to the Town.

B. Town offices shall be closed on State holidays, with the exception of Lincoln Day, Admission Day, Columbus Day, Cesar Chaves Day and Veterans Day.

C. If January 1st, July 4th or December 25th falls on a Sunday, the following Monday is a holiday. If January 1st, July 4th or December 25th falls on a Saturday, the preceding Friday is a holiday.

D. Town Hall may be closed the day after Thanksgiving and on the intervening days between December 25th and January 1st, but these days shall not be considered holidays for the purposes of other sections of the Municipal Code.

9. REPEAL OF CODE. Section 2.28.020 [Town holidays, Town offices closed] of Chapter 2.28 [Holidays] of Title 2 [Administration and Personnel] is hereby deleted in its entirety.

10. AMENDMENT OF CODE. Section 2.32.010 [Election date established] of Chapter 2.32 [General Municipal Elections] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby amended to update the Government Code citation as follows:

2.32.010 Election Day Established

The general municipal elections of the Town shall be held on the same day that is established for School District elections as set forth in Elections Code Section 1302, the first Tuesday after the first Monday of March in each odd-numbered year, or the second Tuesday of April each year.

11. REPEAL OF CODE. Section 2.32.020 [Town officers—Duration of term] and Section 2.32.030 [Notice to voters required] of Chapter 2.32 [General Municipal

Elections] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby deleted as those Sections applied only to the initial implementation of the election day in 1987 and are no longer necessary.

12. AMENDMENT OF CODE. Section 2.36.010 [Incorporation by reference] of Chapter 2.36 [Conflicts of Interest] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code is hereby amended to read as follows:

2.36.010 Incorporation by Reference

The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the resolution approved by the Town Council in which public officials and employees are designated and their disclosure categories identified, constitute the Conflict of interest Code of the Town.

13. REPEAL OF CODE. Sections 2.36.040 [Disclosure obligations], Section 2.36.050 [Statements of economic interest, place of filing]; Section 2.36.060 [Statements of economic interests—Time of filing]; 2.36.070 [Statements for persons who resign 30 days after appointment]; Section 2.36.080 [Contents of and period covered by statements of economic interests], Section 2.36.090 [Manner of reporting], 2.36.100 [Prohibitions]; 2.36.110 [Disqualification]; 2.36.120 [Legally required participation], 2.36.130 [Manner of disqualification], Section 2.36.140 [Assistance of the commission and council], Section 2.36.150 [Violations] and the Appendix to \Chapter 2.36 [Conflicts of Interest] of Title 2 [Administration and Personnel] of the Portola Valley Municipal Code are hereby deleted. By adopting 2 Cal. Code Regs Section 18730 by reference these provisions are included and do not need to be specifically called out in the Town's Municipal Code.

14. REPEAL OF CODE. Chapter 2.38 [Informal Bidding] of Title 2 [Administration] is hereby deleted in its entirety.

15. ADDITION OF CODE. Chapter 2.38 [Informal Bidding] of Title 2 [Administration] is hereby added to read as follows:

2.38.010 Informal Bid Procedures

Public Projects, as defined by the Uniform Public Construction Cost Accounting Act, Public Contract Code Section 22000 et seq., and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032 et seq. of the Public Contract Code.

2.38.020 Contractors List

The Town shall develop and maintain a list of contractors in accordance with the provisions of Section 22034 of the California Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

2.38.030 Notice Inviting Informal Bids

Where a public project is to be performed which is subject to the provisions of this Chapter, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 2.38.020, and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the Town Public Works Directors, provided, however: (1) if there is no list of qualified contractors maintained for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the California Uniform Construction Cost Accounting Commission; and (2) if the product or service is proprietary in nature such that it can be obtained only from a certain contractor(s), the notice inviting informal bids may be sent exclusively to such contractor(s).

2.38.040 Award of Contracts

The Town Director of Public Works is authorized to award informal contracts pursuant to this Section.

16. SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

17. ENVIRONMENTAL REVIEW. This ordinance is not a project for the purposes of the California Environmental Quality Act.

18. EFFECTIVE DATE; POSTING. This ordinance shall become effective 30 days after the date of its adoption and shall be posted within the Town in three public places.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

Town Clerk

By: _____
Mayor

APPROVED AS TO FORM:

Town Attorney



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council

FROM: Debbie Pedro, Planning Director/Town Planner

DATE: June 10, 2015

RE: Amendment to Section 18.64.010 of the Zoning Ordinance - Referral of Projects for Architectural and Site Plan Review

RECOMMENDATION

Waive reading and introduce the ordinance amending Title 18 [Zoning], Chapter 18.64 [Architectural and Site Plan Review] of the Portola Valley Municipal Code.

BACKGROUND

Per Section 18.64.010 of the Zoning Code, buildings and additions less than 400 sq. ft. are not subject to architectural and site plan review. However, in recent years, several projects involving small additions have resulted in unexpected negative impacts to neighbors. To address these concerns, in November, 2013, the ASCC held a study session on a proposed policy that would allow staff to refer smaller projects with unusual or complex conditions to be reviewed at a publically noticed meeting and afford neighbors within 300' of the project site an opportunity to review and comment on the proposal. Per the advice of the Town Attorney, an ordinance amendment is proposed to codify the referral process. (Attachment 1)

On April 27, 2015, the ASCC reviewed the proposal and expressed unanimous support of the draft ordinance as presented. On May 20, 2015, the Planning Commission voted 4-0 (Gilbert absent) to adopt a resolution recommending approval of the proposed ordinance amendment. (Attachment 3)

DISCUSSION

Section 18.64.010 (Applicability-Purpose) of the PVMC is proposed to be modified as follow to allow the Town Planner to raise any building permit up to ASCC level review:

- 15. Applications for buildings or additions of any size that the Town Planner determines is appropriate for architectural site plan review in order to accomplish the purposes identified in 18.64.010.B.***

Section 18.64.010.B states that “The purpose of architectural site plan review and approval is to promote the preservation of the visual character of Portola Valley, the stability of land values and investments, the public safety, and the general welfare by preventing the erection of structures or additions or alterations thereto of unsightly or obnoxious appearance or which are not properly related to their sites, adjacent uses, and circulation in the vicinity, and by preventing the indiscriminate clearing of property, excessive grading and the destruction of trees and shrubbery.”

In addition to the new language, two code sections cross-referenced in 18.64.010.A.8 and 18.64.010.A.9 were found to be incorrect and updated accordingly. Minor text amendments are also proposed to correct inconsistencies and redundant wording in the ordinance. The full draft of the amended code section with changes highlighted in red is included in Attachment 2.

Additional background on the proposal is included in the Planning Commission and ASCC staff reports dated May 20 and April 27, 2015. (Attachments 4 and 5)

CEQA STATUS

The proposed application is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) of the CEQA Guidelines.

FISCAL IMPACT

Building permits that are forwarded to the ASCC for review under this ordinance would be subject to a deposit in the amount of \$2,500 to cover staff cost to process the application.

PUBLIC NOTICE

Notice was provided by advertisement in the Almanac, posting of the agenda on the Town’s notice bulletin board, and posting of the agenda and staff report on the Town’s website.

ATTACHMENTS

1. Draft Ordinance
2. Draft Ordinance – redlined version
3. Planning Commission resolution
4. Planning Commission staff report and draft minutes dated May 20, 2015
5. ASCC staff report and minutes dated April 27, 2015

Approved by: Nick Pegueros, Town Manager

ORDINANCE NO. 2015-___

**ORDINANCE OF THE TOWN COUNCIL OF THE TOWN
OF PORTOLA VALLEY AMENDING SECTION 18.64.010
[APPLICABILITY-PURPOSE] OF THE PORTOLA VALLEY
MUNICIPAL CODE**

WHEREAS, Section 18.64.010 [Applicability-Purpose] of Chapter 18.64 [Architectural and Site Plan Review] of Title 18 [Zoning] of the Portola Valley Municipal Code currently provides that applications for building permits for buildings or additions less than four hundred (400) square feet are exempt from architectural and site plan review;

WHEREAS, recent projects have highlighted that, on occasion, projects which do not meet the threshold for architectural and site plan review by the Architectural and Site Control Commission (ASCC) could benefit from referral to the ASCC; and

WHEREAS, the Town Council of the Town of Portola Valley desires to amend Section 18.64.010 to allow the Town Planner to refer buildings or additions of any size to the ASCC for review.

NOW, THEREFORE, the Town Council of the Town of Portola Valley does ORDAIN as follows:

1. AMENDMENT OF CODE. Section 18.64.010 [Applicability-Purpose] of Chapter 18.64 [Architectural and Site Plan Review] of Title 18 [Zoning] of the Portola Valley Municipal Code is hereby amended to read as follows:

18.64.010 Applicability - Purpose.

A. Architectural and site plan review shall be required in connection with matters listed in this section; provisions for the review of other matters by the architectural and site control commission are included in other ordinances of the town:

1. Applications for building permits for buildings or additions of four hundred (400) square feet or larger or two stories or more;
2. Applications for building permits for all commercial buildings;
3. Applications for all building permits for structures on parcels fronting on arterial roads, expressways or freeways as shown on the Portola Valley general plan;
4. Applications for building permits for antennas with diameters larger than four feet but not exceeding six feet, designed to receive television or microwave signals transmitted from satellite or terrestrial stations;

5. Applications for building permits for all structures in any area which has been designated as an area of influence in any specific plan adopted pursuant to state law;
 6. Zoning permits for tennis courts and paddle tennis courts;
 7. Applications for conditional use permits except when such permits are for interior alterations only;
 8. Applications for building permits for the restoration or reconstruction of nonconforming buildings as provided for in Section 18.46.030;
 9. Applications for building permits for properties with historic resources as identified in the historic element of the general plan as provided for in Section 18.31.050;
 10. Applications for building permits or zoning permits for recycling and trash enclosures as provided for in Section 18.37.010;
 11. Applications for entryway features as provided for in Section 18.42.016;
 12. Applications for lighting as provided for in Section 18.42.018;
 13. Applications for mail boxes as provided for in Section 18.37.020.F. and Section 18.42.016.B;
 14. Applications for uncovered parking as provided for in Section 18.60.030 D;
 15. Applications for buildings or additions of any size that the Town Planner determines is appropriate for architectural site plan review in order to accomplish the purposes identified in 18.64.010.B;
 16. Such other matters as shall be referred to the architectural and site control commission by the Planning Commission.
- B. The purpose of architectural and site plan review and approval is to promote the preservation of the visual character of Portola Valley, the stability of land values and investments, the public safety, and the general welfare by preventing the erection of structures or additions or alterations thereto of unsightly or obnoxious appearance or which are not properly related to their sites, adjacent uses, and circulation in the vicinity, and by preventing the indiscriminate clearing of property, excessive grading and the destruction of trees and shrubbery.

2. SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not

affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

3. ENVIRONMENTAL REVIEW. This ordinance is not a project for purposes of the the California Environmental Quality Act (CEQA) and is exempt from environmental review pursuant to Section 15061(b)(3) of the CEQA Guidelines.

4. EFFECTIVE DATE; POSTING. This ordinance shall become effective thirty (30) days after the date of its adoption and shall be posted within the Town in three public places.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

**ORDINANCE OF THE TOWN COUNCIL OF
THE TOWN OF PORTOLA VALLEY AMENDING
SECTION 18.64.010 [APPLICABILITY-PURPOSE] OF THE
PORTOLA VALLEY MUNICIPAL CODE**

18.64.010 Applicability - Purpose.

A. Architectural and site plan review shall be required in connection with matters listed in this section; provisions for the review of other matters by the architectural and site control commission are included in other ordinances of the town:

1. Applications for building permits for buildings or additions of four hundred square feet or larger or two stories or more;
2. Applications for building permits for all commercial buildings;
3. Applications for all building permits for structures on parcels fronting on arterial roads, expressways or freeways as shown on the Portola Valley general plan;
4. Applications for building permits for antennas with diameters larger than four feet but not exceeding six feet, designed to receive television or microwave signals transmitted from satellite or terrestrial stations;
5. Applications for building permits for all structures in any area which has been designated as an area of influence in any specific plan adopted pursuant to state law;
6. Zoning permits for tennis courts and paddle tennis courts;
7. Applications for conditional use permits except when such permits are for interior alterations only;
8. Applications for building permits for the restoration or reconstruction of nonconforming buildings as provided for in Section 18.46.0830;
9. Applications for building permits for properties with historic resources as identified in the historic element of the general plan ~~as provided for in are required to show historic resources and comply with the provisions of Chapter Section 18.31.050;~~
10. Applications for building permits or zoning permits for recycling and trash enclosures as ~~provided for in required by~~ Section 18.37.010;
- ~~11. Such other matters as shall be referred to the architectural and site control commission by the planning commission;~~
112. Applications for entryway features as provided ~~for in by~~ Section 18.42.016;

123. Applications for lighting as provided ~~for in by~~ Section 18.42.018;
 134. Applications for mail boxes as provided ~~for in by~~ Section 18.37.020.F. and Section 18.42.016.B;
 145. Applications for uncovered parking as provided ~~for in by~~ Section 18.60.030 D;
 - 15. Applications for buildings or additions of any size that the Town Planner determines is appropriate for architectural site plan review in order to accomplish the purposes identified in 18.64.010.B;**
 16. Such other matters as shall be referred to the architectural and site control commission by the Planning Commission.
- B. The purpose of architectural ~~and~~ site plan review and approval is to promote the preservation of the visual character of Portola Valley, the stability of land values and investments, the public safety, and the general welfare by preventing the erection of structures or additions or alterations thereto of unsightly or obnoxious appearance or which are not properly related to their sites, adjacent uses, and circulation in the vicinity, and by preventing the indiscriminate clearing of property, excessive grading and the destruction of trees and shrubbery.

RESOLUTION NO. 2015-4

**RESOLUTION OF THE PLANNING COMMISSION OF THE
TOWN OF PORTOLA VALLEY RECOMMENDING APPROVAL
OF AN ORDINANCE AMENDING TITLE 18 [ZONING] OF THE
PORTOLA VALLEY MUNICIPAL CODE**

WHEREAS, according to Section 18.64.010 of the Portola Valley Municipal Code, applications for building permits for buildings or additions less than four hundred (400) square feet are currently exempt from architectural and site plan review;

WHEREAS, recent projects have highlighted that, on occasion, projects which do not meet the threshold for architectural and site plan review by the Architectural and Site Control Commission (ASCC) could benefit from referral to the ASCC;

WHEREAS, the proposed ordinance would allow the Town Planner to refer buildings or additions of any size to the ASCC for review;

WHEREAS, the Planning Commission held a duly noticed hearing on May 20, 2015 regarding the proposed ordinance; and

WHEREAS, the proposed ordinance is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.

NOW, THEREFORE, be it resolved that the Planning Commission of the Town of Portola Valley does hereby recommend that the Town Council approve the proposed ordinance as set forth in Exhibit A.

PASSED AND ADOPTED at the regular meeting of the Planning Commission of the Town of Portola Valley on May 20, 2015.

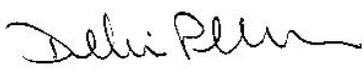
Ayes: Hasko, McKitterick, Targ, Von Feldt

Noes:

Absent: Gilbert

Abstain:

By: 

ATTEST: 
Debbie Pedro, Planning Director



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Planning Commission

FROM: Debbie Pedro, Town Planner

DATE: May 20, 2015

RE: Amendment to Section 18.64.010 of the Zoning Ordinance - Referral of Projects for Architectural and Site Plan Review

RECOMMENDATION

Staff recommends that the Planning Commission discuss the proposed amendments to Title 18 (Zoning), Chapter 18.64 (Architectural and Site Plan Review) of the Portola Valley Municipal Code, make any modifications deemed necessary, and adopt the attached resolution recommending that the Town Council adopt the ordinance amendment.

DISCUSSION

On November 11, 2013, the ASCC held a study session on a proposed policy that would allow staff to refer smaller projects to the ASCC for review even though they did not meet the requirements stipulated in Section 18.64.010.A (Applicability) of the PVMC. The purpose of the policy is to allow projects with unusual or complex conditions to be reviewed at a publically noticed meeting and afford neighbors within 300' of the project site an opportunity to review and comment on the proposal. Examples of applications that may be forwarded to the ASCC include:

- Projects with clerestories, skylights, or unusual architectural features or materials in locations that would likely be highly visible to neighbors.
- Projects which add significantly to the height and/or massing of a structure even though a second story is not proposed, such as with significant interior ceiling volumes.
- Projects in zoning districts with minimum lot areas of less than one acre where the project, including construction related activities, could have a significant potential for impact on one or more neighbors.
- Projects on sites where another project of less than 400 sf was completed within the previous two years.

Upon discussion with the Town Attorney, it is recommended that the referral process be codified in an ordinance so that the Town Planner can raise any building permit up to ASCC level review. According to Section 18.64.010 of the Portola Valley Municipal Code, applications for building permits for buildings or additions less than four hundred (400) square feet are currently exempt from architectural and site plan review. In the past three years, the Town has issued an average of 14-15 building permits each year for these smaller projects.

YEAR	TOTAL # BLDG PERMITS	DETACHED ACCESSORY STRUCTURES (<400 sf)	ADDITIONS TO EXISTING STRUCTURES (<400sf)	Total
2012	628	3	10	13
2013	646	7	6	13
2014	689	5	12	17

The proposed amendment would be added to Section 18.64.010.A of the Municipal Code, and would read as follows:

15. Applications for buildings or additions of any size that the Town Planner determines is appropriate for architectural site plan review in order to accomplish the purposes identified in 18.64.010.B.

Section 18.64.010.B states that “The purpose of architectural site plan review and approval is to promote the preservation of the visual character of Portola Valley, the stability of land values and investments, the public safety, and the general welfare by preventing the erection of structures or additions or alterations thereto of unsightly or obnoxious appearance or which are not properly related to their sites, adjacent uses, and circulation in the vicinity, and by preventing the indiscriminate clearing of property, excessive grading and the destruction of trees and shrubbery.”

In addition to the new language, two code sections cross-referenced in 18.64.010.A.8 and 18.64.010.A.9 were found to be incorrect and updated accordingly. Minor text amendments are also proposed to correct inconsistencies and redundant wording in the ordinance. The full draft of the amended code section with changes highlighted in red is included in Attachment 2.

On April 27, 2015, the ASCC reviewed the proposal and unanimously supported the draft ordinance as presented. It is recommended that the Planning Commission conduct a public hearing, consider the proposed ordinance, and forward a recommendation to the Town Council.

CEQA STATUS

The proposed application is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) of the CEQA Guidelines.

ATTACHMENTS

1. Resolution
2. Draft Ordinance Amendment
3. Municipal code sections cross-referenced in 18.64.010.A
4. ASCC staff report and minutes dated April 27, 2015

DRAFT MINUTES

never part of access to the property at 42. He requests the land be built up in a way that a future builder can restore the original access to that property.

With no further comments, Vice Chair Hasko brought it back to the Commission for discussion and reviewed the issues addressed in the public session.

In response to a question from Mr. Toben, Ms. Kristiansson said the tree protection is already in place; the stockpile plan is being reviewed by the applicant's geotechnical consultant and will be reviewed by the Town Geologist and Town Staff; the traffic and parking plan is in the process with the HOA and neighbors and requires Public Works Director approval; and the erosion control is generally handled by the Public Works Director after the site development permit is approved by the Planning Commission. She said all the pieces are converging and they are trying to move things ahead as expeditiously as possible while being very thorough with the process.

Ms. Kristiansson advised people who have concerns with the County Environmental Health's approval of the septic design contact her or Ms. Pedro and they can go over the plans and provide the geotechnical review of the upper area. Ms. Pedro said, with regard to alternative on-site wastewater treatment systems, the County Environmental Health Department does not normally approve these unless a gravity system is not feasible, which is the case here, and they have performance standards for such alternative systems. Vice Chair Hasko asked for additional information regarding the installation of similar systems in similar conditions. She also noted that required maintenance and inspection of the drainage system is important.

Regarding Mr. Targ's request for confirmation that remediation would be performed entirely on-site, Ms. Pedro said the modification has been made and is shown as such on the plans.

Vice Mayor Hasko supports the project and emphasized the need to receive clarification on all the points raised, in particular regarding the septic system.

(3) Annual Housing Element Report for 2014 (Staff: K. Kristiansson)

Ms. Kristiansson presented the 2015 Annual Housing Element Report.

Chair Targ asked for questions or comments. There were none. Chair Targ commended staff for the excellent work on the Housing Element this past year.

(4) Public Hearing: Amendment to Section 18.64.010 of the Zoning Ordinance – Referral of Projects for Architectural and Site Plan Review (Staff: D. Pedro)

Ms. Pedro presented the proposed amendment to Section 18.64.010 of the Zoning Ordinance, which limits ASCC review to buildings and additions larger than 400 square feet. In November 2013, staff developed a small projects policy allowing these smaller projects with unusual architectural features or complex conditions to be forwarded to the ASCC. The Town Attorney has advised staff that the referral process should be codified so that the Town Planner can raise any building permit up to ASCC level review. She said the draft policy developed in 2013 will still be used by staff as an internal guiding document to flag projects for potential referral to the ASCC. The ASCC reviewed the proposal on April 27 and unanimously supported the draft ordinance as presented. Ms. Pedro asked the Commission to review the proposal ordinance amendment, make any changes necessary, and provide a recommendation for the Council.

Chair Targ asked for questions. There were none.

DRAFT MINUTES

Commissioner McKitterick supported the project and said it would help mitigate situations where applicants maneuver to avoid going before the ASCC. In response to Vice Chair Hasko’s question, Ms. Pedro said there is a fee for ASCC review but if a project qualifies for a building permit, they would pay a building permit fee and an additional deposit for the time needed to process the ASCC application. Chair Targ said this process would only be used in unusual circumstances and not all projects.

Chair Targ asked for public comment. There was none.

Commissioner McKitterick moved to find the proposed Resolution of the Planning Commission of the Town of Portola Valley Recommending Approval of an Ordinance Amending Title 18 [Zoning] of the Portola Valley Municipal Code exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines. Seconded by Vice Chair Hasko; the motion carried 4-0.

Commissioner McKitterick moved to approve the Resolution of the Planning Commission of the Town of Portola Valley Recommending Approval of an Ordinance Amending Title 18 [Zoning] of the Portola Valley Municipal Code. Seconded by Commissioner Von Feldt; the motion carried 4-0.

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

None.

ADJOURNMENT [9:00 p.m.]

Nicholas Targ, Chair

Debbie Pedro, Town Planner



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: ASCC

FROM: Debbie Pedro, Town Planner

DATE: April 27, 2015

RE: Amendment to Section 18.64.010 of the Zoning Ordinance - Referral of Projects for Architectural and Site Plan Review

RECOMMENDATION

Staff recommends that the ASCC discuss the proposed amendments to Title 18 (Zoning), Chapter 18.64 (Architectural and Site Plan Review) and forward a recommendation of approval to the Planning Commission and City Council with any modifications deemed necessary.

DISCUSSION

On November 11, 2013, the ASCC held a study session on a proposed policy that would allow staff to refer smaller projects to the ASCC for review even though they did not meet the requirements stipulated in Section 18.64.010.A (Applicability) of the PVMC. The purpose of the policy is to allow projects with unusual or complex conditions to be reviewed at a publically noticed meeting and afford neighbors within 300' of the project site an opportunity to review and comment on the proposal. Examples of applications that may be forwarded to the ASCC include:

- Projects on sites where another project of less than 400 sf was completed within the previous two years.
- Projects with clerestories, skylights, or unusual architectural features or materials in locations that would likely be highly visible to neighbors.
- Projects which add significantly to the height and/or massing of a structure even though a second story is not proposed, such as with significant interior ceiling volumes.
- Projects in zoning districts with minimum lot areas of less than one acre where the project, including construction related activities, could have a significant potential for impact on one or more neighbors.

Upon discussion with the Town Attorney, it is recommended that the referral process be codified in an ordinance so that the Town Planner can raise any building permit up to ASCC level review. The draft small projects policy developed in 2013 will continue to be used by staff as a guiding document to flag projects containing features that may warrant ASCC review.

The proposed amendment would be added to Section 18.64.010.A of the Municipal Code, and would read as follows:

15. Applications for buildings or additions of any size that the Town Planner determines is appropriate for architectural site plan review in order to accomplish the purposes identified in 18.64.010.B.

In addition, two code sections cross-referenced in 18.64.010.A.8 and 18.64.010.A.9 were found to be incorrect and updated accordingly. Minor text amendments are also proposed to correct inconsistencies and redundant wording in the ordinance.

The full draft of the amended code section is included in Attachment 1.

CEQA STATUS

The proposed application is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061 (b)(3) of the CEQA Guidelines.

ATTACHMENTS

1. Proposed amendments to Section 18.64.010 of the PVMC
2. Municipal code sections cross-referenced in 18.64.010.A

4. The existing six-foot solid board fencing located within the front setback area along Westridge Drive shall be removed or rebuilt to conform to the Town's fencing regulations, prior to final inspection of the project.

The motion was seconded by Commissioner Koch, and passed (5-0).

(c) Amendment to Section 18.64.010 of the Zoning Ordinance – Referral of Projects for Architectural and Site Plan Review.

Chair Ross introduced the proposed amendment to the zoning code that would allow the Town Planner to raise any building permit up to ASCC level review. He noted that the draft small projects policy developed in 2013 will continue to be used as a guiding document to flag projects containing unusual features that may warrant ASCC review.

Ms. Pedro added that the Town Attorney has advised staff that the policy needed to be officially codified in an ordinance. She asked the Commission to review the ordinance language and make any changes they deem necessary and provide a recommendation or approval to be taken to the Planning Commission and City Council. Discussion ensued.

The Commission unanimously supported the amendment as presented.

(d) Discussion of Driveway Surface Requirement (Section 15.12.310 of the Site Development Ordinance)

Ms. Pedro reported staff's findings regarding the Town's requirement for driveway surface materials – that the first 20 feet of driveway from the edge of the road must be paved with asphalt or concrete. Ms. Pedro said this requirement was approved in 1983 as part of the site development ordinance amendment. The requirement was proposed by the traffic committee with the intent to provide better traction for cars entering the public street and to reduce the amount of dirt and gravel tracking on public streets due to maintenance concerns.

Commissioner Breen said 20 feet is extensive and she would prefer gravel all the way out to the road rather than an asphalt apron because there should be a balance between street maintenance and sustainable practices to allow water to permeate into the earth. Vice Chair Harrell said loose rock was also difficult for cyclists. Chair Ross said if a natural or gravel driveway is not maintained, and there is an abrupt asphalt edge, it can break up quickly and cause damage to the edge of the road. Commissioner Breen recommended reducing the required asphalt to 15 feet, with private property areas outside the 15 feet being exempt from the asphalt requirement. Ms. Pedro said she will discuss the issue further with Public Works.

(6) COMMISSION AND STAFF REPORTS:

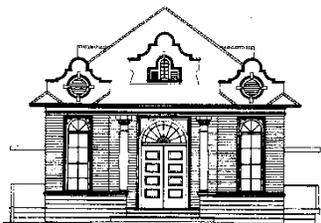
Ms. Pedro advised that on 4/22/15, the Town Council unanimously approved the Alpine Road retaining wall project with the steel I-beam and wood lagging option. She stated that field changes, where warranted, may result in a short wall.

Chair Ross advised that he had reviewed revisions to fencing and exterior lighting for 140 Pinon Drive.

Commissioner Breen advised that she had reviewed landscaping changes for the Priory's Benedictine Square.

(7) APPROVAL OF MINUTES: March 23, 2015. Commissioner Breen moved to approve the March 23, 2015, minutes as submitted. Seconded by Vice Chair Harrell, the motion passed (5-0).

(8) ADJOURNMENT 9:40 p.m.



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council

FROM: Debbie Pedro, Planning Director/Town Planner

DATE: June 10, 2015

RE: Annual Housing Element Progress Report for 2014

RECOMMENDATION

Review the attached draft annual housing element progress report for 2014, consider public input, and authorize submittal of the annual report to the state with any modifications that may be determined necessary by the Town Council.

BACKGROUND

State law requires that the Town submit an annual report on the housing element to the California Department of Housing and Community Development (HCD). This report must include the number of housing units that received building permits in 2014 and the implementation status of Town's Housing Element Programs. State law also requires that the governing body consider the report at a public meeting where members of the public are allowed to provide comments. Detailed information on the number of building permits issued for new housing units and implementation of housing element programs is provided in the Planning Commission staff report. (Attachment 2) The Planning Commission reviewed the report at their meeting on May 20, 2015 and recommended submittal of the report to HCD.

FISCAL IMPACT

None

ATTACHMENTS

1. 2014 annual Housing Element Progress report
2. Planning Commission staff report and draft minutes from May 20, 2015

Approved by: Nick Pegueros, Town Manager

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction Town of Portola Valley
 Reporting Period 1/1/2014 - 12/31/2014

Table A

Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information							Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions		
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development See Instructions	Deed Restricted Units See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income					
(9) Total of Moderate and Above Moderate from Table A3 ▶ ▶			2	6	8						
(10) Total by income Table A/A3 ▶ ▶			2	6	8						
(11) Total Extremely Low-Income Units*											

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction Town of Portola Valley
Reporting Period 1/1/2014 - 12/31/2014

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0			2		2	
No. of Units Permitted for Above Moderate	5			1		6	

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation (CCR Title 25 §6202)

Jurisdiction Town of Portola Valley
Reporting Period 1/1/2014 - 12/31/2014

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	21										17
	Non-deed restricted		4								4	
Low	Deed Restricted	15										13
	Non-deed restricted		2								2	
Moderate	Deed Restricted	15										13
	Non-deed restricted		2								2	
Above Moderate		13	6								6	7
Total RHNA by COG. Enter allocation number:		64										50
Total Units ▶ ▶ ▶			14								14	
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Town of Portola Valley
Reporting Period 1/1/2014 - 12/31/2014

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
Inclusionary Housing	Develop amendments to the inclusionary housing program.	2015-16	The Town has started the process of joining the San Mateo County Grand Nexus Study effort and will base the inclusionary program revisions on the results of that study for the Town.
Affiliated Housing	Allow affiliated multifamily housing projects on institutional properties	Ongoing	The Town has continued to discuss and encourage the owners of these properties to develop multifamily affordable housing for employees on these sites.
Second Units	Amend the zoning ordinance to further encourage second units, monitor and take additional action as needed	2015 & ongoing	Staff began developing the zoning ordinance amendments and expects them to be formally considered for adoption before or during the summer of 2015.
Shared Housing	Work with HIP Housing to improve publicity of its home-sharing program to residents and employees	2015 & ongoing	Staff has begun work on this program and organized two types of outreach for early 2015.
Fair Housing	Provide brochures or post information sheets at Town Hall, the library and on the Town's website to publicize the program	Ongoing	Staff will be contacting Project Sentinel to obtain updated information in 2015.
Energy Cons'n & Sustainability	Continue green and energy conservation measures, revising them and developing new ones as necessary	Ongoing	#####
Explore Future Housing Needs	Analyze housing needs and trends and explore potential programs to meet future housing needs	Ongoing	Work on this program has not yet started, but will occur later in the planning period.
Transitional & Supportive Housing Ord. Amd't	Amend the zoning ordinance to fully comply with state law relative to transitional and supportive housing	2015	Staff began developing the zoning ordinance amendments and expects them to be formally considered for adoption before or during the summer of 2015.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Town of Portola Valley
Reporting Period 1/1/2014 - 12/31/2014

General Comments:



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Planning Commission
FROM: Karen Kristiansson, Deputy Town Planner
DATE: May 20, 2015
RE: Annual Housing Element Monitoring Report for 2014

State law requires that the town submit an annual report on the housing element to the California Department of Housing and Community Development (HCD). This report must be provided on a form developed by HCD. A copy of that form filled out for 2014 is attached. That form provides both numbers of housing units that received building permits in 2014 and brief descriptions and updates on the eight programs from the Town's updated Housing Element, which was adopted by the Town Council on January 14, 2015 and certified by the California Department of Housing and Community Development on January 30, 2015. In addition, this memo provides more detailed information and current information about the programs on which staff has been focusing to date.

State law also requires that the governing body consider the report at a public meeting where members of the public are allowed to provide comments. This annual report will therefore be forward to the Town Council once the Planning Commission has completed its review.

Program 1: Inclusionary Housing

The housing element calls for the Town to revise the inclusionary housing program to require building the below market rate housing rather than simply providing land. As part of developing those revisions, the Commission recommended that the Town join the ongoing County-wide nexus study in order to obtain data that the Town could use in determining the appropriate amount of below market rate housing that should be required as part of a market rate development. Town staff has been working with the consultants who are developing the nexus studies and setting up the formal agreement for participation. The Town's nexus study should be completed in June, and staff will then be able to work toward developing revisions to the inclusionary housing program.

Program 2: Affiliated housing

Staff met recently with the new Executive Director of the Sequoias, Mr. Steven Fishler, and expressed the Town's support for affordable affiliated housing on the Sequoias campus. Mr. Fishler noted that other types of senior facilities do sometimes have affordable components and said that he was pleased to hear the Town's position.

In terms of the affiliated housing at the Priory, the school is considering moving the locations of the remaining eleven units permitted under the current master plan, which would require a change to the Priory's use permit. Other projects, such as the Benedictine Square classrooms, the track, and a possible new science building, however, are taking precedence.

Program 3: Second units

This program calls for three changes to the Town's second unit ordinance in order to encourage more second units:

1. Allow second units up to 1,000 square feet on lots with two or more acres;
2. Allow two second units to be located on lots with 3.5 acres or more, as long as one is attached; and
3. Allow staff-level approval of second units up to 750 square feet in size when no other permit is needed for the project.

Staff has drafted those amendments and is working to refine them; they will be brought forward for public review in the next couple of months.

In 2014, the Town issued a total of nine building permits for second units. In the past five years, the number of permits issued has ranged from four in 2012 to this high of nine in 2014. The goal in the Housing Element is for the Town to permit an average of 6.5 second units each year; as a result, the Town exceeded this goal in 2014.

Program 4: Shared Housing

The housing element calls for the Town to work with HIP Housing to publicize their home sharing program and encourage more people in town to participate in it. To that end, staff worked with HIP Housing and arranged for them to have a booth at the Farmers' Market on January 29, 2015. In addition, HIP Housing also sent letters to all property owners with permitted second units to introduce their program and seek out available rental units. Information on the home sharing program is also available at Town Hall and on the Town's website. Staff will continue to work with HIP Housing and seek additional ways to promote the home sharing program.

Program 8: Transitional and Supportive Housing Ordinance Amendments

Staff has drafted these ordinance amendments, and they will be considered at the same time as the second unit ordinance amendments discussed above.

Report approved by: Debbie Pedro, Town Planner



**TOWN OF
PORTOLA VALLEY**
~ PROPOSED BUDGET ~
FISCAL YEAR 2015 - 2016

TOWN OF PORTOLA VALLEY

PROPOSED OPERATING & CAPITAL BUDGETS

FISCAL YEAR 2015-16

Presented to:

Mayor Jeff Aalfs
Vice Mayor Maryann Moise Derwin
Councilmember Craig Hughes
Councilmember John Richards
Councilmember Ann Wengert

Prepared by:

Nick Pegueros, Town Manager
Stacie Nerdahl, Administrative Services Manager

Cover Image by Simon Greenhill

June 2015

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Date: June 10, 2015

To: Mayor and Members of the Town Council

From: Stacie Nerdaahl, Administrative Services Manager
Nick Pegueros, Town Manager

Re: 2015-16 Proposed Budget

General Fund Overview

Attached please find the proposed 2015-16 Town Budget. The Town's fiscal condition remains healthy in the 2015-16 fiscal year, with a projected **General Fund operating surplus** of \$219,544. The operating surplus is reduced by a transfer of \$111,978 to the Transportation Fund in order to fill the gap between the Town's street maintenance effort and the available Gas Tax revenues. This operating surplus is further reduced to zero and funds are required from prior year surpluses to provide for \$584,757 in general capital improvements and equipment purchases. The net result of the recommended budget is a reduction to the General Fund balance, year-over-year by \$477,191. While this amount is technically a budget deficit, the deficit arises from capital purchases fully funded by operating surpluses from prior fiscal years.

General Fund Revenues

Overall, General Fund revenues total \$4,708,880, a decrease of 3.7% (\$179,294) when compared to the prior year's budget. This decrease is primarily based on slowed revenues related to building permits and fees. The baseline assumption used for revenue growth was 2.5% where appropriate to reflect an inflationary adjustment CPI. The significant changes of note in General Fund revenues are as follows:

Property taxes – Actual property tax revenue for fiscal year 2014-15 is expected to be close to the adopted budget amount. In the coming fiscal year, the budget for 2015-16 assumes a 6% increase (\$133,974) based on forecasts provided by the San Mateo County Assessor's Office.

Building permits - This year's building activity decreased from the prior year, with projected revenues of \$603,000 falling short of the adopted budget by \$196,000. On closer analysis, permitting costs for larger projects stayed on trend with the prior year, with smaller projects decreasing by 50%. The planning department is currently working with several projects that are in the formative phases which may yet convert to building permit fees in the next few months. However, with no CPI increase

anticipated to the current fee structure, staff budgeted this category at \$586,500, a conservative 3% decrease over current year projected revenues.

Sales tax - With a series of private-party sales transactions and adjustments by the County and State in recent years, this revenue in recent years has proven to be a challenge to forecast. Additionally, with the pending defeasance of 2004's "Economic Recovery Bonds," the Triple Flip sales tax revenues are now in the process of being phased out. While the State projects a 5.7% growth rate in sales tax for the 2015-16 fiscal year, the Town itself has been impacted in both 2014-15 and 2015-16 by final negative true-ups of the inflated Triple Flip revenues from 2013-14. (The Town's revenue consultant, HdL Companies, provided a preliminary projection of a return to "normal" sales tax revenues of \$235,000 in the fiscal year 2016-17.)

Property transfer tax – Over a two-year period, this volatile revenue source doubled in the 2013-14 fiscal year, while projected revenues for 2014-15 reflect a decrease by over 40% to \$105,000, which is likely due in part to the very low inventory of homes for sale. As the average and median prices of homes sold in Portola Valley reached record highs and the Bay Area housing market remains strong, staff has kept this revenue at \$105,000 for the 2015-16 draft budget.

Utility users' tax – Staff is projecting decreased utility users tax revenues in 2014-15 for both electricity/gas (-5%) and water (-15%) due to an increased implementation of solar panels, a mild 2014-15 winter season, and the ongoing impact of the drought and related conservation measures. While it is likely that California Water Service rates will be increased to ensure necessary operating revenues for the utility, staff has conservatively budgeted zero increase in these two revenue sources.

General Fund Operating Expenditures

Overall, General Fund operating expenditures decreased by 1.1% (\$51,046) when comparing the adopted 2014-15 budget to the proposed 2015-16 budget. Some of the noteworthy highlights include:

Administration & Operations (personnel) – This budget increased by \$109,488 over the 2014-15 budget, which is mostly attributable to a \$33,000 allowance for merit-based salary increases and the inclusion of the fully burdened cost for the position of Sr. Maintenance Worker (\$119,297). With the continued phase-in of employee-shared costs for healthcare, the projected amount for health premiums decreased by 9% in 2014-15. Anticipated recruitments in 2015-16 include the full-time positions of Administrative Services Manager, Deputy Building Official, Associate/Senior Planner and Sr. Maintenance Worker.

Consultant Services – The adopted budget shows a decrease of \$157,655 in General Fund expenditures for consulting services, with most of the decrease due to the reduced costs for contract planning services with expanded in-house Town

planning operations. With fewer special projects planned than the prior year, the budget for miscellaneous consultants also decreased significantly; special projects will include a user fee study and a master plan update.

Parks & Recreation Operations are experiencing an increase of \$22,400 in budgeted expenditures due to an increase in recreation class instructor fees (offset by an increase in class registration fees).

The **Service Agreements** budget is increased by \$33,000 due to increased costs for the first year of the Sheriff's new three-year contract. This first year of the contract includes a 5.9% increase in basic contract costs and a 1.4% increase in supplemental traffic patrols.

The decrease to the **Town Center Facilities** budget is primarily due to the prior year's one-time expenditure related to the purchase of new event chairs for the Community Hall and its tie-in into the existing generator backup power grid.

General Fund Capital Improvement Projects and Capital Equipment

The proposed budget includes \$599,757 of General Fund monies to provide for **Capital Improvement** projects including: \$437,757 for street and trail improvements; \$80,000 for a new permit tracking software system; and \$47,000 for additional improvements to Ford Field. The Ford Field improvements are funded through prior donations and grant funds, but are reflected as General Fund expenditures.

For **Capital Equipment**, the adopted budget includes \$35,000 for the purchase of a plug-in hybrid to be used for planning and code enforcement operations.

General Fund Reserve Funds

In early 2015, the Town Council authorized the adjustment of the current General Fund balance assignments (reserves) totaling \$2,963,752 for estimated future liabilities. In May of 2015, the Council further authorized the payment of \$907,699 (95%) of the Unfunded Pension Liability Assigned fund balance to CalPERS to reduce this liability to \$47,773 as of June 30, 2015. As detailed in the Fund Activity Summary (p. 2), the projected unassigned General Fund balance as of June 30, 2016 is \$1,357,704.

Attachments:

- Accomplishments & Priorities
- Org Chart
- Fund Descriptions



TOWN OF PORTOLA VALLEY ~

Prior Year Accomplishments and Future Year Priorities

ACCOMPLISHMENTS of 2014-2015

Community Service/Engagement:

Continue to provide excellent customer service to all town residents and promote civic engagement

*Under the objective of **Staff Excellence**, the priority was to ensure that the Town is equipped with the resources necessary to deliver services to the public in a high quality manner. During the 2014-15 fiscal year, the new position of Planning Director was filled in August, with department reorganization then leading to the creation of a new Associate/Senior Planner position in the spring of 2015 (currently in recruitment). While the Communications and Information Management position was filled temporarily by an outside contractor, this position is currently being recruited as a part-time staff position and a selection is anticipated prior to June 30, 2015. The full-time position of Building Official was successfully filled by contract staff during the fiscal year.*

Along with a group workshop, all staff members participated in individual ergonomic work station assessments, resulting in some adjustments and additional ergonomic desk accessories as needed. With a minor renovation in the Planning area to allow for expanded work space for the new Planning Director, office furniture components were ordered as needed for several work stations, including the Town Manager. The relocation of the Public Works Director to the former Assistant Town Manager's office is currently in progress.

The Town's Personnel Policies Manual was revised in February 2015 to reflect the new expanded 40-hour work week at Town Hall and to update the entire document for overall consistency and clarity, while reflecting Town policy and compliance with current law.

Significant technology improvements were made in the spring with the implementation of Microsoft 365 for staff and Council members. Two new image / data servers, a new uninterruptible power supply (UPS) device for the servers, and an upgraded Barracuda data backup system that provides emergency accessibility to Town data via backup to the cloud were also implemented in the spring of 2015.

*The objective of **Town Communication** was to enhance public communication and ensure that town residents are well-informed of Town activities and matters of local concern. Along with continued postcard mailings and usage of the popular Yahoo-based PV Forum, the website's new Content Management System (CMS) was successfully implemented and now offers capability for RSS feed to Twitter, Facebook and other social media integration. With webinars now being offered on a regular basis by the website host (Vision Internet), staff now has continuing opportunities to expand their usage of the Town's central information source. Staff also refined its shared communications with key community stakeholders, including schools, the library, the fire district, and homeowners' association/organizations.*



TOWN OF PORTOLA VALLEY ~

Prior Year Accomplishments and Future Year Priorities

*The objective of **Community Events** was to celebrate the Town's history and values with an emphasis on volunteerism and preserving the residents' quality of life throughout town. The celebration of Portola Valley's 50th Anniversary on September 21st was a milestone event during the year which offered volunteers (both past and present) and citizens the opportunity to celebrate the unique heritage of Portola Valley. Additional community events included the ribbon-cutting of the new and improved Ford Field, Drought Action Day, the ever-popular Thursday Farmers' Market at Town Center, the annual Town Picnic, and the Summer Concert Series (hosted by the Cultural Arts Committee).*

A total of ninety Town-sponsored classes were offered to the community, with 172 additional "open-to-the-public" events held in the Community Hall. Along with a significant improvement to the sound quality, the purchase of a new and upgraded audio/visual system for use in the Community Hall has also reduced the staff resources previously needed for setup and stowing of the antiquated and cumbersome sound system.

*Finally, the objective of **Community Engagement** was to identify increased opportunities for town residents to be involved in Town operations. The installation of Automated License Plate Readers (ALPRs) in Portola Valley was fully explored via four public meetings, and a new report process was implemented to provide an avenue for each of the Town Committees to annually meet with the Council and discuss key objectives. In March, the Council approved staff's recommendation for an upgrade to the document management software that will eventually provide archival access via the internet to all meeting minutes, reports, resos, and parcel files (which are in the process of being digitized). A dedicated kiosk has been established in the lobby at Town Hall, and residents can now more easily access archived Town records as needed. Staff worked with the Conservation and Bicycle Pedestrian Traffic Safety Committees to target invasive weeds along the scenic corridor's ROW and install "No Parking" signs along Portola Road, respectively.*

Staff will continue to work with the Town Council and committee members to identify new areas that enable residents to make a contribution that keeps Town staff small and helps contain costs. In addition, partnership opportunities and increased outreach with the schools and homeowners' associations will also continue to be explored.

Emergency Preparedness: Ensure that the Town is prepared to respond to an emergency situation

*An important objective of the fiscal year was to ensure that the Town's **Emergency Operations Center (EOC)** was equipped to respond in the event of a catastrophic situation. The Town's Emergency Operations Plan and Emergency Ordinance were adopted by the Council in September 2014. Working with a consultant, staff participated in nine emergency preparedness planning and procedural meetings throughout the year, and also participated in larger-scale, multi-jurisdictional drills in January and May. The tie-in of Town Hall and the Community Hall to the backup generator will be complete by the end of the 2014-15 fiscal year, ensuring continued power to critical Town Center facilities in the case of an emergency. Also for emergency use, a water purification system*



TOWN OF PORTOLA VALLEY ~

Prior Year Accomplishments and Future Year Priorities

was purchased for domestic use at Town Center. Finally, with the Town's new disk-to-disk-to-cloud (DDC) data backup system and the ongoing updates to the emergency preparedness/response documentation stored in Google drive, emergency access to critical Town information and data has been made more likely in the event of a disaster.

*To enhance communication channels with town residents in order to ensure the community is informed and prepared in the event of an emergency, several **Community Preparedness** objectives received attention during the year. The Rapid Notify system has been updated with current resident contact information, and a special campaign to encourage residents to sign up (and participate in a system test) was spearheaded by CERPP in May/June. Resident volunteers participated in the multi-jurisdictional emergency exercises held in the fall of 2014 and the spring of 2015. Continuing the popular (and free!) wood chipping program and working with PG&E to remove hazardous trees from the right-of-way helped mitigate the increasing risk of wildland fire or infrastructure failure in a natural disaster.*

In collaboration with Woodside Fire Protection District and the Town of Woodside, the Town is now participating in a new program to fund a part-time CERPP Coordinator who is actively working to identify and reinvigorate CERPP division leaders. This CERPP Coordinator updated all medical trauma bags with fresh supplies and ensured that testing of CERPP radios was completed during the year. In addition, an Automated External Defibrillator (AED) was installed on the external wall near the kitchen at the Community Hall, bringing the number of AEDs available at Town Center to two.

*The objective of **Infrastructure Readiness** was to assess/identify capital improvements to the Town's infrastructure to enable it to withstand potential disaster situations. Repairs were completed to the portion of Upper Alpine Road that was damaged in 2012 along with repairs to the storm drain on Alpine Road at Willowbrook that was damaged this past winter. An update of the Town's storm drain master plan and multi-year capital improvement program will continue as necessary. The annual street resurfacing program was expanded to include roadways requiring greater attention, and design for the Alpine Road shoulder widening project was completed and the project was advertised for bidders. In addition, a new programmable radar/message trailer was added to the Town's capital equipment, which will allow for roadside alert messaging in emergencies.*

Sustainability: Support community efforts to maintain and conserve natural environmental resources

*The Town set an objective of being an example in the community for water conservation, low-water use landscaping and vegetation management in its **Landscape, Operations, and Open Space Maintenance**. To conserve water use, Town fields were dethatched and a trial "Compost Tea" program was initiated (and later suspended due to the drought). While progress was achieved in this area, the recent state-mandated water use reductions have significantly increased the target reductions. Staff is exploring innovative ways to optimize watering as well as assisting other large landscape and institutional users understand the reductions.*



TOWN OF PORTOLA VALLEY ~

Prior Year Accomplishments and Future Year Priorities

To foster **Community Engagement in Sustainability Initiatives**, staff continues to seek opportunities to engage residents, business and schools in environmentally preferable choices and energy- and water-efficient programs. Staff worked with GreenWaste and local businesses to bring the Town into 100% compliance with the State's Mandatory Commercial Recycling Ordinance. In addition, staff worked with GreenWaste to implement a Styrofoam Recycling Pilot Program, which has resulted in the collection of over 1500 gallons of Styrofoam in the first four months. The Town hosted a two-day Net Zero Energy (NZE) Workshop in conjunction with San Mateo County Energy Watch to engage homeowners and local architects/contractors in NZE efforts in advance of the building code updates requiring NZE by 2020. A Green Film Series program is in the works and scheduled for launch in the fall of 2015.

The measures and programs relating to **Greenhouse Gas Emission Reduction and Resource Conservation** will remain in progress. Staff has been conducting research and working with a County-funded consultant to explore innovative measures to include in the Climate Action Plan, as the Town has already implemented most of the measures in the draft Climate Action Plan. In addition, an update to the Town's Green Building Ordinance is in development in response to the more restrictive State Energy Code that came into effect in July 2014. Efforts also began this year to better understand Community Choice Aggregation, an opportunity to reduce the town-wide greenhouse gas emissions utilizing a greater amount of renewable energy.

Of necessity, the significant impact and application of the State's drought-management mandates diverted staff resources from energy-efficiency specific programs; however, reduction in water use has significant impacts on greenhouse gas emissions due to the energy required for the transportation, heating and processing of water. The newly formed Water Conservation Committee developed a drought action plan, even in advance of the Governor's Executive Order on April 1st, 2015. Major work in this area included developing a community-based social marketing campaign to ensure that Portola Valley leads the Bear Gulch Region in water reductions. The program included working with a consultant to identify three program priorities: an online water use survey, reduced lawn watering and a focus on installing "smart" irrigation controllers. In preparation for the launch of these programs, the committee and staff have worked together to help residents better understand their usage and opportunities to save water.

Other accomplishments during the 2014-15 year include:

In an area of broader sustainability, the Town paid off 95% of its unfunded pension liability as of June 30, 2013, a move that stands to benefit the Town well over \$1 million over the next thirty years. Town staff also completed the actuarial report of Other Post-Employment Benefits (OPEB/Retiree Medical). Additionally, the Town successfully completed a lengthy Housing Element Update process that was certified by the State of California and will serve as the Town's guiding document for affordable housing programs for the next eight years. The Portola Road Corridor Plan also came to fruition this year and provides for a comprehensive planning document for development along one of the town's most scenic thoroughways.

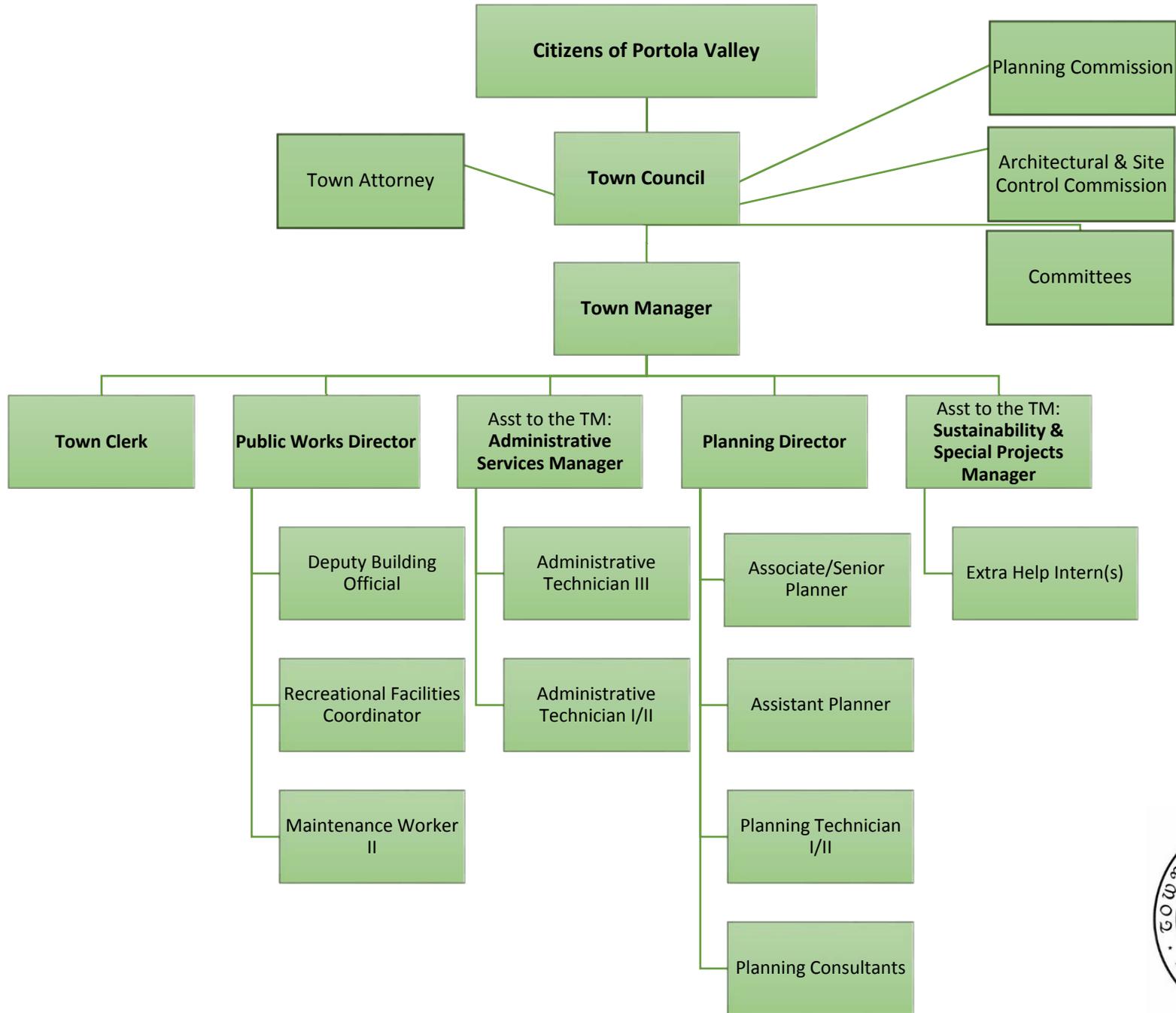


TOWN OF PORTOLA VALLEY ~

Prior Year Accomplishments and Future Year Priorities

PRIORITIES for 2015-2016

<i>Administration</i>	<i>Planning</i>	<i>Sustainability</i>	<i>Public Works</i>
<p><i>Recruit Admin Svcs Manager, Associate/Senior Planner, Building Official, Maintenance Workers (2.0 FTEs)</i></p> <p><i>Train new employees (1.5)</i></p> <p><i>Continue implementation and expanded use of MS-365</i></p> <p><i>Implement a comprehensive communications plan and support committee eSurveys</i></p> <p><i>Advance continued emergency preparedness training, participation in drills, community engagement and equipping of EOC</i></p> <p><i>Explore OPEB funding options</i></p> <p><i>Support the 2015 election</i></p>	<p><i>Identify/implement permit tracking software solution</i></p> <p><i>Complete User Fee Study</i></p> <p><i>Complete digitization of Town planning records</i></p> <p><i>Develop code enforcement process/programs to more effectively address code violations and public nuisances</i></p> <p><i>Implement 2014 Housing Element Programs: Inclusionary Housing Nexus Study, 2nd Unit Ordinance, Transitional and Supportive Housing Ordinance updates</i></p> <p><i>Complete General Plan Ground Movement Potential Map update</i></p> <p><i>Complete underground utility policy</i></p> <p><i>Continue comprehensive Zoning Code update</i></p> <p><i>Begin General Plan discussion on Preserves</i></p> <p><i>Train new employee (1.0)</i></p>	<p><i>Support Town and community drought management measures</i></p> <p><i>Update the Water-Efficient Landscape Ordinance</i></p> <p><i>Explore a Community Choice Aggregation program</i></p> <p><i>Complete the Climate Action Plan</i></p> <p><i>Finalize the update to the Green Building Ordinance</i></p> <p><i>Create a Zero Waste Event Ordinance</i></p> <p><i>Develop an Energy/Water Efficiency Recognition Program</i></p>	<p><i>Complete annual road resurfacing project and coordinate with major utility projects by CalWater and Westbay Sanitary</i></p> <p><i>Complete SMTA shoulder widening project</i></p> <p><i>Train new employees (3)</i></p> <p><i>Complete improvements to Alpine Trail at Hawthorns</i></p> <p><i>Secure permits for Springdown improvements</i></p> <p><i>Begin the Town Center Master Plan Update</i></p> <p><i>Continue PG&E Alpine Road undergrounding project</i></p> <p><i>Pavement Mgmt System update</i></p> <p><i>Continue work with Acterra on ROW and creek area projects</i></p> <p><i>Continue focus on invasive weeds at scenic corridor ROW</i></p>





Town of Portola Valley

Fund Descriptions

5	General Fund	The Town's operating fund; all general operating revenues and expenditures are processed through it.
8	Grants	Used to record all revenues and expenditures related to county, State, and Federal grants.
10	Safety Tax	A half-cent State sales tax revenue designated exclusively for local agency public safety services. (Sec. 35 of Art. XIII of Cal Const)
15	Open Space	Used for acquisition and support of open space parcels in Town.
20	Gas Tax	For maintenance and repairs to streets.
22	Measure M	County-generated vehicle registration revenue to be used for local streets and roads for congestion mitigation and water pollution prevention programs.
25	Library Fund	Library service revenue from San Mateo County Library JPA to be spent on library related activities as mutually agreed by the JPA and Town Council.
30	COPS – Public Safety	Citizens' Options for Public Safety: a supplemental State law enforcement fund for special law and traffic enforcement.
40	Park-in-Lieu	Subdivision developer's fee that can only be used for parks or recreational purposes.
45	Inclusionary-in-Lieu	A subdivision developer's fee, payable by fee or land, that can only be used for affordable housing.
50	Storm Damage	Initially created during the 1998-99 Alpine Road slide repairs, this fund is used as necessary to track federal or state-reimbursed storm-related road repairs.
60	Measure A Funds	A half-cent County sales tax revenue designated for the improvement of local transportation, including streets and roads.
65	Road Impact Fee	Recovers the cost of repairs from building permit applicants to Town roads due to wear and tear from construction vehicles. Collection of these fees was suspended by the Council in 2010.
75	Crescent M.D.	Maintenance District Funds
80	PVR M.D.	
85	Wayside I M.D.	
86	Wayside II M.D.	
90	Woodside H'lands M.D.	
95	Arrowhead M'dows M.D.	
96	Customer Deposits	Deposit fund for customer fees to pay for consulting costs associated with individual building projects. Any remaining deposit amounts are refunded to customer when project is completed.

2015-16 Revenues and Expenses by Governmental Fund

	Fund 5		Fund 8	Fund 10	Fund 15	Fund 20	Fund 22	Fund 25	Fund 30	Fund 40	Fund 45	Fund 50	Fund 60	Fund 65	Fund 96	TOTALS
Revenues	OPERATING	CAPITAL IMPR'S	GRANTS	PUBLIC SAFETY	OPEN SPACE	TRANSPORTATION	MEASURE M/C/CAG	LIBRARY	C O P S	Park-in-Lieu	Inclusionary-in-Lieu	Storm Damage	MEASURE A	ROAD FEES	CASE REVIEWS	
Government Agency	\$ 23,500		\$ 290,343	\$ 14,237		\$ 105,022	\$ 110,500		\$ 100,000			\$ -	\$ 286,341			\$ 929,943
Franchise Fees	\$ 271,038															271,038
Permits & Fees	\$ 586,500															586,500
Other Revenues	\$ 16,785	15,000			5,000											36,785
Parks & Recreation	\$ 79,693															79,693
Service Charges	\$ 113,110														260,000	373,110
Revenue from Taxes	\$ 2,857,054															2,857,054
Town Center Facilities	\$ 218,000															218,000
Interest	\$ 34,000															34,000
Utility Users' Taxes	\$ 509,200				225,400											734,600
Revs. Sub-Totals	\$ 4,708,880	\$ 15,000	\$ 290,343	\$ 14,237	\$ 230,400	\$ 105,022	\$ 110,500	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 286,341	\$ -	\$ 260,000	\$ 6,120,723
Expenditures																
Administration & Operations	\$ 2,229,394															\$ 2,229,394
Committees & Commissions	\$ 69,000															69,000
Consultant Services	\$ 510,345					25,000									260,000	795,345
Miscellaneous	\$ 38,500		1,600													40,100
Parks Operations	\$ 221,600															221,600
Public Works Operations	\$ 23,000					192,000	10,500									225,500
Service Agreements	\$ 881,543			18,000					100,000							999,543
Services & Supplies	\$ 368,455															368,455
Town Center Facilities	\$ 147,500							33,200								180,700
Exp. Sub-Totals	\$ 4,489,337		\$ 1,600	\$ 18,000	\$ -	\$ 217,000	\$ 10,500	\$ 33,200	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,000	\$ 5,129,637
Capital Improvements																
2015-16 Road Improvement		149,000					65,000						286,000			\$ 500,000
Annual Road Testing/Inspection		40,000														40,000
Annual Road Future Year Design		40,000														40,000
SMTA Grant Reimb Road Proj		128,757	288,743													417,500
Springdown Improvement					15,000											15,000
Storm Drain Repairs							35,000									35,000
Crowder Trail		15,000														15,000
Alpine Rd Dirt at Hawthorn Trail		65,000														65,000
Ford Field Improvements		47,000														47,000
Permit Tracking Software		80,000														80,000
Equipment Purchases		35,000														35,000
Capital Improvements		\$ 599,757	\$ 288,743	\$ -	\$ 15,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,000	\$ -	\$ -	1,289,500
Revs Less Exps/Cap Imps	219,544	-584,757	0	-3,763	215,400	-111,978	0	-33,200	0	0	0	0	341	0	0	-298,413
Interfund Transfers																
General Fund to Transportation	(111,978)					111,978										-
General Fund Capital Transfer	(584,757)	584,757														-
Transfers	\$ (696,735)	\$ 584,757	\$ -	\$ -	\$ -	\$ 111,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance (Revenue - Exp - CIP + Transfers)	\$ (477,191)	\$ -	\$ -	\$ (3,763)	\$ 215,400	\$ -	\$ -	\$ (33,200)	\$ -	\$ -	\$ -	\$ -	\$ 341	\$ -	\$ -	\$ (298,413)

Town of Portola Valley 2015-16 Fund Activity Summary

FUND	7/1/2015 ESTIMATED BALANCE	2015-16 ESTIMATED REVENUES	2015-16 ESTIMATED EXPENDITURES	2015-16 TRANSFERS IN(OUT)	6/30/2016 PROJECTED BALANCE
General Purpose Funds					
General Fund Unassigned	1,834,896	4,723,880	5,089,094	(111,978)	1,357,704
Unfunded Pension Liab Assigned	47,773				47,773
Equipment Replacemt Assigned	200,000				200,000
Emergency Reserve Assigned	1,400,000				1,400,000
Legal Contingency Assigned	100,000				100,000
Unfunded Retiree Medical Ass'd	308,280				308,280
Sub-Total	\$ 3,890,949	\$ 4,723,880	\$ 5,089,094	\$ (111,978)	\$ 3,413,757
Restricted Funds					
Bonds and Grants (8)	17,853	290,343	290,343		17,853
Public Safety (10)	4,280	14,237	18,000		517
Open Space (15)	4,192,448	230,400	15,000		4,407,848
Transportation/Public Works (20)	0	105,022	217,000	111,978	0
Measure M (22)	1,150	110,500	110,500		1,150
Library Fund (25)	393,929	0	33,200		360,729
Public Safety/COPS (30)	6,510	100,000	100,000		6,510
Park In Lieu (40)	6,260	0	0		6,260
Inclusionary In Lieu (45)	2,873,992	0	0		2,873,992
Measure A (60)	0	286,341	286,000		341
Road Fee Fund (65)	89	0	0		89
Applicant Deposits (96)	469,942	260,000	260,000		469,942
Sub-Total	\$ 7,966,453	\$ 1,396,843	\$ 1,330,043	111,978	8,145,231
Grand Total	\$ 11,857,402	\$ 6,120,723	\$ 6,419,137	\$ -	\$ 11,558,988

REVENUES

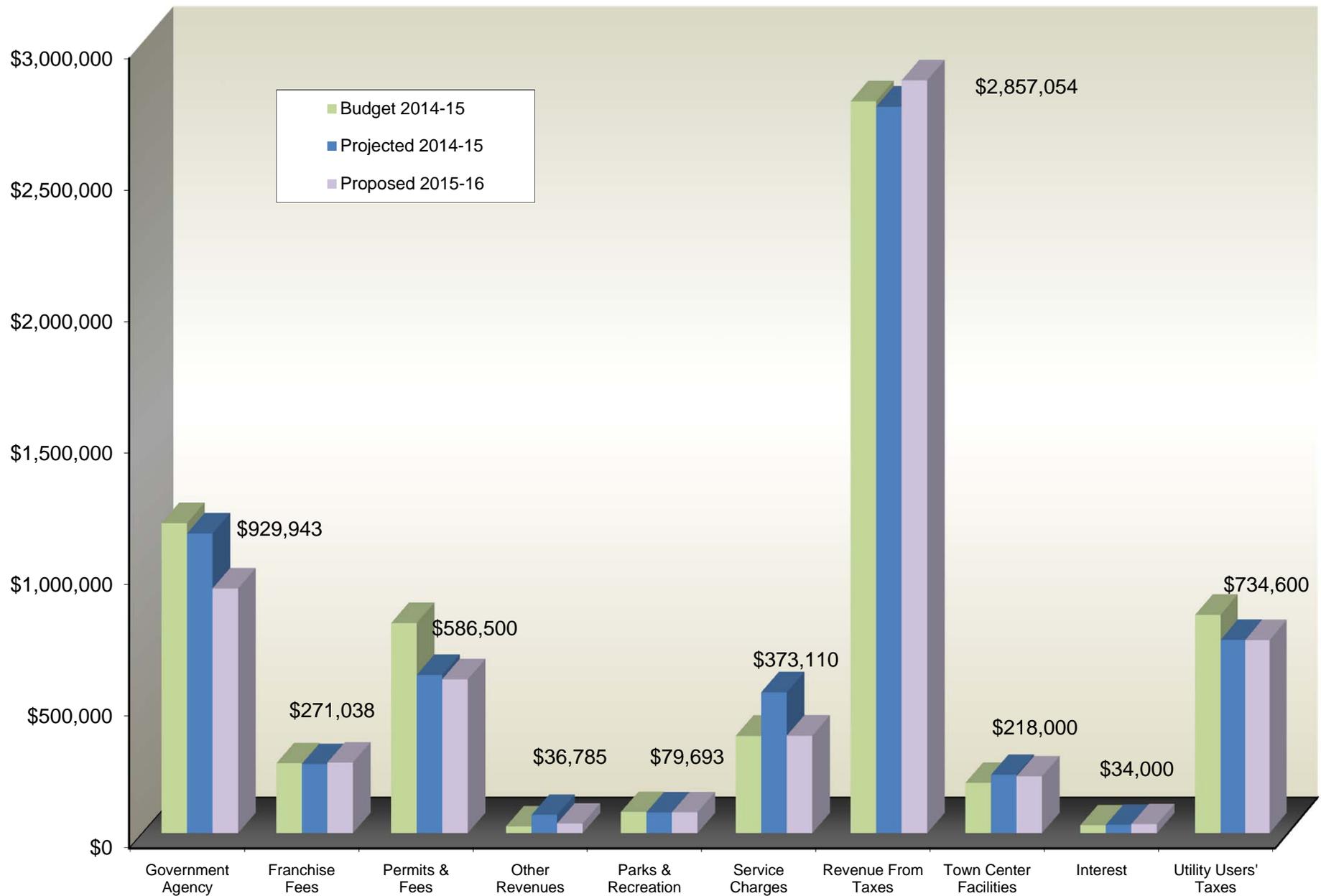
Government Agency	7	Parks & Recreation	12
Motor Vehicle Fees		Lease Income – Parks	
Measure A Sales Tax		Sports League Field Use	
Proposition 172 Funds		Annual Community Events	
COPS		Service Charges	13
State Gas Tax		Zoning & Planning Permits	
HOPTR		Variances	
Prop 42 Funds		Subdivision Fees	
Measure M		Pre-Application Meeting Fees	
C/CAG		Residential Data Reports	
Miscellaneous Grants		Architectural Review	
Franchise Fees	9	Geology Fees	
PG&E		Town Engineer/Planner Fees	
California Water		Applicant Charges	
Greenwaste Recovery		Town Library Maintenance Support	
Comcast Cable		Miscellaneous Revenues	
Permits & Fees	10	Revenue from Taxes	15
Building Permit/Plan Check/Inspections		Property Taxes, Secured & Unsecured	
Site Development		Sales & Use Tax	
Encroachment		Business License Tax	
Conditional Use		Real Property Transfer Tax	
Building Permit Review/Planning		Miscellaneous Other Taxes	
Horsekeeping		Town Center Facilities	16
Construction & Demolition		Community Hall & Room Rentals	
Other Revenues	11	Parking Lot & Field Rentals	
Fines & Forfeitures		Class Fees	
Miscellaneous Contributions		Interest	17
Crowder Trail Maintenance Reimbursement		Utility Users' Taxes	18
Open Space		General Purpose Use (4.5%)	
		Open Space Use (2%)	

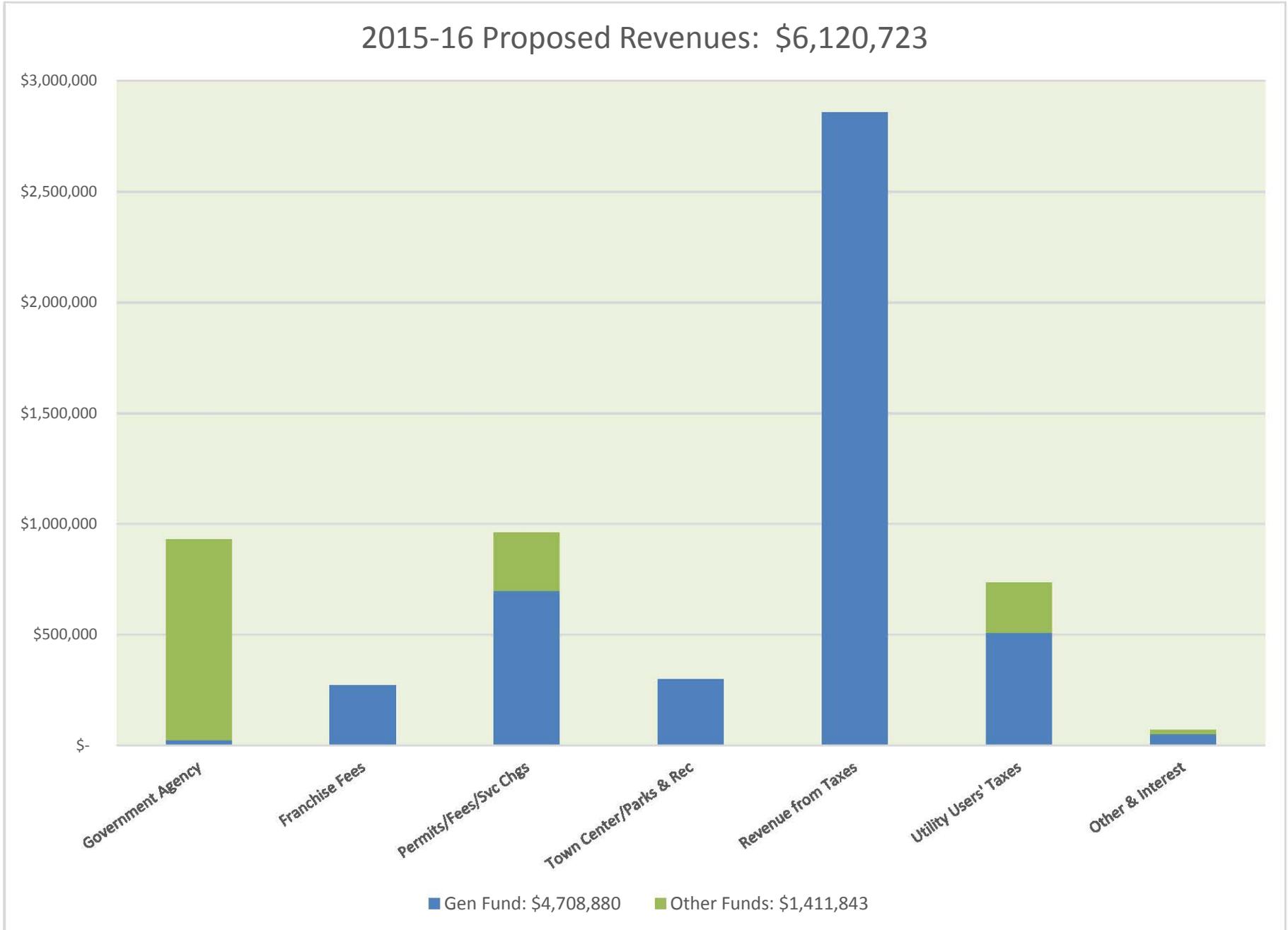
TOWN OF PORTOLA VALLEY
2015-2016
Total Revenues Budget Summary

Revenues	2014-15 Adopted Budget	2014-15 Projected at Year End	2015-16 Proposed Budget	\$/ Change per Projected Year End	%/ Change per Adopted 14/15 Budget	%/ Change per Projected Year End
Government Agency	1,180,270	1,141,176	929,943	(211,233)	(21.21)	(18.51)
Franchise Fees	268,114	265,330	271,038	5,708	1.09	2.15
Permits & Fees	799,300	603,000	586,500	(16,500)	(26.62)	(2.74)
Other Revenues	25,500	70,005	36,785	(33,220)	44.25	(47.45)
Parks & Recreation	80,978	79,493	79,693	200	(1.59)	0.25
Service Charges	372,500	537,412	373,110	(164,302)	0.16	(30.57)
Revenue From Taxes	2,777,893	2,757,300	2,857,054	99,754	2.85	3.62
Town Center Facilities	193,000	224,000	218,000	(6,000)	12.95	(2.68)
Interest	30,000	32,000	34,000	2,000	13.33	6.25
Utility Users' Taxes	830,464	735,275	734,600	(675)	(11.54)	(0.09)
Grand Total	6,558,019	6,444,991	6,120,723	(324,268)	-7%	-5%



2014-15 Budget/Projected Revenue vs 2015-16 Proposed Revenue



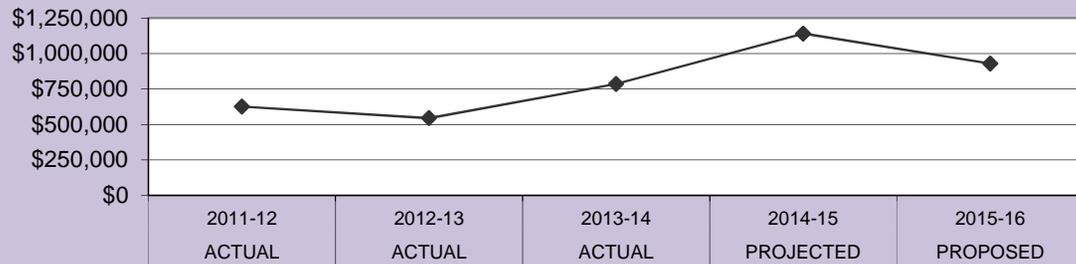


TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Government Agency



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Motor Vehicle <i>VLF funding was diverted by State legislation in 2011/12 to support the continuation of COPS funding.</i>	2,338	2,442	2,871	0	1,936	0	05-10-3001
2 Measure A Sales Tax Half percent sales tax restricted for transportation uses. Revenue growth of 5.7% for 2015-16 provided by the State.	225,655	242,011	252,012	262,514	270,900	286,341	60-10-3002
3 Proposition 172 Funds - Public Safety Sales Tax Half-cent sales tax restricted for public safety issues. Revenue estimates of 5.7% for 2015-16 provided by the State.	11,304	12,301	12,828	13,305	13,469	14,237	10-10-3004
4 Public Safety COPS Grant Annual state allotment which can only be used for public safety.	109,389	91,291	99,476	100,000	100,000	100,000	30-10-3006
5 State Gas Tax Pooled Statewide and reallocated based upon population and other factors. Town's allocation represents a small portion of this State revenue source, most of which stays in Sacramento.	83,138	77,033	87,235	74,056	90,365	83,620	20-10-3008 20-10-3010 20-10-3012 20-10-3014
6 Homeowners' Property Tax Relief (HOPTR)	5,367	5,416	9,533	5,400	9,430	9,000	05-10-3016
State Mandated Costs Reimbursements State reimbursements totalling \$57,400 filed for legislated municipal expenses from 2001 forward.			24		2,729	14,500	5-10-3017
7 Proposition 42 Funds Traffic Congestion Relief funds expired, Prop 42 funding replaces.	56,141	41,092	62,548	49,394	48,956	21,402	20-10-3015

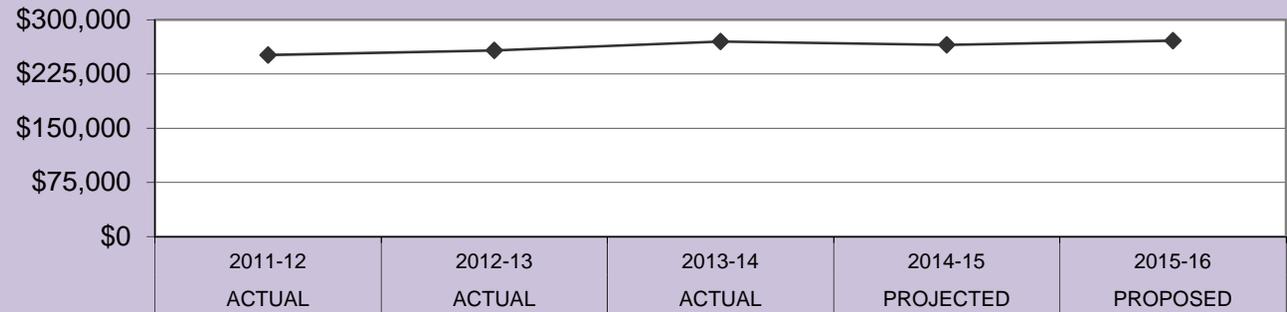
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
8 Measure M This reimbursement-based revenue is derived from an additional vehicle registration fee for San Mateo County residents and is to be used for improvements to local streets and roads.	82,207	40,960	15,150	123,000	98,000	100,000	22-10-3019
9 Supplemental C/CAG Program: Transportation		26,087					05-16-3096
10 Supplemental C/CAG Program: Trash Reduction			10,441	0	10,441	10,500	22-10-3096
11 CalTrans Emergency Relief (Upper Alpine Rd) Reimbursement (100%) to repair storm damage from December 2012 to be provided by federal and state agencies.				285,000	258,571	0	50-10-3021
12 Miscellaneous Grants							
<i>County of San Mateo Energy Upgrade Grant</i>	21,982						08-10-3027
ABAG-PLAN Risk Management Grant	29,000	6,602	2,872	3,000	1,585	1,600	08-10-3029
OBAG Federal Aid Grant for Road Improvement				224,000	224,000	0	08-10-3031
SMTA Measure A Grant Reimbursement				40,600	10,794	288,743	08-10-3033
<i>2000 Park Bond Act - provides funds for park/rec construction and renovation.</i>			220,000				08-10-3030
<i>Roberti-Z'berg Grant - provides funds for parks/rec purposes, including development and renovation.</i>			12,212				08-10-3032
Sub-Total	626,520	545,236	787,202	1,180,270	1,141,176	929,943	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



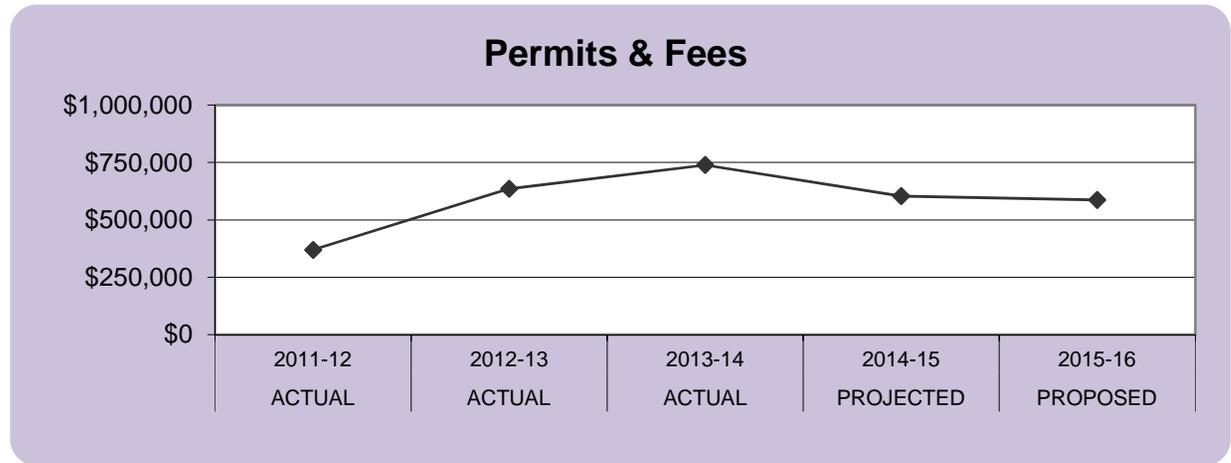
Franchise Fees



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 PG&E Franchise fee for PG&E regulated by the State through a Town franchise ordinance.	80,560	75,486	76,944	78,792	73,405	75,240	05-12-3040
2 California Water Company Fees based upon 1% of total water revenues generated by Cal-Water in the Town. State mandate urges reduction of water usage by 36% over FY 2015-16.	31,450	38,459	42,831	37,478	37,000	37,000	05-12-3042
3 Greenwaste Recovery Company Franchise fees based upon 7.7% of total revenues generated by GWR within the Town. Seventh year of 10-year agreement.	65,364	66,504	67,854	69,401	70,775	72,544	05-12-3044
4 Comcast and AT&T Cable Services Franchise fees based upon 5% of total revenues generated by Comcast Cable Services within the Town. Includes \$500/mo PEG fees.	73,886	77,177	82,298	82,443	84,150	86,254	05-12-3046
Sub-Total	251,260	257,626	269,927	268,114	265,330	271,038	

TOWN of PORTOLA VALLEY

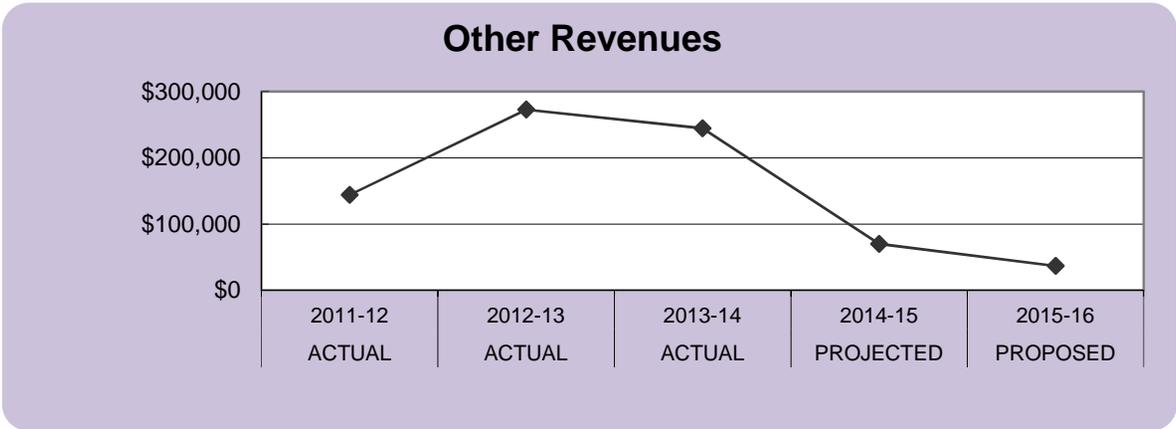
2015-16 BUDGET WORKSHEET



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Bldg Permits/Plan Check & Inspection Fees Issued for all building construction within the Town.	325,280	563,475	645,472	691,692	538,890	525,000	05-14-3060 <i>Plan Check</i>
2 Site Development Permits Filing fee for permits required to prepare a private property site as a result of property improvements or construction.	12,370	39,213	47,965	54,610	29,730	27,500	05-14-3062
4 Encroachment Permits Filing fee for permits required to conduct work in public right-of-way.	9,720	7,274	12,793	12,825	10,490	10,000	05-14-3064
5 Conditional Use Permits Permits required for a special use on private property.	1,620	5,940	10,110	14,564	4,145	4,000	05-14-3066
6 Building Permit Review/Planning Fee Building permit fee for review of building permits for ASCC/Planning compliance.	4,724	3,690	6,130	7,217	5,500	5,000	05-14-3068
7 Horsekeeping Permits Permits required to keep horses on private property. There are currently 185 permitted horses.	3,330	3,150	3,045	3,072	3,045	3,000	05-14-3070
8 Construction & Demolition Fee Fee to offset cost of implementing C&D Ordinance.	12,250	12,025	13,155	15,320	11,200	12,000	05-14-3072
Sub-Total	369,294	634,767	738,670	799,300	603,000	586,500	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



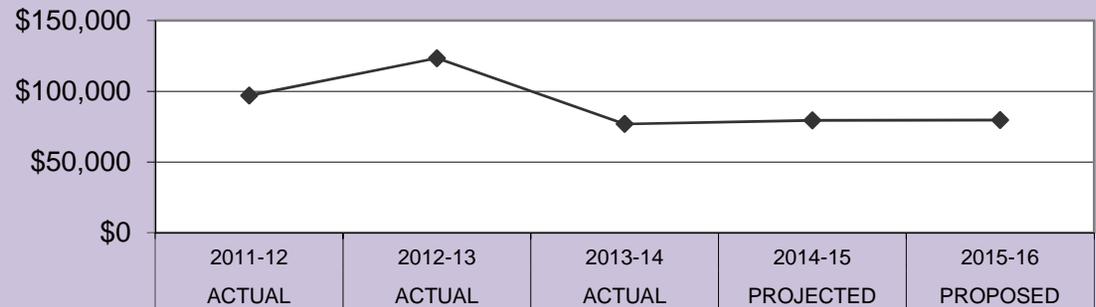
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Fines and Forfeitures	10,663	12,512	12,629	12,000	15,400	15,785	05-16-3082
Town's portion of traffic and parking citations.							
2 Misc Contribs - received for designated projects	446	0	0	1,000	0	1,000	05-16-3086
3 Crowder Trail Maintenance Reimbursement		0	111,212	0	0	15,000	05-16-3086
<i>Ford Field Contributions</i>	29,940	233,157	21,932	0	0	0	
4 Open Space	9,894	7,274	83,163	5,000	53,456	5,000	15-16-3090
Contributions towards the Town's Open Space funds.							
<i>Library Fund</i>	69,967	0	0	0	0	0	25-16-3092
<i>Effective 2012-13, donor city revenue funds are now held by the county.</i>							
<i>PG&E Solar Rebate</i>	23,404	19,790	15,440	7,500	1,149	0	05-16-3083
<i>Temporary rebate related to installation of Town Center panels. Program to end in 2014.</i>							
Sub-Total	144,314	272,733	244,376	25,500	70,005	36,785	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Parks & Recreation



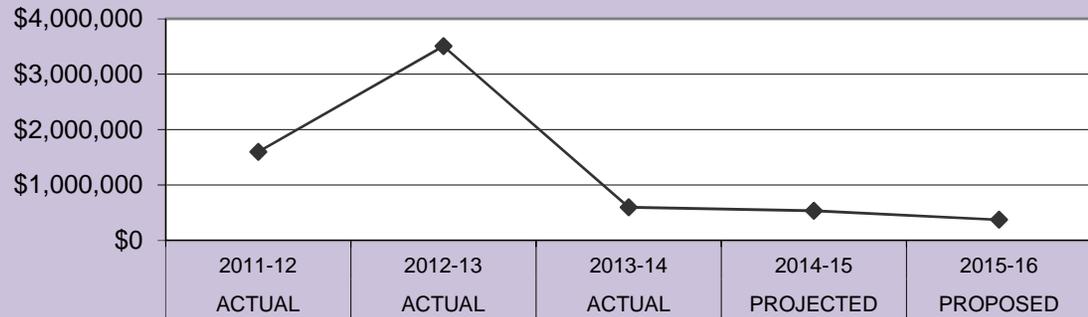
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT NUMBER
1 Lease Income - Parks	6,739	7,609	7,791	7,978	7,993	8,193	05-18-3100
Lease of Town property for private uses (Alpine Inn Parking Lot and Ladera Oaks).							
2 Sports League Field Use	55,678	50,922	66,557	72,000	70,000	70,000	05-18-3102
Use fees charged to organized sports leagues for the use of Town fields. Effective 2013-14, soccer league now included with this user group.							
3 Annual Community Events							
Town Picnic	950	2,382	1,789	1,000	1,500	1,500	05-18-3104
Blues & Barbecue (suspended in 2013)	15,838	45,805	0	0	0	0	05-18-3106
Field Activity Fees	17,055	15,251	0	0			05-18-3112
Adult soccer league no longer active as Town-sponsored league.							
Teen Committee	679	1,452	743	0			05-18-3114
Committee currently inactive.							
Sub-Total	96,939	123,421	76,879	80,978	79,493	79,693	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Service Charges



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Zoning and Planning Permits	1,550	620	620	1,500	620	620	05-20-3120
Fee for permits required for commercial use changes.							
2 Variances	890	2,340	7,200	4,000	890	890	05-20-3122
Filing fee required for consideration of variance requests.							
3 Subdivision Fees	1,240	1,600	4,750	2,000	1,680	1,600	05-20-3124
Filing fee required to process a subdivision.							
4 Residential Data Reports	7,400	8,400	9,200	8,500	7,100	7,100	05-20-3126
Filing fee required for a property status report.							
5 Pre-Application Meeting Fee		6,875	5,205	7,500	4,500	4,500	05-20-3127
6 Architectural Review Fees	20,470	34,130	34,645	35,000	19,800	20,000	05-20-3132
Filing fee for consideration of improvements to private property.							
Construction Traffic Road Fee							65-20-3134
Fee collection suspended in 2010.							
7 Geology Fees	5,540	7,000	10,930	8,000	9,000	8,000	05-20-3136
Filing fee for review by Town Geologist for private property improvements, when deemed necessary.							

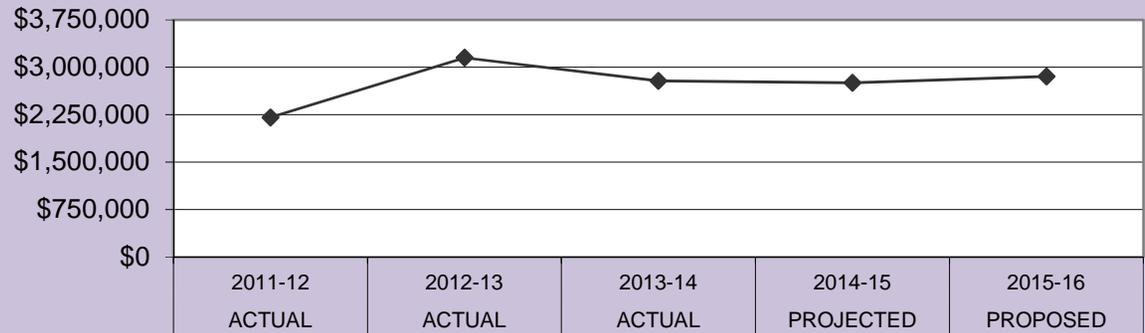
Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
8	Town Engineer Fees Charges to applicant for Town Engineer's review of plans for improvements to private property.	3,000	6,660	7,325	10,000	3,600	5,000	05-20-3138
9	Town Planning Fees Charges to applicants for Planning staff's review of applications.		862	17,136	40,000	44,000	44,000	05-20-3139
10	Planning Services - Charges to Applicants Charges to applicants for Town Planning review of applications.				92,500		55,000	96-20-3140
11	Geological Services - Charges to Applicants Charges to applicants for Geological Consultant's review of applications.				75,000		125,000	96-20-3140
12	Engineering Services - Charges to Applicants Charges to applicants for Engineering Consultant's review of applications.				45,000		55,000	96-20-3140
13	Attorney Services - Charges to Applicants Charges to applicants for legal review of private applications.				22,500		25,000	96-20-3140
	Misc. Consultants - Charges to Applicants	437,938	553,214	492,525		430,000		96-20-3140
	C-1 Stanford Trail - Charges for Applicant	1,094,937	0	0				96-20-3140
14	Town Library Maintenance Support			2,531	6,000	6,222	6,400	05-20-3141
14	Miscellaneous	28,415	93,542	8,550	15,000	10,000	15,000	05-20-3154
	Sale of Blue Oaks Parcels		2,790,096					45-00-3375
	Sub-Total	1,601,380	3,505,339	600,617	372,500	537,412	373,110	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Revenue From Taxes



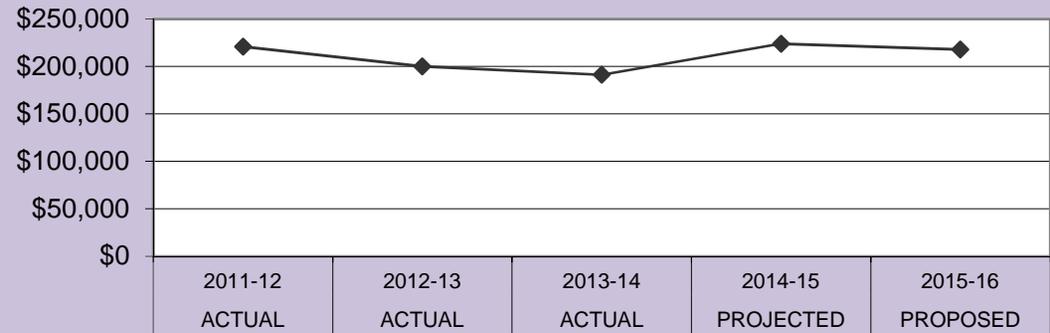
Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1	Property Taxes - Secured	1,836,997	2,471,477	2,095,071	2,232,893	2,232,900	2,366,874	05-22-3160
	Town receives 7% of collected property tax revenues from the County, and a 6% growth rate is projected.							
2	Property Taxes - Unsecured	46,850	48,236	86,837	85,000	91,600	96,180	05-22-3162
	Non-property fixed assets (boats, airplanes, capital equipment, etc).							
3	Sales & Use Tax	166,885	414,914	328,675	203,000	197,000	172,000	05-22-3164
	State projects 6.25% growth for fiscal year 2014-15.							
4	Business License Tax	74,100	66,180	124,163	105,000	105,000	105,000	05-22-3166
5	Real Property Transfer Tax	72,044	138,081	148,503	150,000	115,000	115,000	05-22-3168
	Transaction tax charged when private property transfers.							
6	Miscellaneous Other Taxes	10,790	12,219	1,381	2,000	15,800	2,000	05-22-3170
	Sub-Total	2,207,666	3,151,107	2,784,631	2,777,893	2,757,300	2,857,054	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



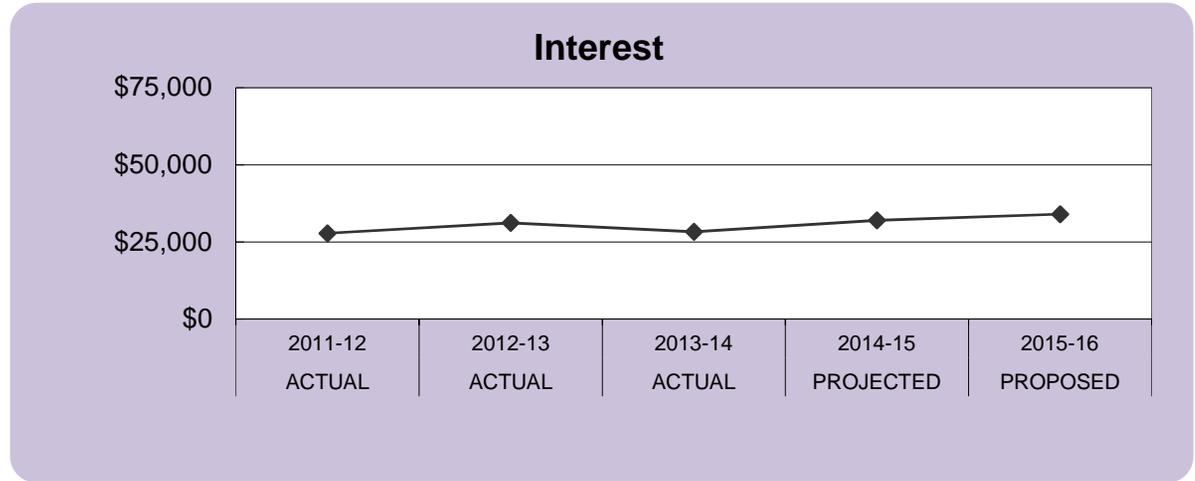
Town Center Facilities



Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1	Community Hall / Activity Room Rentals	44,392	34,465	11,598	12,000	16,000	14,000	05-24-3184
	Facilities are available for private use by residents 24 times per calendar year.							
2	Parking Lot & Field Rentals	9,397	9,687	6,230	9,000	2,000	4,000	05-24-3188
	Short term rentals of the Town Center parking lot for private parties and events by residents.							
3	Class Fees	167,051	156,019	173,512	172,000	206,000	200,000	05-24-3190
	Four activity rooms available. This revenue is offset by instructor fees, see page 28.							
Sub-Total		220,840	200,171	191,340	193,000	224,000	218,000	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



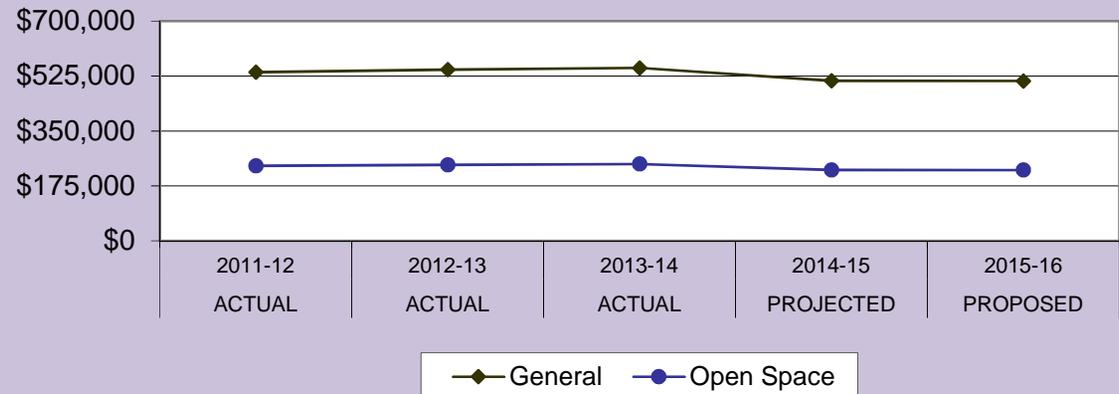
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Interest	9,885	15,818	9,754	30,000	32,000	34,000	05-26-3200
The Town's reserves are invested in the State Local Agency Investment Fund, with an average effective yield for the month of April 2015 of .283%.							
<i>Interest - Restricted</i>	<i>17,924</i>	<i>15,399</i>	<i>18,572</i>				
Allocated quarterly based on average cash balances.							
Sub-Total	27,809	31,217	28,326	30,000	32,000	34,000	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Utility Users Tax



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1 General Purpose Use							
2006 election lowered to 4.5%. The UUT revenue can only be used for Council-designated expenditures.							
Electricity and Gas	357,442	337,678	341,226	348,160	325,870	325,000	05-28-3220
Telephone	22,056	23,847	24,233	22,528	26,535	27,200	05-28-3222
Water	157,390	183,930	185,279	204,800	157,000	157,000	05-28-3224
<i>Sub-Total</i>	536,888	545,455	550,738	575,488	509,405	509,200	
2 Open Space Use							
2% applied to total utility revenues generated by Town residents and businesses. Use restricted for the preservation and purchase of open space. Originally approved by the voters in November 1997.							
Electricity and Gas	158,815	150,045	151,649	153,600	143,770	143,000	15-28-3220
Telephone	9,930	10,634	10,773	10,240	12,100	12,400	15-28-3222
Water	69,952	81,748	82,347	91,136	70,000	70,000	15-28-3224
<i>Sub-Total</i>	238,697	242,427	244,769	254,976	225,870	225,400	
Sub-Total	775,585	787,882	795,507	830,464	735,275	734,600	

EXPENDITURES

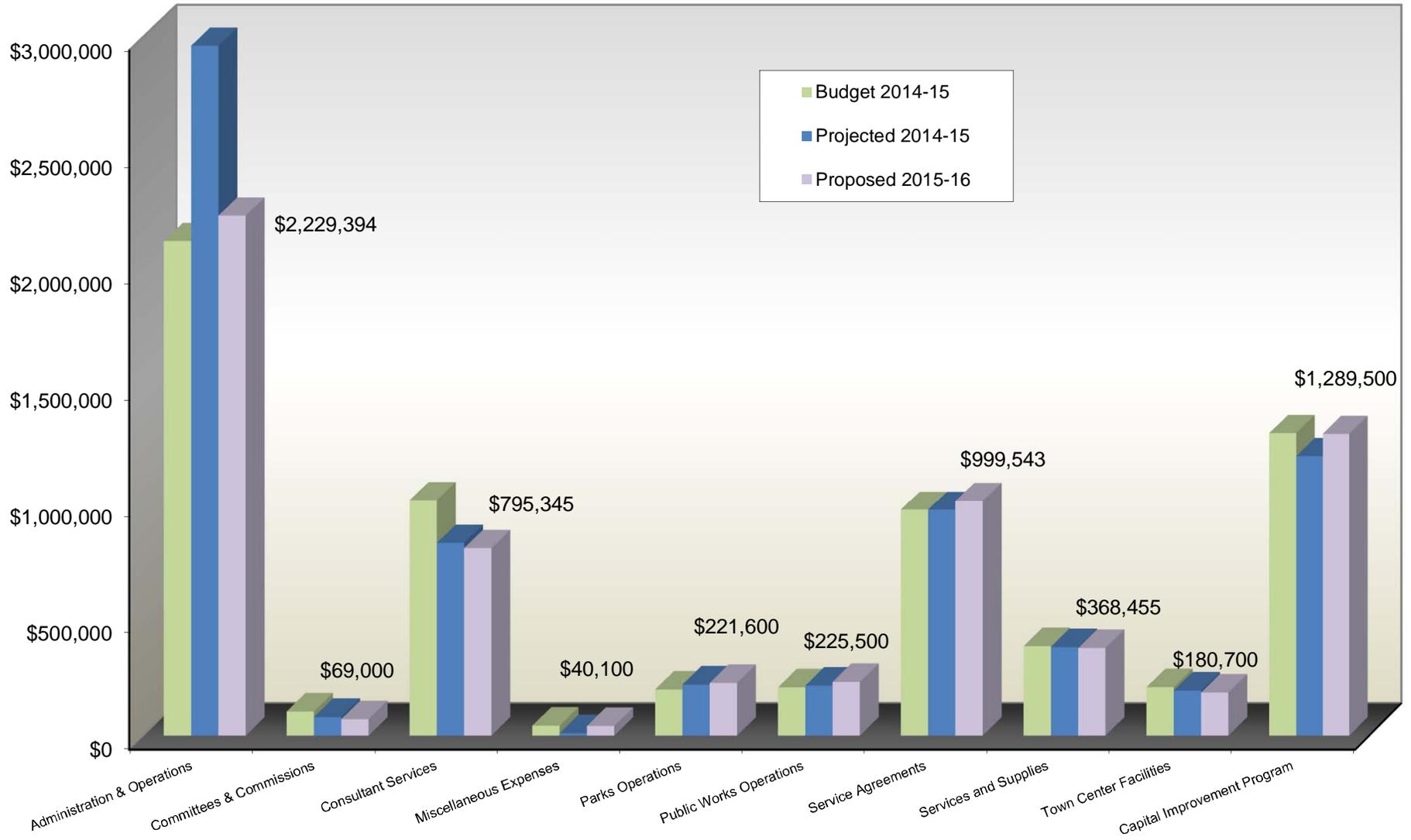
Administration & Operations	23	Litter Cleanup	
Permanent, Part-time and Temporary Staff		Tools and Equipment	
Benefits		Street Signs & Striping	
Committees & Commissions	24	Trails Surface Rehabilitation	
Bicycle, Pedestrian & Traffic Safety		C-1 Trail Maintenance	
Cable & Utilities Undergrounding		Storm Damage/Emergency Repairs	
Conservation		Service Agreements	30
Community/Volunteer Events		Animal Control	
Cultural Arts		San Mateo County Sheriff's Office, COPS	
Emergency Preparedness		Emergency Services Council JPA	
Historic Resources		NPDES – Stormwater Program	
Open Space Acquisition Advisory		Services & Supplies	31
Parks & Recreation		Elections	
Science & Nature		Liability Insurance	
Sustainability		Office Supplies	
Trails & Paths		Town Publications	
Water Conservation		Web Site Hosting & Spam Filtering	
Consultant Services	25	Office Equipment – Maintenance & Repairs	
Accounting & Auditing		Equipment Services Contracts	
Town Attorney		Postage	
Transcription		Telephones and Wi-Fi	
Geologist		Advertising	
Engineer		Dues	
Planner		Education & Training	
Plan Check		Mileage Reimbursement	
Miscellaneous Consultants		Utilities	
Miscellaneous	27	Fire Prevention / Wood Chipping	
Contingency		Vehicle Maintenance	
Community Services		Miscellaneous	
H.E.A.R.T. JPA		Bank Fees	
Risk Management Programs		Sustainability Series	
Parks & Recreation Operations	28	Town Center Facilities	33
Parks & Fields Maintenance		Building Maintenance Equipment & Supplies	
Portable Lavatories		Landscape Supplies & Services	
Special Events Insurance		Janitorial Services	
Instructors		Mechanical Systems Maintenance/Repair	
Public Works Operations	29	Repairs/Vandalism	
Public Road Surface & Drainage		Property Insurance	
Street Sweeping and ROW Maintenance		Capital Improvements Program	34
ROW Tree Trimming & Mowing			

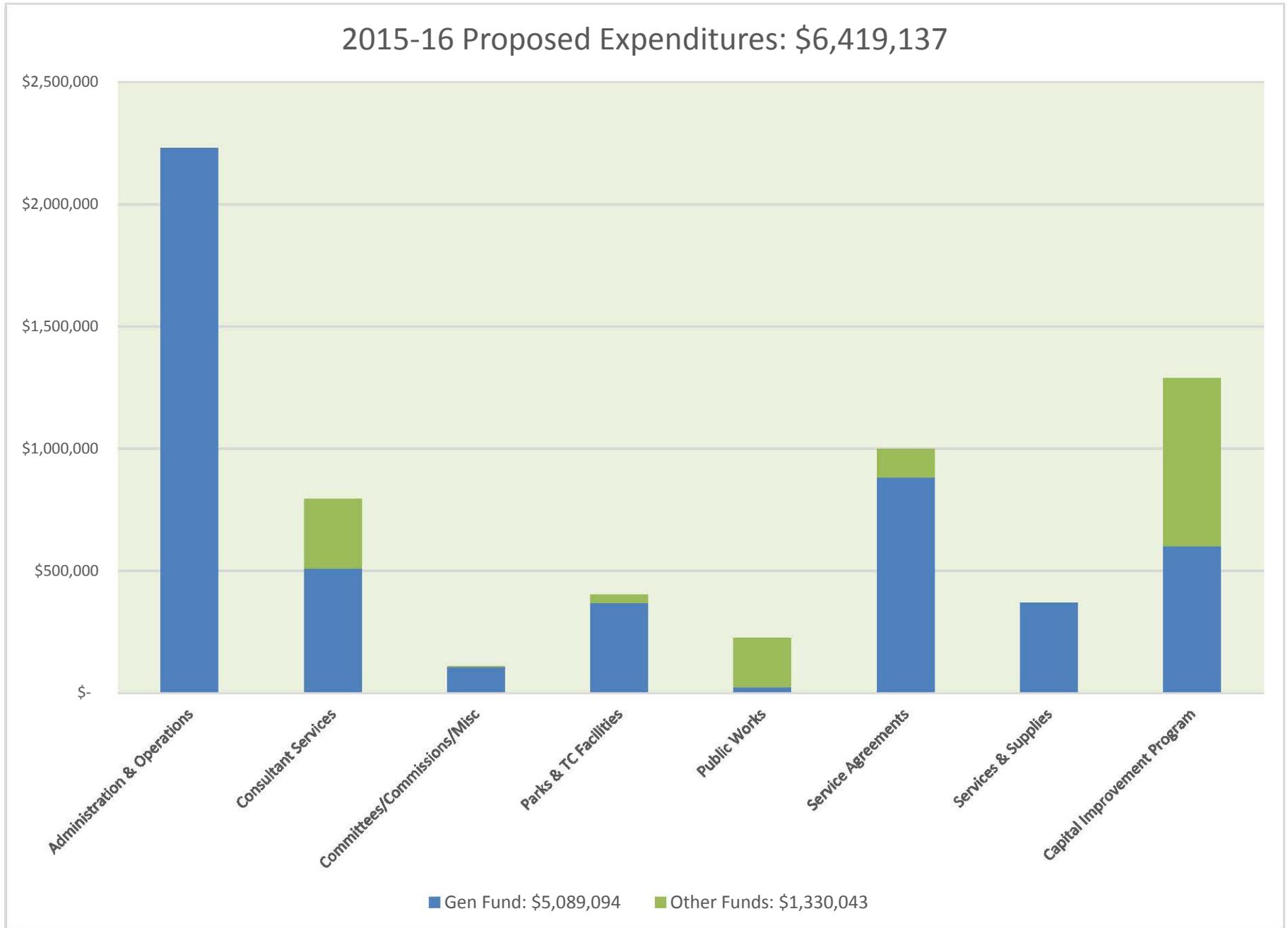
TOWN OF PORTOLA VALLEY
2015-2016
Total Expenditures Budget Summary

Expenditures	2014-15 Adopted Budget	2014-15 Projected at Year End	2015-16 Adopted Budget	\$ / Change per Projected Year End	%/Change per Adopted 14/15 Budget	%/Change per Projected Year End
Administration & Operations	2,119,906	2,960,464	2,229,394	-731,070	5.16	(24.69)
Committees & Commissions	101,270	78,300	69,000	-9,300	(31.87)	(11.88)
Consultant Services	1,003,000	817,988	795,345	-22,643	(20.70)	(2.77)
Miscellaneous Expenses	41,500	10,017	40,100	30,083	(3.37)	300.32
Parks Operations	194,000	214,600	221,600	7,000	14.23	3.26
Public Works Operations	203,000	210,046	225,500	15,454	11.08	7.36
Service Agreements	961,517	960,891	999,543	38,652	3.95	4.02
Services and Supplies	376,190	372,208	368,455	-3,733	(2.06)	(1.01)
Town Center Facilities	203,500	189,280	180,700	-8,580	(11.20)	(4.53)
Subtotal	5,203,883	5,813,794	5,129,637	-684,157	(1.43)	(11.77)
Capital Improvement Program						
Programs	1,293,000	1,193,598	1,254,500	60,902	(2.98)	5.10
Equipment	215,000	39,300	35,000	-4,300	(83.72)	(10.94)
Subtotal	1,508,000	1,232,898	1,289,500	56,602	(14.49)	4.59
Grand Total	6,711,883	7,046,692	6,419,137	-627,555	-4%	-9%



2014-15 Budget/Projected Exps. vs 2015-16 Proposed Expenditures



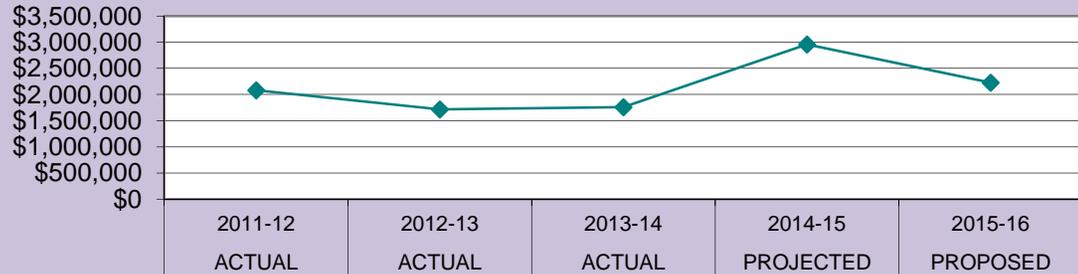


TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Administration and Operations



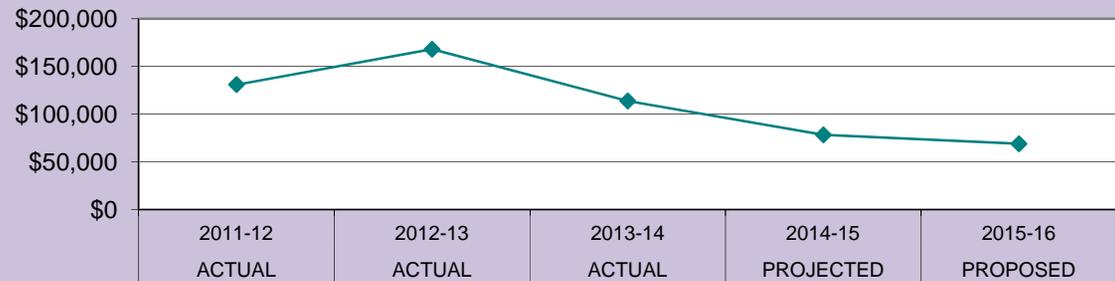
Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1	Permanent Full-Time Staff (14)							
	Administration/Finance (5)	372,743	463,553	501,630	512,530	541,500	564,767	
	Planning/Building/Public Wks (6)	493,917	384,978	519,508	695,906	581,300	696,218	
	Maintenance (3)	182,727	184,771	131,835	185,392	140,800	242,365	
2	Permanent Part-Time Staff							
	Administrative (0) (to full-time as of 7/1/12)	107,175	-	-	0	0	40,000	05-50-4040
	Horsekeeping (Bldg Official as of Feb-2014)	341	704	429	0	0	0	05-50-4044
3	Temporary Staff							
	Building Inspection (Contractor)	3,003	8,697	12,886	10,000	180,000	10,000	05-50-4062
	Temporary Planning/Admin Staff		160,191	39,167	100,000	33,000	35,000	05-50-4060
4	Benefits							
	Retirement - PERS (2011-12 includes payoff of PERS Side Fund (\$319,066))	544,521	170,993	180,467	208,428	1,120,199	225,746	05-50-4080
	Retirement - Social Security	67,703	62,635	66,777	76,698	72,000	86,028	05-50-4082
	Medicare	17,353	15,265	17,196	20,385	18,650	22,570	05-50-4084
	Health Insurance/Retiree Service Charges	198,901	209,065	231,573	251,067	210,800	220,866	05-50-4086
	Long-Term Disability Insurance				3,500	3,300	3,500	05-50-4091
	Unemployment/Workers' Compensation	45,523	41,981	20,380	20,000	18,000	20,000	05-50-4092
	Cafeteria Plan Management			1,000	1,000	1,000	1,000	05-50-4097
	Automobile Allowance	5,170	6,000	9,000	12,000	10,150	13,200	05-50-4096
	Overtime	-	868	10,243	5,000	7,555	8,000	05-50-4100
	Tuition Reimbursement				3,000	6,000	3,000	05-50-4104
	Town-Paid Deferred Compensation				0	8,360	17,133	05-50-4098
5	Vacation Sell Back	40,369	4,951	15,609	15,000	7,850	20,000	05-50-4102
	Sub-Total	2,079,446	1,714,652	1,757,700	2,119,906	2,960,464	2,229,394	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Committees and Commissions



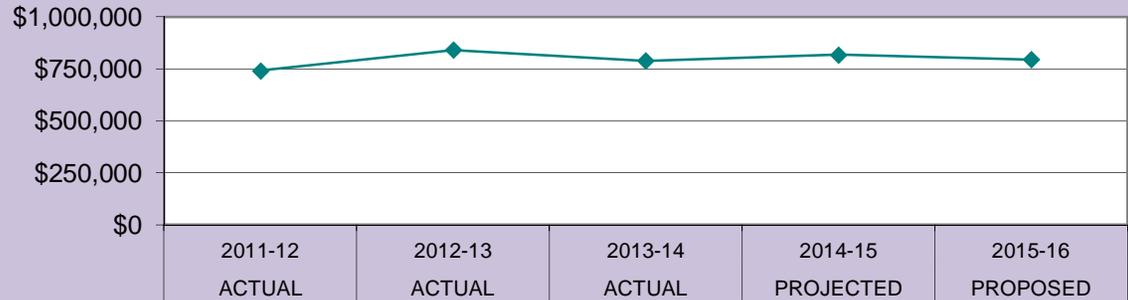
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
ASCC - Town Planner now provides in-house support.	28,368	28,968	-				05-52-4140
1 Bicycle, Pedestrian & Traffic Safety		2,429	100	2,500	0	500	05-52-4143
2 Cable & Utilities Undergrounding	-	-	-	500	0	1,650	05-52-4142
3 Conservation	70	1,185	1961	3,900	86	3,950	05-52-4144
4 Community Volunteer Events							
<i>Blues & Barbecue (suspended in 2014)</i>	5,136	34,926					05-52-4146
<i>Fiftieth Anniversary Party</i>			624	35,000	37,290	0	
<i>Town Picnic (line item moved to Parks & Rec 2014-15)</i>							05-52-4147
Holiday Party	17,301	17,182	18,736	11,000	11,576	12,000	05-52-4147
5 Cultural Arts	3,300	5,213	3,234	5,000	4,000	6,000	05-52-4150
Holiday Fair, Music Series, Art Show							
6 Emergency Preparedness	2,720	2,811	4,931	11,900	7,400	8,100	05-52-4152
Includes cost of microwave line to County, emergency supplies and radio-related costs.							
7 Historic Resources	63	1,779	1,013	2,650	260	4,300	05-52-4154
8 Open Space Acquisition Advisory	-	-	-	0	102	500	05-52-4156
9 Parks & Recreation							
Town Picnic (line item moved to P&R 2014-15)			-	11,000	11,000	11,000	05-52-4158
Zots to Tots Run	3,047	1,794	1,900	3,000	3,000	3,000	05-52-4158
Adult Sports Leagues	8,879	10,200	-	0	0		05-52-4160
<i>Planning - Town Planner now provides in-house support.</i>	56,724	57,912	78,000	0	0		05-52-4162
10 Science & Nature	812	227	360	1,000	398	1,000	05-52-4163
11 Sustainability	4,098	2,084	2,317	8,820	3,000	9,000	05-52-4165
Teen	438	1,424	653	0	188	0	05-52-4166
12 Trails & Paths						2,500	
13 Water Conservation				5,000	5,000	5,500	05-52-4168
Sub-Total	130,956	168,134	113,828	101,270	78,300	69,000	

TOWN of PORTOLA VALLEY

2015-16



Consultant Services



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1 Accounting and Auditing Preparation of the Town's annual audit and other accounting services. Expenditures for Community Hall audit is located at Town Center Facilities.	23,025	23,451	24,148	25,200	24,600	27,345	05-54-4180
2 Town Attorney Town Attorney is appointed by the Town Council to provide legal advice to the Town Council, committees, and staff.	93,029	99,123	116,135	97,500	135,000	125,000	05-54-4182
3 Town Attorney - Charges to Applicants Charges to applicants for legal reviews of applications. Paid through the applicant deposit system.	12,943	36,034	14,888	22,500	17,850	25,000	96-54-4186
4 Transcription Services Cost to transcribe the proceedings of the Town Council and Planning Commission meetings.	15,514	25,549	21,367	22,000	16,500	20,000	05-54-4188
5 Town Geologist The Town Geologist is retained to provide geology reviews and to provide advice to the Town Council and staff.	0	2,717	3,993	15,000	14,980	16,000	05-54-4189
6 Town Geologist - Charges to Applicants Charges to applicants for geological consultant reviews of applications. Paid through applicant deposit system.	59,060	76,972	98,188	75,000	146,550	125,000	96-54-4190

Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
7	Engineer Services This provides backup to the Town Engineer (e.g., traffic analysis, surveying, NPDES).	550	14,800	95	100,000	10,000	25,000	5/20-54-4192
8	Engineer - Charge to Applicants Charges to applicants for engineering consultant review of applications. Public Works inspections paid through applicant deposit system.	43,299	17,900	42,749	45,000	55,000	55,000	96-54-4194
9	Planner Contract planning services as needed.	152,290	142,787	124,668	140,000	90,120	50,000	05-54-4196
10	Planner - Charge to Applicants Charges to applicants for planning consultant reviews of applications. Paid through applicant deposit system.	206,734	202,962	165,456	92,500	55,588	55,000	96-54-4198
11	Plan Check Services provided to review plans submitted by applicants for consistency with conditions and codes.	53,092	82,407	126,015	138,000	104,000	100,000	05-54-4200
12	Miscellaneous Consultants							
	Consultant for User Fee Study	21,840					35,000	05-54-4209
	Peelle - Scanning & Indexing Town Documents				20,000	34,400	6,000	05-54-4208
	Lynx Tech - GIS Training, Updates, Completion of General Plan Diagrams	4,155	4,214	8,672				05-54-4208
	Waste Management Consultants - as of 2013-14 this report is now completed by Town staff	680	500	0				05-54-4212
	Website/IT Consulting & Training Services	21,973	18,740	23,510	25,000	25,500	26,000	05-54-4216
	Water Use/Efficiency Study & Improvements				23,000	3,100	0	05-54-4214
	Miscellaneous Consultants	32,892	12,550	18,210	40,000	42,000	40,000	05-54-4214
	Public Information Consultant (shared)				65,000	40,000	0	05-54-4215
	Master Plan Update						65,000	05-54-4214
	OPEB Actuarial Valuation				15,000	2,800	0	05-54-4214
	MS Access Database Consultant				15,000	0	0	05-54-4214
	Business License Management System				27,300	0	0	05-54-4214
	Legal & Planning Consultants - Aff Hsg/Blue Oaks		79,706					45-00-4376
	Sub-Total	741,075	840,412	788,094	1,003,000	817,988	795,345	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Miscellaneous Expenses



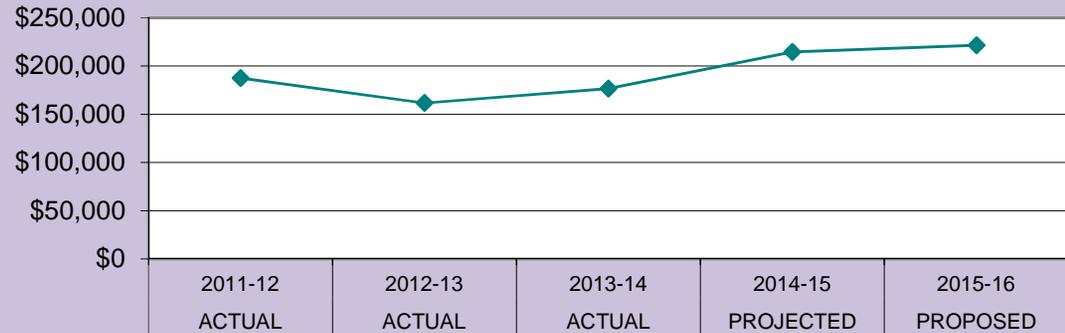
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODE
1 Contingency Contingency funding provides for unexpected funding needs; cannot be spent without Town Council authorization. (It is advisable for the Town to have funds budgeted for unexpected expenses, the alternative being transferral of funds within the budget.)			0	30,000		30,000	05-56-4220
2 Community Services Funds the Town Council appropriates to non-profit community organizations and agencies.	10,000	11,000	10,000	7,000	7,000	7,000	05-56-4222
3 H.E.A.R.T. JPA For participation in endowment to create a regional approach to affordable housing.	1,591	1,432	1,432	1,500	1,432	1,500	05-56-4223
4 Risk Management Programs (grant funded)		6,602	2,872	3,000	1,585	1,600	08-56-4221
Sub-Total	11,591	19,034	14,304	41,500	10,017	40,100	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Parks & Recreation Operations



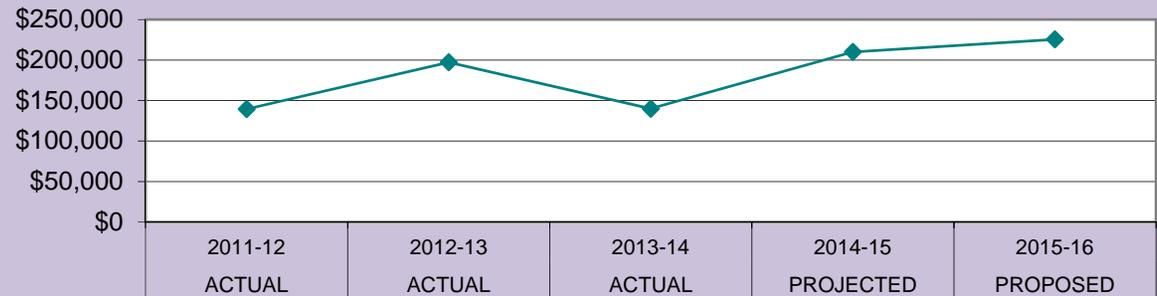
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1 Parks and Fields Maintenance	48,518	30,605	33,082	48,400	45,000	56,400	05-58-4240
Maintenance cost for all Town-owned playing fields and parks.							
2 Portable Lavatories	3,187	3,169	3,295	3,000	2,900	3,000	05-58-4244
Portables at both Rossotti and Ford playing fields.							
3 Instructors	132,943	124,505	138,167	137,600	164,800	160,000	05-58-4246
Percentage of fees (80%) remitted to instructors from classroom revenues.							
4 Special Event Insurance	2,824	3,472	2,190	5,000	1,900	2,200	05-58-4338
Insurance to cover classes held at Town Center.							
Sub-Total	187,471	161,751	176,733	194,000	214,600	221,600	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Public Works Operations



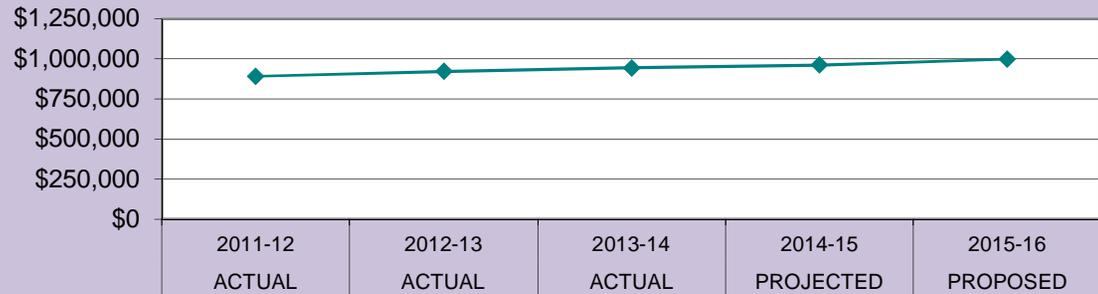
Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1 Public Road Surface & Drainage Maintenance	30,783	38,745	14,563	35,000	18,225	35,000	20-60-4260
2 Street Sweeping	18,425	21,187	18,451	20,000	21,100	22,000	20-60-4262
3 Right of Way Tree Trimming & Mowing Program	30,975	35,030	42,075	40,000	34,300	60,000	20-60-4264
4 Public Right of Way Litter Clean-up Program	9,731	9,731	0	10,000	10,441	10,500	22-60-4266
5 Tools and Equipment	1,796	2,788	985	3,000	2,600	3,000	05-60-4267
Includes safety garments, hand tools, and small mowers.							
6 Street Signs, Striping, Crosswalk Maintenance	8,031	8,209	4,865	15,000	12,600	15,000	20-60-4268
7 Trail Surface Rehabilitation	33,297	44,633	29,775	40,000	40,000	40,000	20-60-4270
8 C-1 Trail Biological Monitor/Maintenance		15,301	7,157	20,000	11,200	20,000	05-60-4272
9 Storm Damage/Emergency Repairs	6,500	21,569	22,053	20,000	59,580	20,000	20-60-4271
Non-disaster related storm damage.							
Sub-Total	139,538	197,193	139,925	203,000	210,046	225,500	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Service Agreements



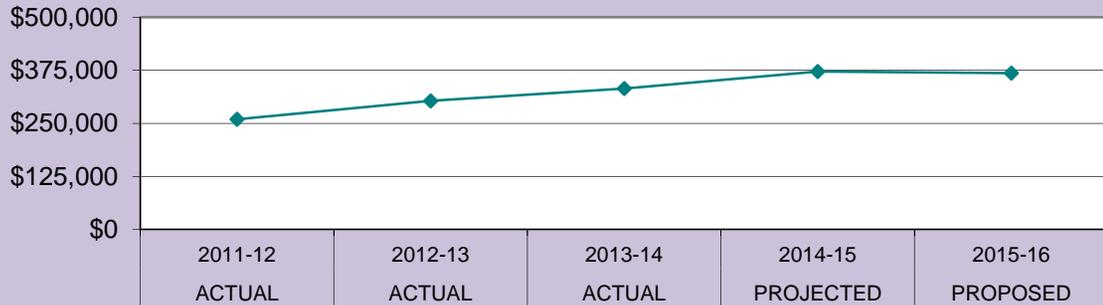
Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1	Animal Control	35,919	36,099	28,712	20,254	20,254	16,000	05-62-4280
	Animal Control services are provided by the Peninsula Humane Society through a contract with San Mateo							
2	San Mateo County Sheriff's Office	598,145	616,229	634,716	653,757	653,757	692,100	05-62-4282
	Contract law enforcement through San Mateo County. This is the first year of a three-year agreement.							
3	Additional Traffic Patrols	100,000	100,000	100,000	100,000	100,000	100,000	30-62-4284
	Portion of program to be funded by General Fund.	30,155	151,868	129,712	154,206	154,206	152,943	05-62-4284
	Portion of program to be funded by Public Safety Fund.	110,000	0	29,712	13,000	13,000	18,000	10-62-4284
4	Emergency Services Council JPA	13,394	13,328	13,626	13,800	13,848	14,000	05-62-4286
5	NPDES Stormwater Program	4,852	4,852	6,395	6,500	5,826	6,500	05-62-4288
	Cost of county-wide stormwater discharge permit as mandated by Federal and State legislation.							
Sub-Total		892,465	922,376	942,873	961,517	960,891	999,543	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Services & Supplies



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
1 Codification Annual codification of the Town's ordinances.	0	4,624	0	2,000	1,987	0	05-64-4300
2 Elections Bi-annual Town elections. Funds used to pay County to administer Town elections.	0	51	6,499	0	0	5,000	05-64-4302
3 Liability Insurance/Bonds Town's liability insurance, automobile insurance and officials' bonding. ABAG has increased liability cap from \$10 to \$15 million.	34,873	42,075	43,708	43,700	39,195	40,000	05-64-4304
4 Office Supplies Includes outside printing, purchase of building code books, and various training books. 100% recycled purchasing when possible.	12,504	12,651	15,810	20,000	15,000	18,000	05-64-4308
5 Town Publications Production costs for postcards	12,409	12,723	1,818	4,000	3,000	4,000	05-64-4310
6 Web Site & Spam Filtering Includes offsite hosting of Municipal Code, security certificate for website, website hosting, spam filtering services and MS365 subscription.	7,309	4,138	18,520	11,700	9,300	9,300	05-64-4311
7 Office Equipment, Maintenance & Repairs Includes new refrigerator, tablets for EOC, laptop for Council chambers.	11,852	12,958	22,592	17,700	37,000	14,000	05-64-4312

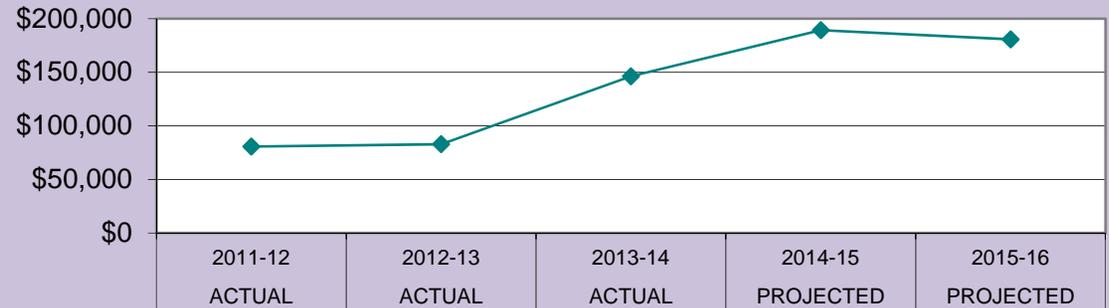
Account Description/Activity		ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16	ACCOUNT CODES
8	Equipment Service Contracts	13,301	12,003	14,173	14,500	20,500	14,500	05-64-4314
	Maintenance agreements for GIS/financial software, postal meter and other service agreements as needed.							
9	Postage	4,819	3,190	7,707	7,500	6,220	7,000	05-64-4316
10	Telephones and Wi-Fi Internet	7,088	4,164	4,878	7,000	6,750	7,000	05-64-4318
	Includes land lines, cell phones, and wi-fi service.							
11	Advertising	6,334	8,543	9,141	9,500	6,100	9,000	05-64-4320
	Legal notices and advertisements.							
12	Dues	20,511	21,860	21,284	23,000	21,000	26,815	05-64-4322
13	Education & Training - Staff	2,408	4,990	7,450	14,050	8,655	13,500	05-64-4326
14	Education & Training - Council, Commissions, & Committees	1,681	2,075	989	2,000	900	5,580	05-64-4327
15	Mileage Reimbursement (2015 rate is 0.575/mile)	1,794	1,518	2,061	2,200	1,800	2,000	05-64-4328
16	Utilities							
	PG&E and water expenses for Town Center buildings and fields.							
	PG&E	66,005	79,562	74,670	10,000	10,500	11,000	
	Cal-Water Recreational (Fields & Triangle Park)				75,000	62,000	65,000	05-64-4330
	Cal-Water Non-Recreational				3,000	1,500	3,000	
17	Fire Prevention/Wood Chipping/CERPP	29,259	29,010	36,473	60,000	65,620	64,000	05-64-4333
	Includes wood chipping program, annual renewal for Rapid Notify, shared CERPP coordinator and defensible space matching grant program.							
18	Vehicle Maintenance	11,783	13,879	13,822	14,000	11,000	14,000	05-64-4334
	Includes yearly service of all vehicles and fuel costs.							
19	Sustainability Series	4,563	3,636	6,754	8,820	8,800	9,000	05-64-4335
20	Miscellaneous	6,432	20,843	12,308	15,000	24,181	15,000	05-64-4336
21	Bank Fees (includes fees for ADP Payroll Processing)	4,845	8,474	11,434	11,520	11,200	11,760	05-64-4337
	Sub-Total	259,770	302,967	332,092	376,190	372,208	368,455	

TOWN of PORTOLA VALLEY

2015-16 BUDGET WORKSHEET



Town Center Facilities



Account Description/Activity	ACTUAL 2011-12	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROJECTED 2015-16	ACCOUNT CODES
1 Bldg Maint Equipment & Supplies - Town Ctr bldgs	18,469	7,380	5,817	15,000	7,200	10,000	05-66-4340
2 Bldg Maint Equipment & Supplies - Library			2,377	2,500	5,000	2,500	25-66-4340
3 Community Hall	10,911	23,628	33,496	51,000	75,000	35,700	05-66-4341
Includes purchase of storage cabinets, post-event janitorial, maintenance costs, deep cleaning and annual usage audit.							
4 Landscape Supplies and Services	21,204	19,641	35,322	55,000	30,375	43,800	05-66-4342
Includes care of native garden, plantings, trees and irrigation.							
5 Janitorial Services - Town Center buildings	9,229	5,070	19,985	22,000	21,100	25,000	05-66-4344
6 Janitorial Services - Library			11,459	12,000	11,300	12,000	25-66-4344
7 Mechanical Systems Maint/Repairs - Town Ctr bldgs	15,543	21,550	17,736	20,000	21,000	25,000	05-66-4346
8 Mechanical Systems Maint/Repairs - Library			8,838	12,000	5,000	12,000	25-66-4346
Includes maintenance of electrical, photovoltaic, & dashboard.							
9 Library Maintenance Support			2,531	6,000	6,225	6,700	25-66-4351
10 Repairs/Vandalism	0	0	2,373	1,000	590	1,000	05-66-4348
11 Property Insurance	5,310	5,581	6,284	7,000	6,490	7,000	05-66-4350
Sub-Total	80,666	82,850	146,219	203,500	189,280	180,700	

TOWN of PORTOLA VALLEY

2014-15 BUDGET WORKSHEET



Capital Improvements: Programs		ACCOUNT	ADOPTED	PROJECTED	PROPOSED
Account Description/Activity		CODE	2014-15	2014-15	2015-16
1	Annual Street Resurfacing Program				
	Construction	22-68-4538	98,000	98,000	65,000
		60-68-4538	261,000	261,000	286,000
		65-68-****	41,000	41,000	0
		05-68-4538	0	150,000	149,000
2	Annual Street Resurfacing - Testing & Inspections	05-68-4538	40,000	50,000	40,000
3	Annual Street Resurfacing - Future Year Design	05-68-4503	40,000	20,000	40,000
4	SMTA Measure A Grant Reimbursement Project	05-68-4537	19,400	24,206	128,757
	Road widening, retaining wall, planning, specs, estimate	08-68-4537	40,600	10,794	288,743
5	Springdown Open Space Improvement	15-68-4414	20,000	5,200	15,000
6	Storm Drain Inventory/Repairs				
	Replacement and repairs	22-68-4413	25,000	0	35,000
7	Crowder Trail Improvements (Stanford)	05-68-4532	35,000	0	15,000
8	Ford Field Improvements (rem'g donor funds)	05-68-4531	30,000	8,000	47,000
9	Permit Tracking Software	05-68-4539			80,000
10	Improvements to Alpine Trail (Dirt at Hawthorns)	05-68-****			65,000
	<i>Upper Alpine (Funded by CalTrans Emergency Relief)</i>	50-68-4475	285,000	218,078	0
	<i>OBAG Road Improvements (Funded by Federal Grant)</i>	08-68-4534	224,000	226,320	0
	<i>OBAG Required Local Match for Project</i>	05-68-4534	29,000	49,000	0
	<i>Remodel of Town Center Workspaces</i>	05-68-4420	40,000	32,000	0
	<i>Library Playspace Installations</i>	25-68-4538	65,000	0	0
	<i>Lighting Improvements for Library</i>				
	Sub-Total		1,293,000	1,193,598	1,254,500

TOWN of PORTOLA VALLEY

2014-15 BUDGET WORKSHEET



Capital Improvements: Equipment		ADOPTED	PROJECTED	PROPOSED	ACCOUNT
Account Description/Activity		2014-15	2014-15	2015-16	CODES
1	Vehicle for Planning & Code Enforcement (Plug-in Prius)			35,000	05-70-4481
	<i>Integrated Audio-Visual System for Community Hall</i>	50,000	23,800		05-70-4480
	<i>New Generator for Town Hall</i>	100,000	0		05-70-4480
	<i>Plotter</i>	10,000	0		05-70-4480
	<i>Radar Trailer</i>	15,000	15,500		05-70-4480
	<i>Replacement Truck F-150 Eco-Boost 4x4</i>	40,000	0		05-70-4480
	Sub-Total	215,000	39,300	35,000	



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council

FROM: Sharon Hanlon, Town Clerk

DATE: June 10, 2015

RE: Discussion and Council Direction regarding Agenda Format and Protocol for Comments from the Audience

It is recommended that the Town Council discuss the recent change to the meeting agenda format and provide direction on staff's suggestions regarding protocol for comments from the audience.

Agenda Format – At its January 14, 2015 meeting, Council agreed to pilot a proposed agenda format. At that time, staff recommended the re-order of agenda items, suggesting presentations be placed under the Regular Agenda to make possible discussion of the item or provide direction to staff. Also staff recommended a new section be added under the Regular Agenda called Committee Presentations and Requests.

Overall, the agenda appears to be serving the challenges discussed at the January 14th meeting. Committee members now have a predictable time where they can address the Town Council rather than previously waiting through unpredictable public hearings and regular agenda items. The breakup of Council reports into local committees v. regional efforts is confusing. The Council may want to revert back to combined Council Liaison Reports and hold those closer to the end of the meeting just before the Digest.

From a presentation perspective, staff's proposed "tiered" alpha/numeric outline is awkward. The new format has too many tiers which results in the agenda appearing cluttered (Attachment #1). As an alternative, the Council may want to consider a reverting back to the original numbering of agenda items (Attachment #2).

Comments from the Audience – When listening to the Council meeting recordings occasionally staff has found the audience input is very difficult to understand. This has the potential of the meeting minutes failing to recommend critical points raised by the audience. Most recently, there were multiple speakers at the April 22nd Council meeting, most all were difficult to hear and one mostly inaudible.

The sound system in the Council chambers currently includes a wireless microphone and is an easy fix to this challenge. Its success is contingent on a staff

member passing it to and between speakers during the meeting, which can become awkward or intrusive in the case of multiple speakers.

As an alternative, the Town Council may want to consider a protocol for addressing the Town Council that requires the speaker to make his/her comments from a lectern that is outfitted with a microphone. With this in place, the slightly revised process for audience participation would allow for the Mayor to call on a speaker who would then be asked to speak from the lectern versus his/her seat. Not only would this encourage speakers to introduce themselves and speak clearly into a microphone, this would also provide a more formal process for audience participation while also substantiating the importance of their comments.

If an audience member has difficulty accessing the podium, the Clerk could deliver the microphone to that speaker.

Attachment #1 – Current Agenda Format *(5/27/15 meeting)*

Attachment #2 – Proposed New Agenda Format *(5/27/15 meeting)*

APPROVED: Nick Pegueros, Town Manager *N.P.*



TOWN OF PORTOLA VALLEY

7:30 PM – Regular Meeting of the Town Council
Wednesday, May 27, 2015
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028

REGULAR MEETING AGENDA

I. CALL TO ORDER AND ROLL CALL – 7:30 PM

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

II. ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda.

III. CONSENT AGENDA

The following items listed on the Consent Agenda are considered routine and approved by one roll call motion. The Mayor or any member of the Town Council or of the public may request that any item listed under the Consent Agenda be removed and action taken separately.

1. **Approval of Minutes** – Special Town Council Meeting of April 29, 2015
2. **Approval of Minutes** – Regular Town Council Meeting of May 13, 2015
3. **Approval of Warrant List** – May 27, 2015
4. **Recommendation by Public Works Director** – Adoption of a Resolution for the Alpine Road at Arastradero Road Shoulder Widening Project No. 2015-PW02
 - (a) Adoption of a Resolution Approving Plans and Specifications and Calling for Bids for the Alpine Road Shoulder Widening Project No. 2015-PW02 (Resolution No. ___)
5. **Recommendation by Sustainability and Special Projects Manager** – Adoption of a Resolution Waiving Inspection Fees and Geotechnical Consultant Pass-Through Charges for the Decommissioning of Swimming Pools
 - (a) Adoption of a Resolution Waiving Inspection Fees and Geotechnical Consultant Pass-Through Charges for the Decommissioning of Swimming Pools to Promote Water Conservation in Response to the Drought Emergency of 2015-16

IV. REGULAR AGENDA

A. PRESENTATIONS –

1. **Chindi Peavey, District Manager for San Mateo Mosquito & Vector Control District** - with “West Nile Virus and other Vector-borne Diseases”

B. COMMITTEE REPORTS & REQUESTS

1. **Report by the Trails & Paths Committee** – Committee Annual Report to the Town Council
2. **Council Liaison Reports** - *There are no written materials for this agenda item*

C. PUBLIC HEARINGS – None

D. STAFF REPORTS AND RECOMMENDATIONS

1. **Request by Public Works Director** – Request for Additional Funds in the amount of \$100,000 to Expand the 2014/2015 Capital Improvement Program Budget for Street Resurfacing and Trail Improvements
2. **Discussion** – Library Donor City Funds
3. **Sustainability and Special Projects Manager** – Community Choice Aggregation (CCA) Program Next Steps

4. **Update on Drought Emergency** – Adoption of a Resolution Endorsing & Supporting the Efforts of California Water Service in Response to the State Water Resources Control Board and the Governor’s Executive Order Related to the Drought (Resolution No. __)
 - (a) Resolution Endorsing and Supporting the Efforts of the California Water Service Company Related to the Drought (Resolution No. __)
5. **Recommendation by Town Manager** – Payment of \$907,699 to the California Public Employees’ Retirement System to Reduce the Town of Portola Valley’s Unfunded Pension Liability
6. **Recommendation by Town Manager** – Not-for-Profit Agency Funding Requests

E. Council Liaison Reports on Regional Agencies and Organizations - *There are no written material for this agenda item*

V. WRITTEN COMMUNICATIONS

1. **Town Council Digest** – May 15, 2015
2. **Town Council Digest** – May 22, 2015

VI. ADJOURNMENT

ASSISTANCE FOR PEOPLE WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley Library located adjacent to Town Hall. In accordance with SB343, Town Council agenda materials, released less than 72 hours prior to the meeting, are available to the public at Town Hall, 765 Portola Road, Portola Valley, CA 94028.

SUBMITTAL OF AGENDA ITEMS

The deadline for submittal of agenda items is 12:00 Noon WEDNESDAY of the week prior to the meeting. By law no action can be taken on matters not listed on the printed agenda unless the Town Council determines that emergency action is required. Non-emergency matters brought up by the public under Communications may be referred to the administrative staff for appropriate action.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Town Council at, or prior to, the Public Hearing(s).



TOWN OF PORTOLA VALLEY

7:30 PM – Regular Meeting of the Town Council
Wednesday, May 27, 2015
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028

REGULAR MEETING AGENDA

CALL TO ORDER AND ROLL CALL – 7:30 PM

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

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1. **Approval of Minutes** – April 29, 2015
2. **Approval of Warrant List** – May 27, 2015
3. **Recommendation by Town Manager** – Authorization for Pool Decommissioning Fee Waivers
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Authorizing Fee Waiver for Pool Decommissioning (Resolution No. __)

REGULAR AGENDA

4. **PRESENTATIONS – Chindi Peavey, District Manager for San Mateo Mosquito & Vector Control District** - with “West Nile Virus and other Vector-borne Diseases”

COMMITTEE REPORTS & REQUESTS

5. **Report by the Trails & Paths Committee** – Committee Annual Report to the Town Council
6. **Council Liaison Reports** - *There are no written materials for this agenda item*

PUBLIC HEARINGS – None

STAFF REPORTS AND RECOMMENDATIONS

7. **Request by Public Works Director** - Request Additional Funds for Road Improvements
8. **Discussion** – Donor City Funds
9. **Report from Town Manager** - Community Choice Aggregation (CCA) Program Next Steps
10. **Recommendation by Town Manager** – CalPERS Unfunded Pension Payoff
11. **Update on Drought Emergency** - *There are no written materials for this agenda item*
12. **Recommendation by Town Manager** – Not-for-Profit agency Funding Requests

COUNCIL LIAISON REPORTS ON REGIONAL AGENCIES AND ORGANIZATIONS - *There are no written materials for this agenda item*

WRITTEN COMMUNICATIONS

13. **Town Council Digest** – May 15, 2015

14. **Town Council Digest** – May 22, 2015

ADJOURNMENT

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TOWN COUNCIL WEEKLY DIGEST

Friday – May 29, 2015

1. Agenda (Action) – ASCC/PC Joint Meeting – Tuesday, May 26, 2015
2. Agenda – Parks & Recreation Committee – Monday, June 1, 2015
3. Agenda – Open Space Acquisition Advisory Committee – Tuesday, June 2, 2015
4. Agenda – Bicycle, Pedestrian & Traffic Safety Committee – Wednesday, June 3, 2015
5. Agenda – Water Conservation Committee – Wednesday, June 3, 2015
6. Agenda – Planning Commission – Wednesday, June 3, 2015
7. Monthly Meeting Schedule for June 2015
8. Report from San Mateo County Sheriff's Office – Incident Log for 05/18/15 – 05/25/15
9. CERPP – Disaster Communications Class / July 2015
10. Email from Kelly Foley with California Clean Power re: Follow-up Information on Lake County
11. Email from Anne-Marie Despain, Director of Library Services re: History of Portola Valley's Donor City Funds
12. Email from Vic Schachter re: Legal Brief filed in Federal Court in Support of Objections and Appeal to the FAA's findings of "No Significant Noise Impact."
13. Email from Jon Barth, CBO Portola Valley School District re: Back Flow Prevention Leak
14. Letter from League of California Cities re: Designation of Voting Delegates and Alternates for Annual Conference – September 30, 2015 through October 2, 2015 in San Jose
15. Invitation from ABAG & MTC re: Plan Bay Area 2040
16. Memo from Town Manager, Nick Pegueros re: Weekly Update – Friday, May 29, 2015

Attached Separates (Council Only)
(placed in your town hall mailbox)

1. Invitation to the 12th Biennial Conference State of the San Francisco Estuary Conference
2. Sustainable San Mateo County Nineteenth Annual Indicators Report – Spring 2015
Key Indicator: Water



**TOWN OF PORTOLA VALLEY
 ARCHITECTURAL AND SITE CONTROL COMMISSION (ASCC)
 Tuesday, May 26, 2015
 7:30 PM – Special ASCC Meeting
Special Joint Field Meeting (time and place as listed herein)
 Historic Schoolhouse
 765 Portola Road, Portola Valley, CA 94028**

ACTION

SPECIAL JOINT ASCC/PLANNING COMMISSION FIELD MEETING*

4:00 p.m. 20 Minoca Road Field meeting for preliminary review of proposed development of this Alpine Hills Subdivision Lot. (ASCC review to continue at Regular Meeting)) **Project team presented proposal, walked the ASCC and Planning Commission through the site, and responded to questions. ASCC comments held for 5/26/15 evening meeting. Planning Commissioners agreed to forward their preliminary comments to staff after the field meeting.**

7:30 PM – SPECIAL AGENDA*

1. Call to Order: 7:30 p.m.
2. Roll Call: Breen, Clark, Harrell, Koch, Ross (**Koch, Ross absent. Also present: Debbie Pedro Town Planner; Karen Kristiansson Deputy Town Planner; Carol Borck Assistant Planner; Judith Hasko Planning Commission Liaison; Jeff Aalfs Town Council Liaison**)
3. Oral Communications: **None.**

Persons wishing to address the Commission on any subject, not on the agenda, may do so now. Please note, however, the Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

4. Old Business:
 - a. Continued Review of Lot Line Adjustment Application, File #: 43-2014 and X6D-216, 846/850 Portola Road, Sausal Creek Associates (Staff: K. Kristiansson) **The Commission discussed the proposed lot line adjustment and unanimously (3-0) recommended that the Planning Commission approve the lot line adjustment subject to the conditions outlined in the staff report.**
 - b. Continued Review of Site Development Permit Application for a Landslide Repair, File #: X9H-660, 16/42 Santa Maria Avenue, Bylund (Staff: K. Kristiansson) **The Commission discussed the proposed landslide repair and unanimously (3-0) recommended that the Planning Commission approve the site development permit subject to the conditions outlined in the staff report.**
5. New Business:
 - a. Preliminary Architectural Review and Site Development Permit for a New Residence and Swimming Pool, File #: 01-2015 and X9H-688, 20 Minoca Road,

Unger Residence (Staff: C. Borck) **ASCC provided comments and continued review to the 7/13/15 ASCC meeting.**

6. Commission and Staff Reports: **None.**
 7. Approval of Minutes: May 11, 2015 **Minutes approved as submitted (3-0).**
 8. Adjournment: **8:37 p.m.**
-

*For more information on the projects to be considered by the ASCC at the Special Field and Regular meetings, as well as the scope of reviews and actions tentatively anticipated, please contact Carol Borck in the Planning Department at Portola Valley Town Hall, 650-851-1700 ex. 211. Further, the start times for other than the first Special Field meeting are tentative and dependent on the actual time needed for the preceding Special Field meeting.

PROPERTY OWNER ATTENDANCE. The ASCC strongly encourages a property owner whose application is being heard by the ASCC to attend the ASCC meeting. Often issues arise that only property owners can responsibly address. In such cases, if the property owner is not present it may be necessary to delay action until the property owner can meet with the ASCC.

WRITTEN MATERIALS. Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700, extension 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is Posted in Compliance with the Government Code of the State of California.

Date: May 22, 2015

CheyAnne Brown
Planning Technician



Town of Portola Valley
Parks & Recreation Committee Meeting
Monday, June 1, 2015 – 7:30 pm
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

AGENDA

1. Call to Order
2. Oral Communications (*5 minutes*)
Persons wishing to address the Committee on any subject, not on the agenda, may do so now. Please note however, the Committee is not able to undertake extended discussion or action tonight on items not on the agenda. *Two minutes per person.*
3. Approval of Minutes: May 4th, 2015
4. Skate Ramp
5. Ford Field
6. Town Picnic
7. Zots to Tots
8. Rotation of Chair
9. Cleanliness of rooms at Town Center
10. AED
11. Adjournment

Next Meeting: July 6, 2015



Town of Portola Valley
Open Space Acquisition Advisory Committee
Tuesday, June 2, 2015, 7:30 pm
Town Hall Conference Room
765 Portola Road, Portola Valley, CA 94028

AGENDA

1. Call to Order
2. Oral Communications
3. Approval of May 5, 2015 minutes
4. Discuss Committee Projects *(please review the minutes for details)*
5. Adjournment



TOWN OF PORTOLA VALLEY
Bicycle, Pedestrian and Traffic Safety
Committee Meeting
Wednesday, June 3, 2015 – 8:15 AM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

MEETING AGENDA

1. Roll Call
2. Oral Communications
3. Approve Minutes of the May 5th, 2015 meeting
4. Sheriff's Report –
 - 1) Accidents and Citations – *None*
 - 2) Updated requests for Law enforcement presence, as required
Portola Rd & Alpine Rd stop sign violations
5. Public Works Report:
6. General Items:
 - 1) Update on Windy Hill parking situation
 - 2) Update on Outreach, Events & Teaching Programs
7. Town Picnic Items
 - 1) Volunteer help with Zots to Tots Traffic Management
 - 2) Staffing of BPTS representation table etc.
8. Other Business
 - Thanks to all Bike from Work Day helpers
 - Outreach to prospective new BPTS Membership
9. Time and date for July 2015 meeting
 - Proposal for evening special meeting
10. Adjournment



TOWN OF PORTOLA VALLEY
Water Conservation Committee Meeting
Wednesday, June 3, 2015 3:00 PM to 5:00 PM
Town Hall, Conference Room
765 Portola Road, Portola Valley, CA 94028

AGENDA

- 1. Call To Order**
- 2. Oral Communications**
- 3. Approval of minutes – May 27, 2015** *(unavailable in time for packet, will be handed out at the meeting)*
- 4. Planning for Town Picnic on June 6**
- 5. Review and training on water bill estimator**
- 6. Update on new water budgets – on line at Cal Water website?**
- 7. Continue detailed preparation work for the Water Use Evaluation Survey**
 - a) Current status**
 - b) Review Lovey's value proposition proposals**
 - c) Survey roll out planning**
- 8. Announcements**
- 9. Topics for next meeting**
- 10. Adjournment**

Lovey to act as Secretary for this meeting



TOWN OF PORTOLA VALLEY
REGULAR PLANNING COMMISSION MEETING
Special Joint Field Meeting (time and place as listed herein)
765 Portola Road, Portola Valley, CA 94028
Wednesday, June 3, 2015 – 7:30 p.m.
Council Chambers (Historic Schoolhouse)

SPECIAL JOINT ASSC/PLANNING COMMISSION FIELD MEETING

4:30 p.m. Pump Station 13 at Corner of Portola Road and Stonegate Road - Preliminary Review of Applications for Pipeline Replacement and Consolidation of Pump Stations 8 and 13. (Review to continue at Regular Meeting)

REGULAR AGENDA

Call to Order, Roll Call

Chairperson Targ, Vice-Chairperson Hasko, Commissioners Gilbert, McKitterick, and Von Feldt

Oral Communications

Persons wishing to address the Commission on any subject, not on the agenda, may do so now. Please note, however, the Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

Regular Agenda

1. *Public Hearing*: Lot Line Adjustment Application, File #: 43-2014 and X6D-216, 846/850 Portola Road, Sausal Creek Associates (Staff: K. Kristiansson)
2. *Public Hearing*: Site Development Permit for a Landslide Repair Project, File #: X9H-660, 16/42 Santa Maria Avenue, Bylund (Staff: K. Kristiansson)
3. *Preliminary Review* of Conditional Use Permit, Variance, and Architectural and Site Plan Review Applications for Pipeline Replacement and Consolidation of Pump Stations 8 and 13, File #: 3-2015, X7D-176, and X7E-138, Portola Road right-of-way, Pump Station 8 on Portola Road across from Hayfields Road, and Pump Station 13 at the corner of Portola Road and Stonegate Drive, California Water Service Company (Staff: K. Kristiansson)
4. Study Session on Amendments to the Second Unit Ordinance (Staff: D. Pedro)

Commission, Staff, Committee Reports and Recommendations

Approval of Minutes: March 4, 2015 and May 20, 2015

Adjournment:

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700 ext. 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley branch of the San Mateo County Library located at Town Center.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is posted in compliance with the Government Code of the State of California.

Date: May 29, 2015

CheyAnne Brown
Planning Technician

Town of Portola Valley

Town Hall: 765 Portola Road, Portola Valley, CA 94028 Tel: (650) 851-1700 Fax: (650) 851-4677

JUNE 2015 MEETING SCHEDULE

Note: **Unless otherwise noted below and on the agenda, all meetings take place in the Historic Schoolhouse**, located at 765 Portola Road, Portola Valley, CA

TOWN COUNCIL – 7:30 PM (Meets 2nd & 4th Wednesdays)

Wednesday, June 10, 2015

Wednesday, June 24, 2015

PLANNING COMMISSION – 7:30 PM (Meets 1st & 3rd Wednesdays)

Council Liaison – Ann Wengert (for months April, May, June)

Wednesday, June 3, 2015

Wednesday, June 17, 2015

ARCHITECTURAL & SITE CONTROL COMMISSION - 7:30 PM (Meets 2nd & 4th Mondays)

Council Liaison – Jeff Aalfs (for months April, May, June)

Monday, June 8, 2015

Monday, June 22, 2015

BICYCLE, PEDESTRIAN & TRAFFIC SAFETY COMMITTEE – 8:15 AM (Meets 1st Wednesday of every month)

Council Liaison – Craig Hughes

Wednesday, June 3, 2015

CABLE & UTILITIES UNDERGROUNDING COMMITTEE – 8:15 AM (Meets 2nd Thursday) alternate odd numbered months

Council Liaison – Craig Hughes

CONSERVATION COMMITTEE – 7:45 PM (Meets 4th Tuesday)

Council Liaison – John Richards

Tuesday, June 23, 2015

CULTURAL ARTS COMMITTEE – (Meets 2nd Thursday of every month)

Council Liaison – John Richards

Thursday, June 11, 2015

EMERGENCY PREPAREDNESS COMMITTEE – 8:00 AM (Meets 2nd Thursday) in the EOC /

Conference Room at Town Hall

Council Liaison – John Richards

Thursday, June 11, 2015

FINANCE COMMITTEE

Council Liaison – Ann Wengert

GEOLOGIC SAFETY COMMITTEE – 7:30 PM

Council Liaison – Jeff Aalfs

As announced

HISTORIC RESOURCES COMMITTEE

Council Liaison – Jeff Aalfs

As announced

NATURE AND SCIENCE COMMITTEE – 4:00 PM (Meets 2nd Thursday) alternate even numbered months

Council Liaison – Craig Hughes

Thursday, June 11, 2015

OPEN SPACE ACQUISITION ADVISORY COMMITTEE

Council Liaison – Craig Hughes

Tuesday, June 2, 2015

PARKS & RECREATION COMMITTEE – 7:30 PM (Meets 1st Monday)

Council Liaison – Craig Hughes

Monday, June 1, 2015

PUBLIC WORKS COMMITTEE

Council Liaison – Jeff Aalfs

As announced

SUSTAINABILITY COMMITTEE – 3:30 PM (Meets 3rd Monday)

Council Liaison – Ann Wengert

As announced

TRAILS & PATHS COMMITTEE – 8:15 AM (2nd Tuesday of each month, or as needed)

Council Liaison – Ann Wengert

Tuesday, June 9, 2015 – 8:15 AM

WATER CONSERVATION COMMITTEE – 3:00 PM (first Wednesday of each month)

Council Liaison – Maryann Derwin

Wednesday, June 3, 2015



SHERIFF'S OFFICE

A TRADITION OF SERVICE SINCE 1856

San Mateo County Sheriff's Office (Headquarters Patrol) Press

Information on selected incidents and arrests are taken from initial Sheriff's Office case reports. Not all incidents are listed due to investigative restrictions and victim privacy rights.

Monday 05/18/15 to Monday 05/25/15

Greg Munks
Sheriff

CASE NUMBER	DATE & TIME Reported	LOCATION	DESCRIPTION	FACTUAL CIRCUMSTANCES
15-4569	05/18/15 7:23AM	300 Blk. Vine Street West Menlo Park	Petty Theft	The victim stated that a neighbor notified her and her husband that her vehicle's car doors were slightly ajar and the rear tail gate door was opened. In looking at the interior of her vehicle, she immediately noticed approximately \$10 in loose change and cash had been stolen from inside the center console. There are no suspects at this time.
15-4573	05/18/15 8:16AM	300 Blk Vine Street West Menlo Park	Petty Theft	The victim stated that he woke up early to leave for work, and noticed the center console of his vehicle was open and approximately \$15 in quarters and (1) \$20 bill looked to be missing. There are no suspects at this time.
15-4574	05/18/15 10:02AM	400 Blk. 7 th Ave. North Fair Oaks	Obtain/Use Personal ID w/o Authorization	Unknown suspect(s) obtained the victims San Mateo Credit Union Visa Debit Card number and made four fraudulent transactions for a total of \$492.59. The victim was reimbursed

				by the bank and has not sustained a financial loss.
15-4575	05/18/15 7:23AM	300 Blk. Vine Street West Menlo Park	Petty Theft Theft via Fraud	The victim stated that had gone outside Monday morning and noticed the glove compartment of his vehicle was open and the driver door was ajar. He could tell his vehicle had been rummaged through and immediately checked his sports bag in the back seat which had contained his wallet. It was then he realized his wallet had been taken and with it, everything it contained, including approximately \$25 in US Currency, several credit cards, his driver license, social security card, and assorted other cards. There are no suspects at this time.
15-4583	06/18/15 3:05PM	3200 Blk. Middlefield Rd. North Fair Oaks	-Theft by Caretaker -Forge/Alter/Counterfeit Check -Burglary	The suspect cashed a fraudulent/stolen check on 4/22/2015 at Chavez Supermarket. Per the Chavez Supermarket store manager the check was later frozen/blocked and returned to the store. On 5/22/2015, the suspect was contacted and agreed to meet with the deputy at the North Fair Oaks Substation. Prior to her arrival, the deputy re-contacted the store manager at Chavez Supermarket who informed him that an Officer from Mountain View Police Department, recently contacted him and was also investigating the suspect in an inter-related case. The deputy contacted the Mountain View P.D. officer who stated that he was investigating the suspect for an elderly abuse/check fraud case. The victim, whom was listed on the check suffered monetary loses well over \$130,000.00. The MVPD Officer stated he would be responding to the North Fair Oaks Substation to meet with the suspect and attempt to interview her. Later, Josephina Villagomez from East Palo Alto was arrested for theft by a Caretaker, Burglary and for Forge/Altering Counterfeit Checks.
15-4602	05/19/15 9:20AM	300 Blk. Manzanita Way Woodside	Recovered Outside Stolen Vehicle	A Community Service officer was notified of a vehicle being abandoned Manzanita Way. Once he ran the license plate of

				the vehicle he discovered it was stolen out of East Palo Alto The vehicle was taken out of the stolen vehicle system and then towed.
15-4612	05/19/15 11:51AM	100 Blk. Portola Rd. Portola Valley	Traffic Accident	Bicycle #2 was traveling S/B in the bike lane of Portola Road, when Vehicle #1 turned W/B in front of him. Bicycle #2 collided into the front passenger side of Vehicle #1. Party #2 was ejected from his bicycle, and landed on the windshield of Vehicle #1. The collision caused a smashed windshield to Vehicle #1. Party #2 suffered a laceration to his chin, and lower lip. Party #2 refused to be taken to the hospital to be treated for his injury.
15-4625	05/19/15 4:51PM	Glencrag Way / Woodside Way Woodside	Personate to Get Money	Unknown suspect(s) maxed out the victim's charge card without permission. This case is still pending.
15-4622	05/19/15 3:57PM	Canada Lane / Romero Rd. Woodside	Traffic Accident – No Injuries	Vehicle #2 was facing westbound on Canada Lane, stopped at the stop sign, waiting for traffic to clear before turning onto Canada Road. Vehicle #1 was backing westbound on Romero Road. Party #1 initially saw Party #2. Party #1 thought Party #2 had already turned onto Canada Road, and continued backing. Vehicle #2 not having moved was rear ended by Vehicle #1.
15-4638	05/20/15 1:47AM	800 Blk. Patrol Rd. Woodside	-Traffic Accident-No Injuries -DUI	Driver #1 was driving vehicle #1 on a residential driveway and struck a redwood tree with the left side of Vehicle #1. Driver #1 then stuck Vehicle #2 and continued forward on the driveway. Driver #1 then backed up into Vehicle #3 causing damage to the front of Vehicle #3. Driver #1 continued backing and struck Vehicle #4 and then moved forward striking Vehicle #2. There were no injuries. Judith Hudson from Sun Valley was arrested for driving under the influence of alcohol. Vehicle #1 was towed from the scene.

15-4659	05/20/15 1:41PM	500 Blk. 5 th Ave. North Fair Oaks	-Violation of Parole -Under influence of Controlled Substance -Trespass	Carlos Flores from Redwood City was arrested for entering private 4 times in one day without permission. The owner stated that she had told Flores three previous times that he was not welcome. A records check revealed that Flores was on parole. It was also determined that Flores was under the influence of a stimulant. His Parole Officer was contacted, and a parole hold was placed on Flores. Flores was then transported and booked into the San Mateo County Jail.
15-4675	05/21/15 7:32AM	700 Blk. 9 th Ave. North Fair Oaks	Burglary	Unknown suspect(s) burglarized a storage locker located on the 700 Blk. of 9th Avenue. Two bicycles and several pieces of related equipment were stolen with an estimated value of \$1660.00. There is no suspect information at this time.
15-4711	05/22/15 7:42AM	3500 Blk. Bay Rd. North Fair Oaks	Stolen Vehicle	Unknown suspect(s) stole a black Chevrolet Silverado pickup truck from a driveway on the 3000 Blk. of Bay Rd. At the time of this report there was no suspect information. The vehicle was entered into the Stolen Vehicle System.
15-4712	05/22/15 9:01AM	700 Blk 2 nd Ave. North Fair Oaks	Stolen Vehicle	Deputies were dispatched to a report of a stolen vehicle. The vehicle was entered into the Stolen Vehicle System. The vehicle was later located in Santa Clara County.
15-4725	05/22/15 7:49PM	100 Blk. Buckingham Ave. North Fair Oaks	-Exhibit Firearm -Terrorist Threats	The victim stated he went to Christina's Market and left his ten-speed bicycle outside as he went into the store. The victim stated that the suspect told him his bicycle was blocking the sidewalk. The victim approached the suspect and asked the suspect if he had a problem with him. The victim was not able to provide a direct quote however he said the suspect said he did have a problem with him, as he pulled up his shirt and displayed a black handgun which was in his front waistband. The victim said the suspect stated he was going to have a big problem. The victim stated the suspect challenged him to

				fight and that he was going to beat the victim up. The victim stated the suspect fled the scene. The victim then called 911.
15-4734	05/23/15 12:36AM	4 th Ave. / Williams Ave. North Fair Oaks	Attempted Robbery	The victim stated he had been out walking his two small dogs when the suspect removed a pistol from his waist/pocket area and pointed it at him. The victim said the suspect had a plastic grocery type bag covering his right hand as if using it as a glove. The victim said he immediately pushed the gun to his left side away from his body. The victim stated the suspect pointed the gun back at his chest. The suspect stated, "Give me your money." The victim stated he did not have a wallet or any money on his person, so the suspect began to search him. After the incident the victim called 911. There is no suspect at this time.
15-4740	05/23/15 3:39AM	S.R. 84 Woodside	Traffic Accident – No Injuries	Vehicle #1 was traveling eastbound S.R. 84 at an unknown speed. Party #1 attempted to negotiate a corner on S.R. 84, but was traveling at a speed too great for conditions. Vehicle #1 traveled off of the roadway striking and completely damaging a county owned sign.
15-4752	05/23/15 2:55PM	200 Blk. S. Castanya Way Ladera	-Burglary -Vandalism	Deputies were dispatched to a residence on the report of a suspicious circumstance. County Communications advised the gardener, who was working at the residence, discovered a broken rear window door pane. Fearing it was a possible burglary; he phoned in his discovery and awaited the arrival of law enforcement personnel. Upon arrival deputies conducted a perimeter check and search of the interior of the residence which revealed negative results for a suspect(s). A suspect was observed by a neighbor, fleeing the residence on foot and was also observed "holding a pillow case" and then fled the scene in a small black Nissan Sentra.

Sharon Hanlon

Subject:




*Citizens Emergency Response and Preparedness Program
(CERPP) &
Woodside Fire Protection District
Present*

Disaster Communications Training
July 18th, 2015
9am-11am
Portola Valley Town Center Community Hall
Instructor: John Carnes

The class is oriented to neighborhood and division level responders who will be sending messages to Division Operation Centers or Town Emergency Operations Centers. I'll cover the basics of the knobs and buttons to operate the radios, and also talk about the different types of radio services that are likely to be in use during a disaster. But the focus will be on how to get your message across the airwaves. Who to call, what to say, and how to prioritize. There will be ample time for hands on radio communications practice.

I'm planning to use the CERPP UHF "Neighborhood" radios for the exercise. If you have one assigned to you, bring it. If not, we'll have plenty of extra radios so that everyone can get some hands on experience.

You don't need to be a technical nerd or a ham radio operator to benefit from this class.

*Contact Selena Brown, Pub Ed Officer/CERPP Coordinator to Register
Selenab@woodsidefire.org or 650.423.1406*



Sharon Hanlon

From: Kelly Foley [<mailto:kfoley@cacleanpower.com>]
Sent: Thursday, May 28, 2015 6:02 PM
To: Nick Pegueros; Brandi de Garneau
Subject: Portola Valley Community Choice

(All Town Council Members are blind copied on this email)

Nick and Brandi,

Thank you for your continued interest in reaching a 100% Renewable/Zero Carbon electric supply for Portola Valley. We deeply appreciate your input and the opportunity to earn Portola Valley's business.

Per last night's discussions, attached please find Lake County's ordinance, contract, feasibility study and agenda memo and overview. These documents are publicly available on Lake County's website.

On May 26, Lake County voted to advance from the first reading of the attached CCA ordinance. On June 16, the second and final reading will be held. If approved, the attached contract will be presented for approval. Similar processes are underway in Humboldt and Mendocino Counties.

I hope by the end of next week that we can present you with a Feasibility Study based on the last reported San Mateo County Energy Watch data, as well as a draft contract and ordinance. The draft contract and ordinance are strictly for the purpose of providing material, along with the Feasibility Study, to aid in conducting your due diligence.

Our team is available to meet in Portola Valley, with any Council Member, at the Council Member's convenience. Members of our team available for meeting are the CEO, the CFO, Procurement, Government Relations, Public Relations, and, of course myself (Legal and Regulatory). We are also happy to schedule phone conferences.

Best,

Kelly Foley

California Clean Power | General Counsel

Phone: 707.486.5411

Email: kfoley@cacleanpower.com

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE IMPLEMENTATION OF
A COMMUNITY CHOICE AGGREGATION PROGRAM

THE BOARD OF SUPERVISORS OF THE COUNTY OF LAKE ORDAINS AS
FOLLOWS:

Section 1: *Authority.* Pursuant to the Authority granted by the California Public Utilities Code Sections 218.3, 331.1, 366, 366.1, 366.2, 380, 381.1, 394, 394.25, 395.5, 396.5, and 707, the Board of Supervisors does enact this Ordinance Authorizing the Implementation of a Community Choice Aggregation Program.

Section 2: *Findings and Purpose.* On the _____ day of _____, 2015 the Board of Supervisors received and reviewed a Feasibility Study prepared by California Clean Power, a California Benefit Corporation. The Feasibility Study finds that the County of Lake will receive multiple benefits by implementing Community Choice Aggregation. The benefits include but are not limited to:

- a. Providing customers with a competitive choice between electric energy providers;
- b. Lower rates for electric energy customers;
- c. Cleaner and more sustainable electric energy sources;
- d. A new source of revenue to the County of Lake; and
- e. Programming in electric energy related areas such as energy efficiency and local renewable generation.

The Feasibility Study also discusses current and expected electric energy market conditions, and finds these conditions favorable for the implementation of a County of Lake Community Choice Aggregation program.

Section 3: *Authorization and Implementation.* Based on the foregoing findings, the Board of Supervisors determines that implementation of a Community Choice Aggregation program is in the public interest and welfare of its residents, and hereby elects to authorize and implement a Community Choice Aggregation Program within the County of Lake. The County of Lake's Community Choice Aggregation program shall:

- a. Develop an Implementation Plan for consideration and possible adoption at a duly noticed public hearing;
- b. Prepare a Statement of Intent with the Implementation Plan;
- c. Post a service bond or collateral;
- d. Execute and file a service partner agreement with Pacific Gas and Electric Company;
- e. Provide universal access to the Community Choice Aggregation program;
- f. Through a transparent and open process, establish equitable rate structures across customer classes;
- g. Automatically enroll all eligible Community Choice Aggregation customers;
- h. Fully inform all Community Choice Aggregation customers, in writing, four times over four months, of the unequivocal right to opt out of Community Choice Aggregation service at any time; and
- i. Comply with all federal and state statutes, rules, regulations, and decisions applicable to the County of Lake's Community Choice Aggregation program, including but not limited to, the California Public Utilities Code, the rules, regulations and decisions adopted by the California Public Utilities Commission, the California Energy Commission, the California Independent System Operator, the California Air Resources Board, and all electric reliability and environmental statutes and regulations applicable to California retail electric load serving entities.

Section 4: *Severability.* It is the intention of the Board of Supervisors that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared invalid by the judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

Section 5: *Environmental Determination.* Pursuant to Title 14 of the California Code of Regulations, Chapter 3, *Guidelines for Implementation of the California Environmental Quality Act*, Section 15061(b)(3) the Board of Supervisors finds that it can be seen with certainty that there is no possibility that this Ordinance may have a significant effect on the environment and therefore this Ordinance is not subject to the California Environmental Quality Act (CEQA). Pursuant to Sections 15062 and 15374, the County Administrator is authorized and directed to immediately file a CEQA Notice of Exemption.

Section 6: *Effective Date.* This Ordinance shall take on the _____ day of _____, 2015. Within fifteen (15) days after adoption of the Ordinance, the Clerk to the Board of Supervisors shall at least once in a newspaper of general circulation printed and published in the County of Lake publish a summary of the Ordinance with the names of those supervisors voting for and against the Ordinance and the Clerk shall post in the office of the Clerk to the Board of Supervisors a certified copy of the full text for the adopted Ordinance along with the names of those supervisors voting for and against the Ordinance.

The foregoing Ordinance was introduced before the Board of Supervisors of the County of Lake on the ____ day of _____ 2015, and passed by the following vote on the ____ day of _____ 2015:

AYES:

NOES:

ABSENT OR NOT VOTING:

COUNTY OF LAKE

Chair of the Board of Supervisors

ATTEST: MATT PERRY
 Clerk of the Board of Supervisors
 By:_____

APPROVED AS TO FORM:
ANITA L. GRANT
County Counsel
By:_____

AGREEMENT FOR COMMUNITY CHOICE AGGREGATION SERVICES

This Agreement for Community Choice Aggregation Services (Agreement) is between the County of Lake, a county formed under the laws of California (Community) and California Clean Power Corporation, a corporation formed under the laws of California (CCP). Collectively, Community and CCP may be referred to as “Parties” or individually as a “Party.”

This Agreement is made pursuant to, and all the terms and conditions of this Agreement are governed by, applicable California and federal law. The term Community Choice Aggregation (CCA) is specifically defined by the applicable sections of the California Public Utilities Code, Division 1, Part 1, Chapters 1 through 2.3, and Chapter 4, Article 1, Section 707, or its successors.

This Agreement shall commence the _____ day of _____, 2015, and terminate under the provisions of Exhibit A to this Agreement.

OBLIGATIONS OF CCP

- 1.0 Pursuant to the provisions of Exhibit A to this Agreement, CCP shall provide Community with the following turnkey CCA services (CCA Services):
 - 1.1 Power Procurement: procurement of all products and services required to reliably serve the electric commodity needs of Community’s CCA customers.
 - 1.2 Legal, Regulatory and Compliance: all actions required to implement a CCA program and to ensure strict ongoing compliance with California and federal laws and regulations applicable to CCA and retail electric commodity service.
 - 1.3 Customer Service and Communications: website, call center and assistance with outreach and communication.
 - 1.4 Reporting and Communication with Community Governing Body and Staff: reports detailing and updating CCA performance and progress, presentations before Community’s governing body and interaction and communication with assigned Community staff.

- 2.0 Except as otherwise provided in this Agreement, CCP shall cover any and all financial obligations associated with the provision of CCA Services.
- 3.0 CCP shall indemnify and defend Community against any actions arising from CCP's performance under this agreement, provided that such actions do not arise from the negligent or willful misconduct of the Community.
- 4.0 At all times CCP shall maintain collateral or capitalization sufficient to ensure performance under this Agreement. The amount of collateral or capitalization deemed sufficient shall be determined using industry standard electric commodity procurement practices.
- 5.0 CCP shall at all times maintain the confidentiality of Community CCA customer information. For any release of Community CCA customer information, CCP shall obtain written authorization from Community and the affected Community CCA customer or customers.

OBLIGATIONS OF COMMUNITY

- 6.0 Pursuant to California Public Utilities Code Section 366.2(c)(12) or its successors, Community shall have adopted an ordinance to implement a CCA program (Ordinance) within its jurisdiction. The Ordinance shall have included a determination of California Environmental Quality Act (CEQA) exemption and direction to Community staff to immediately file a CEQA Notice of Exemption. Any material change to, or repeal of, the Ordinance by Community shall constitute a complete default by Community under this Agreement. In the event of such a default, at its sole discretion CCP may immediately terminate this Agreement and pursue all available legal remedies.
- 7.0 Community expressly authorizes CCP to act on its behalf and as its sole agent in performing and providing CCA Services.
- 8.0 Community assigns to CCP all CCA related revenues, including but not limited to CCA customer payments, California Independent System Operator (CAISO) credits, and refunds of compliance related deposits. Upon termination of this Agreement, all deposits or similar funds posted by CCP on behalf of Community shall be returned to CCP.

- 9.0 Community shall designate a representative or representatives to interact with CCP to ensure efficient and effective implementation and operation of the Community CCA program.
- 10.0 At CCP's request, Community agrees to take all necessary actions to secure and transfer to CCP CAISO Congestion Revenue Rights (or a successor product) associated with the Community's CCA electric load, provided the Community does not incur any expenditures, or CCP reimburses Community for any expenditures, related to securing and transferring the CAISO Congestion Revenue Rights.

GENERAL PROVISIONS

- 11.0 The laws of the State of California, and federal law as applicable, shall govern this Agreement.
- 12.0 This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Community and CCP and supersedes all prior negotiations, representations, or agreements, either written or oral. The Parties may amend this Agreement only by a writing signed by both Parties. All exhibits attached hereto are incorporated by reference herein.
- 13.0 All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Community and CCP shall survive the termination of this Agreement.
- 14.0 Any written notice in connection with this Agreement shall be sent by U.S. Mail or by nationally recognized overnight carrier.

Any written notice to Community shall be sent to:

Mr. Matt Perry
County Administrative Officer
County of Lake
255 North Forbes St
Lakeport, CA 95453

Any written notice to CCP shall be sent to:

Mr. Peter Rumble
Chief Executive Officer

California Clean Power
9238 Old Redwood Hwy
Suite 200
Windsor, CA 95492

- 15.0 Due to the unique nature of CCA, Community may not assign this Agreement. With 90 days' notice to Community, CCP may assign this Agreement in part or in whole to a subsidiary or parent company wholly owned and operated by CCP's owners. With the written consent of Community, CCP may assign this Agreement in part or in whole to a third party or parties, provided that Community may not unreasonably withhold such consent.
- 16.0 If, due to changes in laws or regulations, either Party is rendered substantially unable to perform under this Agreement, the Parties agree to endeavor in good faith to amend this Agreement to accommodate the changes in laws or regulations. If the Parties are unable to reach an acceptable accommodation, the performance of the affected Party or Parties shall be excused and either Party shall have the option to terminate this Agreement.
- 17.0 If either Party is prevented in the performance of any act required hereunder by reason of act of God, fire, flood, or other natural disaster, malicious injury, strikes, lock-outs, or other labor troubles, riots, insurrection, war or other reasonably unforeseeable occurrence of like nature not the fault of, and not within the reasonable control of, the Party in performing under this Agreement, then performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay, except that if any delay exceeds six months, then the Party entitled to such performance shall have the option to terminate this Agreement.
- 18.0 If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

- 19.0 The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 20.0 Should an entity of competent jurisdiction invalidate any element of this Agreement, Parties agree to endeavor in good faith to amend this Agreement to accommodate the invalidation.
- 21.0 The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 22.0 This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signatory third parties.
- 23.0 This Agreement may be executed by counterparts, each of which shall be an original and all of which together shall constitute one agreement.

COUNTY OF LAKE

CALIFORNIA CLEAN POWER

Date: _____

Date: _____

CHAIR, Board of Supervisors

PETER RUMBLE, Chief Executive Officer

Attest: MATT PERRY
Clerk to the Board of Supervisors

By: _____

APPROVED AS TO FORM:

ANITA GRANT

County Counsel

By: _____

AGREEMENT FOR COMMUNITY CHOICE AGGREGATION SERVICES

EXHIBIT A

1. Term of Agreement

This Agreement shall terminate December 31, 2026.

2. Launch Date for Electric Service

CCP shall launch electric service to Community no earlier than December 1, 2015 and no later than April 1, 2016. Determination of the exact launch date within this range shall be at the sole discretion of CCP.

3. Electric Energy Portfolio

On an annual basis and as defined under California laws and regulations, Community shall receive no less than 33% Category 1 Renewable Energy and shall achieve an annual greenhouse gas emissions factor related to CCA electric procurement at or below Pacific Gas and Electric Company. On an annual basis, Community's CCA electric portfolio shall include renewable energy resources located within Community's jurisdictional boundaries.

4. Rates

Community CCA customers shall receive an average of 2% off of total electric bills, calculated based on Pacific Gas and Electric Company (PG&E) electric rates in effect on January 1 of each year. No later than March of each year, CCP shall provide to Community an update of rates based on the PG&E January 1 rates (Annual Rate Update). CCA customers shall be offered electric rate schedules consistent with the electric rate schedules offered by PG&E. To the extent PG&E changes these rate schedules, CCP shall update the rate schedules during the Annual Rate Update.

5. Public Benefit Payment to Community

*Separate from any rates charged to Community CCA customers, CCP shall make Public Benefit Payments to Community totaling \$2,000,000 annually. The first \$500,000 payment shall be paid to Community immediately following the effective date of the Ordinance **and** the execution of this Agreement. The second \$500,000 payment shall be paid to the Community on or before April 1, 2016. Thereafter, beginning the first day following the second calendar quarter following the launch of electric service to the Community, the Community shall be paid in equal installments every first day following each calendar quarter.*

LAKE COUNTY
COMMUNITY CHOICE PROGRAM
FEASIBILITY REPORT

MAY 2015

Prepared by California Clean Power



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1. INTRODUCTION

Community Choice Aggregation (CCA) is feasible. Community Choice programs are operating successfully in California and in other states. Feasibility reports were done for many of these programs prior to launching; now, existing programs have proven out the benefits of Community Choice for residents and businesses, the environment, and the economy.

Because of this, the analysis of CCA feasibility is different today. In the next generation of Community Choice programs, communities must decide how their program should function, not whether it can function. Successful Community Choice programs have spurred innovation in how to approach program operations and program services. By law, all Community Choice programs in California must be government programs, without exception, but each community may choose how to staff and support its program, along with the suite of services the program will provide for its residents.

Because of the collective experience with Community Choice in California, the intent of this feasibility report is to provide an overall context and support for Community Choice. This document will also provide foundational information on Community Choice, an analysis of recent electrical load data of the Unincorporated Areas of Lake County in relation to current markets and future projected markets, and will provide different approaches to establishing a Community Choice program in Lake County. When structured appropriately, with thoughtful risk management strategies and skilled expertise responsible for daily operations, the operational risks and financial risks of a Community Choice program can be mitigated significantly, and the benefits are real.

2. COMMUNITY CHOICE - HISTORY & BACKGROUND

2.1. History of Public Power in California

California has a long and robust tradition of publicly owned electric utilities (“POUs”). Some California POUs have been in operation since as early as 1887, and currently approximately 46

POUs¹ serve close to 25%² of all of California's electric consumption. These public entities represent the entire spectrum of California communities, ranging from the largest provider, Los Angeles Department of Water and Power (LADWP), which is California's third largest electric utility, to the City of Biggs Electric Utility, which serves a population of approximately 1,700 citizens.

The benefits of a government run enterprise, such as access to tax exempt financing, exemption from federal taxation and no need for a profit margin, give most California POUs a considerable advantage over investor owned electric utilities ("IOUs") such as Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E).

Investor owned utilities have substantially increased their electricity rates in recent times. In 2014, SCE raised its residential rates by 8%; in 2015, PG&E raised its electricity rates by 5.9% and SDG&E is planning to increase its rates by 7.5% in 2016. POUs as a group have a comparatively excellent record of providing lower and more stable prices to their communities, making them a highly attractive alternative to IOUs.

Around the beginning of the 20th century, there were over 4,000 individual electric utilities, each operating in isolation. Almost all of them used low-voltage, direct current (DC) connections from nearby generating power plants to the distribution lines serving their local customers. The power industry soon began to favor the adoption of alternating current (AC) technology, which can transmit electricity over longer distances than direct current. The more widespread use of AC electricity allowed the industry to build larger power plants that did not need to be located close to the utilities' customers.

As the demand for electricity grew, particularly in the post-World War II era, electric utilities found it more efficient to interconnect their transmission systems. This enabled utilities to share the benefits of building larger and often jointly owned generating units to serve their combined

1 Information excerpted from: California Energy Commission
www.energy.ca.gov/sb1/pou_reports/Publicly_Owned_Utility_Company_Programs.pdf

2 The Clean Energy Race. Wisland, Laura and Haya, Barbara. Union of Concerned Scientists
(2012). www.ucsusa.org/sites/default/files/legacy/assets/documents/clean_energy/The-Clean-Energy-Race-Full-Report.pdf

electricity demand at the lowest possible cost. Interconnection also reduced the amount of extra capacity that each utility had to hold to ensure reliable service. Over time, three large interconnected systems evolved in the United States because growing demand and the accompanying need for new power plants provided an increasing need for higher voltage interconnections to transport the additional power longer distances. Today, these three large interconnected systems separately serve the eastern and western halves of the United States and Texas.³

Most POU, however, were established many years ago and the emergence of new POU or the expansion of existing territory has been virtually non-existent in recent times. The inability to expand POU service is largely due to the difficult process of municipalization, which includes incurring the cost of either building or acquiring electric facilities that include miles of transmission and distribution wires, substations, generation facilities, metering equipment for every customer, and vast amounts of other infrastructure such as computer systems, service trucks, and call centers.

2.2. California Energy Crisis

In 1998, California deregulated the electricity industry through AB 1890, giving all electric consumers served by the IOUs the ability to purchase electric generation from any supplier. The act was hailed as a historic reform that would reward consumers with lower prices, reinvigorate California's then-flagging economy, and provide a model for other states.⁴ Referred to as Direct Access (DA), the law required the IOUs to allow third party electric generation suppliers to use all of the existing IOU equipment to deliver, meter and bill for their alternative electricity supply. In many ways, DA is similar to how the telecommunications industry was deregulated, allowing third party providers to use the wires of the telephone companies. Most of the customers who opted for DA paid significantly less for alternative electricity supply, and some opted for energy that had more renewable content.

While the causes and contributing factors to the energy crisis in California in 2000-2001 are

³ Information excerpted from: The US Energy Information Administration www.eia.gov/energy_in_brief/article/power_grid.cfm

⁴ The California Electricity Crisis: Causes and Policy Options. Weare, Christopher. Public Policy Institute of California. (2003).

manifold and complex, virtually all observers saw the State's deregulation plan as a failure and a major reason for the crisis.⁵ Following the California energy crisis in 2000, existing Direct Access customers were allowed to continue service from alternative providers, but, with the exception of small annual increments over the previous four years, no new Direct Access is currently permitted.

In the aftermath of the energy crisis, California passed the Community Choice Aggregation law Assembly Bill (AB) 117, recognizing both that the suspension of Direct Access removed a valuable alternative to the very difficult process of municipalizing and that POUs weathered the energy crisis better than the IOUs.

2.3. Community Choice Aggregation (CCA), Assembly Bill 117

In 2002, Community Choice Aggregation (AB 117) was signed into law. Community Choice Aggregation (CCA, sometimes referred to as Community Choice Energy – CCE – or simply Community Choice) enables California's cities and counties, together under a Joint Powers Authority (JPA) or individually, to supply electricity to customers within their borders. A defining feature of AB 117 is that the IOU continues to own and operate the electric distribution system and provide metering, billing, credit and collection, call center and other customer service functions. In addition, AB 117 and subsequent legislation (SB 790), also established structures to encourage cooperation and to strictly regulate IOU opposition to communities attempting to establish, or already operating, a Community Choice program.

Unlike DA under AB 1890, which required each customer to specifically choose non-IOU service ("opt-in" to Direct Access), AB 117 gave communities in California the right to procure their own electric energy as an essential governmental function – like water, sewer, or garbage service. In this way, California established Community Choice as the "default" service. This means all utility customers within the established boundaries are automatically customers of the local government's Community Choice program unless they "opt-out" of the program.

While Community Choice has similarities to local power through POUs, a fundamental difference exists in ownership of critical energy grid and other infrastructure, as explained

⁵ Causes and Lessons of the California Electricity Crisis. Congressional Budget Office (2001).

above. Unlike a POU, such as the LADWP or the Sacramento Municipal Utility District (SMUD), a Community Choice program does not own the transmission and delivery systems (i.e., the poles and wires). Instead, a Community Choice program is responsible for providing the energy commodity (i.e., the electric energy itself) to its participants, which may or may not entail ownership of electric generating resources.

3. COMMUNITY CHOICE - OVERVIEW & LANDSCAPE

3.1. Proven Benefits

The benefits of Community Choice have been discussed at the conceptual level and proven out in practical terms by existing programs. At the most basic level, these benefits can be organized into the three categories of environmental, economic, and local control.

3.1.1. Environmental Impact

In the category of environmental impact, particularly within California, Community Choice can increase the use of renewable energy, increase the market demand for new renewable energy projects within the state, and provide a new avenue for smaller-scale local renewable projects. Because of this, in part or in combination, Community Choice can be one of the most significant strategies to meet a community's greenhouse gas (GHG) reduction goals. Collectively, therefore, Community Choice can also help to meet the State's GHG reduction goals.⁶

The increase in renewable energy use arises from the community's ability to establish a renewable portfolio as a baseline service level or premium level that exceeds that of the IOU. Although subject to market price realities, existing Community Choice programs, along with analysis of potential Community Choice programs, bares out this point.

While sufficient renewable power currently exists to meet market demand within the State, over the long-run, an increasing market demand for renewable power through Community Choice programs will necessarily encourage the development of additional large-scale projects and

⁶ California Governor Jerry Brown issued an executive order to reduce GHG levels by 40 percent below the 1990 levels by year 2030. (April 29, 2015) <http://gov.ca.gov/news.php?id=18938>

clean energy jobs to meet the growing demand. In addition, communities interested in local generation projects can leverage Community Choice program revenue to create new projects or provide a stimulus to expand existing community projects in the short run.

3.1.2. Economic Impact

In the category of economic benefits, a fundamental characteristic of Community Choice is that revenue paid by ratepayers for energy generation stays within the community rather than going to the IOU. Numerous studies have demonstrated that keeping revenue local, for example, shopping at locally owned markets, has a profound economic impact on the community. Further, if program revenues are leveraged to invest in local projects, as noted above, those investments can have a positive job-creation impact.

Because Community Choice can lower electricity rates as well as potentially stabilize those rates for years, the economic benefits extend to daily savings for individuals, businesses, and governments as well. Depending on energy use and specific rate reduction, these bill savings can be minimal to significant. Moreover, Community Choice programs have the ability to target rate reductions to attract business growth in their community or provide larger reductions to low-income residents.

3.1.3. Local Control

In the category of local control, regardless of how the program is structured or operated, Community Choice delivers a level of public participation and control that is not currently available through an IOU. Implicit to this control is the introduction of consumer choice, providing residents and businesses with a choice to support the locally constructed program or remain with the IOU's service – a choice that does not exist without the formation of a Community Choice program.

Community Choice programs are required to have a governing board, with all of the public decision making processes and assurances required of government agencies. Because of this, no matter how the community staffs or provides for daily operations of the Community Choice program, key policy decisions are necessarily within the public domain.

3.2. Existing Community Choice Programs

As of the date of this report, there are two successfully operating Community Choice programs

in California, Marin Clean Energy (MCE) and Sonoma Clean Power (SCP). The City of Lancaster is nearing an official launch date.⁷ As the benefits of Community Choice are proven through successful operation of MCE and SCP, a growing number of jurisdictions in California are evaluating in concept or taking active steps in pursuing Community Choice. Indeed, when considering the individual participating jurisdictions just within MCE and SCP, there are over 20 local communities enjoying the benefits of Community Choice in California.

Founded in 2010, MCE, operated by the Marin Energy Authority, a Joint Powers Authority (JPA), is the first operational Community Choice program in the State. MCE was introduced in phases. The first phase included about 8,000 Marin accounts made up of residential, commercial, and municipal customers. In August 2011, MCE enrolled another 5,500 Marin accounts, the majority of which are residential, with a small number of commercial accounts. MCE completed Marin customer enrollments in July 2012 and began offering electric service to Richmond customers in July 2013, then to unincorporated Napa County, and the cities of Benicia, El Cerrito, and San Pablo, in 2015.

Currently, MCE provides three options of renewable power at varying rates. The baseline service level includes 50% renewable power. Two optional service levels are also available: 100% renewable (called “Deep Green”), and 100% local solar (called “Local Sol”) at premium rates above baseline. Currently, SCP provides two options of renewable power for varying rates. The baseline service includes 33% renewable power (“Clean Start”), with an optional 100% renewable power (“Evergreen”) available at a premium rate.

Like MCE, SCP is a government agency, independently run by a JPA comprised of Sonoma County and all cities within the County, excluding the City of Healdsburg, which operates a municipal power provider.⁸ Unlike MCE, SCP has focused its service area within the jurisdictional boundaries of Sonoma County.

⁷ For additional information on services, program documents, financial information, and organization see: Marin Clean Energy www.mcecleanenergy.org; Sonoma Clean Power www.sonomacleanpower.org; and Lancaster Choice Energy www.lancasterchoiceenergy.com/index.php. The Kings River Conservation District on behalf of San Joaquin Valley Power Authority (SJVPA), also explored establishing a Community Choice program.

⁸ Participating cities include Cloverdale, Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and the Town of Windsor.

Both MCE and SCP have set the current baseline service rate below that of the IOU, PG&E. In addition, both have offered energy efficiency programs to customers. Reflecting the rates and program offerings, both MCE and SCP have strong support within their respective service areas with differing, but low “opt-out” rates.

Over the prior two years, the City of Lancaster has examined Community Choice, leading to the development of a stand-alone program, Lancaster Choice Energy. Currently, the City anticipates launching the program in a phased approach starting with municipal buildings in May 2015, moving to commercial accounts in late 2015, and then residential service in late 2016. Based on its approved implementation plan, Lancaster Choice Energy will target 35% renewable power as its baseline service.

3.3. Community Choice Programs in Other States

In addition to California, five other states have state law authorizing Community Choice, also referred to as Municipal Electricity Aggregation in other states. These states are: Illinois, Massachusetts, Ohio, Rhode Island, and New Jersey. Illinois is leading the nation with more than 700⁹ communities setting up Municipal Aggregation programs. At the date of this report, there is pending legislation advocating for Community Choice in a limited number of other states.

While Community Choice in California has embraced a distinct goal to increase renewable power generation and use, the goals of some of other programs are not necessarily in alignment with those of California’s efforts, and are instead primarily focused on decreasing rates.¹⁰ However, despite the different goals, the successful operation of programs in other states further demonstrates the feasibility of Community Choice.

Each of the existing Community Choice programs in other states offers illumination of California's efforts. Illinois has focused its efforts on decreasing rates and has experienced wide adoption by local governments, including the City of Chicago, suggesting that participation is

9 Information excerpted from Plug In Illinois: www.pluginillinois.org/MunicipalAggregationList.aspx

10 Some Community Choice programs in other states have advanced significant renewable energy projects.

highly influenced by rate setting. Programs in Massachusetts have spurred local generation projects, providing for new solar projects throughout Cape Code and Martha's Vineyard.¹¹

4. FORMATION PROCESS

4.1. PROGRAM REQUIREMENTS

There are specific legal requirements for establishing Community Choice, as well as operational considerations that will take on varying importance depending on community priorities. The legal requirements for establishing a Community Choice program are detailed in California Public Utilities Code (CPUC), primarily Section 366.2¹² but also in other California statutes and CPUC decisions and guidance.

4.1.1. Discretionary Steps

Existing programs have undertaken a range of public engagement efforts, some extending multiple years. Some of these additional activities have included resolutions of support from city councils, holding public forums and town hall style educational forums, conducting feasibility studies, and establishing community advisory boards. Much of this work is intended to educate and inform residents and businesses as Community Choice programs had not yet been or had only recently been established.

Aside from the straightforward requirements listed below, a community's desire to take these discretionary pre-formation steps will depend greatly on local community expectations and conditions, as well as the community's budget as these activities can require significant resources. While good government practice includes measures of public engagement, Community Choice is growing in familiarity within California and provides direct benefits to the government and the community.

¹¹ For a brief summary of Community Choice programs by State, see The National Conference of State Legislatures <http://www.ncsl.org/research/energy/community-choice-aggregation.aspx> and LEAN Energy US <http://www.leanenergyus.org/cca-by-state/>

¹² Public Utilities Code (PUC Section 360-380.5): <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=00001-01000&file=360-380.5>

4.1.2. Required Steps

Below is a description of the essential requirements for establishing a Community Choice program:

1. Under nearly all circumstances, once a governing board – such as a City Council or a Board of Supervisors – is prepared to move forward with establishing a Community Choice program, the first step is to pass an ordinance consistent with the PUC Section 366.2(c)(12).
2. After the ordinance is passed, the next step is the preparation of a Community Choice Implementation Plan and a Statement of Intent for submission to the CPUC.¹³ Pursuant to PUC Section 366.2(c)(3), the Implementation Plan must ultimately be considered and adopted at a duly noticed public hearing of the Community governing body and shall contain all of the following:
 - An organizational structure of the program, its operations, and its funding.
 - Rate setting and other costs to participants.
 - Provisions for disclosure and due process in setting rates and allocating costs among participants.
 - The methods for entering and terminating agreements with other entities.
 - The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures.
 - Termination of the program.
 - A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.
3. Pursuant to PUC Section 366.2(c)(4), the Statement of Intent must state that the Community Choice program will provide for the following:
 - Universal Access.
 - Reliability.

¹³ For information related to Implementation Plans and Statements of Intent, see:

http://www.cpuc.ca.gov/PUC/energy/Retail+Electric+Markets+and+Finance/070430_ccaggregation.htm as well as MCE <http://www.mcecleanenergy.org>; Sonoma Clean Power <https://sonomacleanpower.org>; and Lancaster Choice Energy www.lancasterchoicenergy.com/index.php

- Equitable treatment of all classes of customers.
 - Any requirements established by state law or by the commission concerning aggregated service, including those rules adopted by the commission [CPUC] pursuant to paragraph (3) of subdivision (b) of Section 8341 for the application of greenhouse gases emission performance standard to community choice aggregators.
4. Concurrent with the preparation of the CPUC submissions, a Community Choice service agreement is executed with the IOU, and a bond or collateral is posted in accord with the IOU service agreement. As indicated in PUC Section 394.25(e), a “re-entry” bond, which is currently set at \$100,000, must be posted with the CPUC to cover costs related to the involuntary return of a community from Community Choice service to utility service.
 5. Executing the IOU service agreement concurrently with work on the Implementation Plan and Statement of Intent is advised because the service agreement must also be submitted to the CPUC. Following the adoption of the Implementation Plan and Statement of Intent, the execution of the utility service agreement along with posting of a bond or collateral with the utility, and the posting of the re-entry bond with the CPUC, the Community Choice program must also formally register with the CPUC.
 6. After all the submissions are deemed complete and sufficient, pursuant to PUC Section 366.2(c)(7), the CPUC has 90 days to certify the receipt of all needed Community Choice submissions, thereby allowing the program to begin service to customers. Consistent with CPUC Decision 05-12-041, the CPUC does not “approve” or “reject” the Implementation Plan, but rather assures that the Community Choice plans and program elements are consistent with law, regulations and CPUC rules designed to protect customers. The CPUC also determines the appropriate costs, known as the Power Charge Indifference Adjustment (PCIA), to be assessed Community Choice customers. Because electric energy is frequently secured through long-term commitments, the essential purpose of the PCIA is to ensure that customers that continue to receive utility electric energy do not pay over market costs that would otherwise be paid by the departing Community Choice customers.

Completion of all of the above requirements officially establishes the Community Choice program. However, any Community Choice program must also consider the necessary day-to-day activities that are needed to operate a successful program. Broadly categorized, these activities include power procurement and scheduling; financing; regulatory and compliance; customer service and billing; policy and advocacy; and general administration.

4.2. Procurement and Scheduling

Related to power procurement and scheduling, prior to launching service, a number of operational functions must be established. Power procurement and scheduling are inextricably linked in that they reference the act of securing power for customers, and that the electric usage of customers is matched with scheduled power.

From both a cost and core service perspective, procurement and scheduling as functions of a Community Choice program hold perhaps the greatest magnitude. For example, power procurement and scheduling related costs could represent 90% of total Community Choice expenses. Considerable cash, collateral or equivalent are needed to securitize power purchasing, and highly experienced professionals should oversee power procurement and scheduling. Depending on the size of the community, the security can range from the low millions of dollars to many millions of dollars. A relationship must also be established with the California Independent System Operator to deliver power to customers (CAISO).¹⁴

Implicit in the discussion of power procurement is the need for sufficient financing to purchase power as well as sufficient resources to fund the infrastructure needed to operate the Community Choice program itself. The precise amount of financing needed will depend greatly on several variables, such as the size of community and amount of power needed, collateral requirements of power sellers, desired size of program staff and infrastructure. The experience of existing programs has shown this initial capital need to be in the multiple millions of dollars, which can eventually be recovered through successful operation of the program over time.

Related to regulatory and compliance activities, PUC Section 366.2(c) provides for noticing

¹⁴ The CAISO is an independent nonprofit public benefit corporation that serves as the impartial grid operator for the bulk of the state's power grid, and opens access to the wholesale power market that is designed to diversify resources and lower prices

requirements. Specifically, prior to launching service, a Community Choice program must provide written notices to all customers twice in the two months prior to the actual start of service and twice in the two months following the start of service. The notices must inform the customer of automatic enrollment in the Community Choice program, the terms and conditions of the services offered, and a mechanism for opting out of the Community Choice program.

A number of other ongoing regulatory and compliance requirements related to procurement (e.g. Resource Adequacy and Renewable Portfolio Standard), customer service (e.g. new and departing customers), and Community Choice in general (e.g. joint rate mailers) also apply. Assistance from highly experienced professionals is also needed in these areas, either as staff of the Community Choice program or via a contractual relationship to ensure the Community Choice program remains in compliance.

4.3. Billing

Another central operation to running a Community Choice program is to manage customer service and billing. On behalf of the Community Choice program, the IOU sends a standard bill to Community Choice customers for the electric energy portion of the total utility bill, and then remits the payments to the Community Choice program. The Community Choice program must collect the electric usage data from the IOU, compute the amount of the bill, and relay the billing information back to the utility for inclusion on the utility bill.¹⁵

4.4. Customer Service

While not required by law or regulation, Community Choice programs are well served by providing a customer service phone number and a website to assist customers in easily finding information about the program, choosing among the services provided by their community, or opting out of the program. The utility continues to process the vast majority of electric service related customer service inquiries since few functions are entirely within the domain of the Community Choice program. For this reason, providing easily accessible information via telephone and online resources in order to address topics that are strictly within the Community

¹⁵ The Community Choice program pays the IOU a per-account fee for the billing and related account services. An alternative option is to pay the utility an additional amount per account to compute the bills on behalf of the Community Choice program

Choice program's purview promotes good will and best customer service practices.

5. RISKS & CONSIDERATIONS

5.1. Policy Support and Advocacy

While not absolutely critical, policy support and advocacy regarding issues of importance to Community Choice programs is highly advisable. Due to the considerable Community Choice regulatory and compliance requirements, understanding, tracking and responding to changes in these areas is important to the long-term wellbeing of Community Choice programs.

Prior efforts to establish Community Choice provide a view of the legislative and advocacy landscape in California. Indeed, networks of community activists, non-profit organizations, local governments along with Marin Clean Energy and Sonoma Clean Power, engaged in a number of advocacy efforts to help establish and protect Community Choice as a successful and viable model for local electricity services. Just as it has been important to early success, strong coordination and participation in this area is important to the long-term success of Community Choice.

Community Choice programs should also establish daily administrative and operational oversight of procurement and scheduling, regulatory and compliance, and customer service and billing. This function should include the typical administrative functions needed in most enterprises such as accounting, finance, clerical and information technology support.

5.2. Additional Programs and Services

Community Choice programs are not required to offer services in addition to the provision of electric energy. However, many communities may find additional programming and services desirable. Examples of additional programming and services include energy efficiency programs such as audits or rebates, feed in tariffs and Net Energy Metering (NEM) solar incentives, or leveraging the Community Choice program to encourage the development of small-scale generation projects within the jurisdiction. Administering these programs typically require staff support and coordination in addition to leveraging the Community Choice program's financial resources.

Each of these programs – those listed above or others – can be structured to meet community needs and priorities. There is growing innovation in this area within existing Community Choice programs as well as non-profit and entrepreneurial companies that are seeking opportunities to test new ideas and meet a demand for existing services.

5.3. Operational and Other Risks

There are several reports and studies that provide a discussion of operational risks associated with Community Choice.¹⁶ While there is always some level of risk in establishing a Community Choice program – just as there is risk with any endeavor in the public or private sector – these reports call out key strategies to either eliminate or mitigate risks. Although there are various permutations of pre-launch, operational, and other risks, two primary themes arise in financial or market risk and regulatory or legislative risk.

The single greatest risk to any Community Choice program is financial, which is driven primarily by the volatility of the energy market. If energy prices exceed forecasts, leaving a Community Choice program with a revenue shortage, the program will likely need to raise customer rates to cover the shortage. Similar price risks can occur with scheduling that result in over or underestimation of the amount of electric energy needed to serve customers. If the estimate is significantly inaccurate, the Community Choice program can incur expenses related to the cost of buying or selling electric energy in Real-Time. These risks can also lead to unexpected migration of customers from the Community Choice program back to the utility (thereby decreasing the amount of forecasted revenue from customers).

Proper and prudent risk management strategies along with best management practices help to mitigate these risks. In addition, through Community Choice, local communities can help to further mitigate these risks by creating locally controlled generation projects. It should also be noted, as highlighted at the outset of this report, POUs, have generally been able to manage financial and market risks as successfully – if not more successfully by some measures – than

¹⁶ Report of the Feasibility of Community Choice Aggregation in Sonoma County, Dalessi Management Consulting/MRW Associates, October 2011; The City of Hermosa Beach: Assessing Community Choice Aggregation, UCLA, June 2014; Community Choice Aggregation Base Case Feasibility Evaluation, Navigant Consulting, May 2005; Community Choice Aggregation: The Viability of AB 117 and Its Role in California Energy Markets, UC Berkeley, June 2005; Community Choice Aggregation, Local Government Commission

the IOUs in California.

Changes to laws and regulations that impose additional burdens on the Community Choice may present a significant risk. In 2014, AB2145 proposed key changes, one of which was to remove the automatic opt-in status that would have dramatically impacted the viability of starting new Community Choice programs. AB2145 died on the California Senate floor, in no small part due to community advocacy that raised awareness of the bill's potential grave impact on the viability of Community Choice Aggregation. While it is impossible to determine what future regulation and legislation might be, the uncertainty is precisely why this remains an ongoing risk. Active and coordinated engagement with State policy makers and regulators, therefore, is an important mitigation strategy.

6. JURISDICTION LOAD ANALYSIS – LAKE COUNTY

Unincorporated Lake County, has approximately 32,400 customer accounts across all customer classes and annual energy sales of approximately 324,400 MWh¹⁷. County load patterns are influenced by two primary factors: customer class make-up and climate. As the table below shows, Lake County has significantly higher residential load as a percentage of total load than that of PG&E's territory overall. Peak demand, which is an important metric used for reliability planning purposes as well as for allocating responsibility to procure Resource Adequacy (a compliance obligation of all CPUC-jurisdictional load serving entities), is approximately 58.8 MW.

Table 1. Unincorporated Lake County Electric Load by Class, 2016 Projections

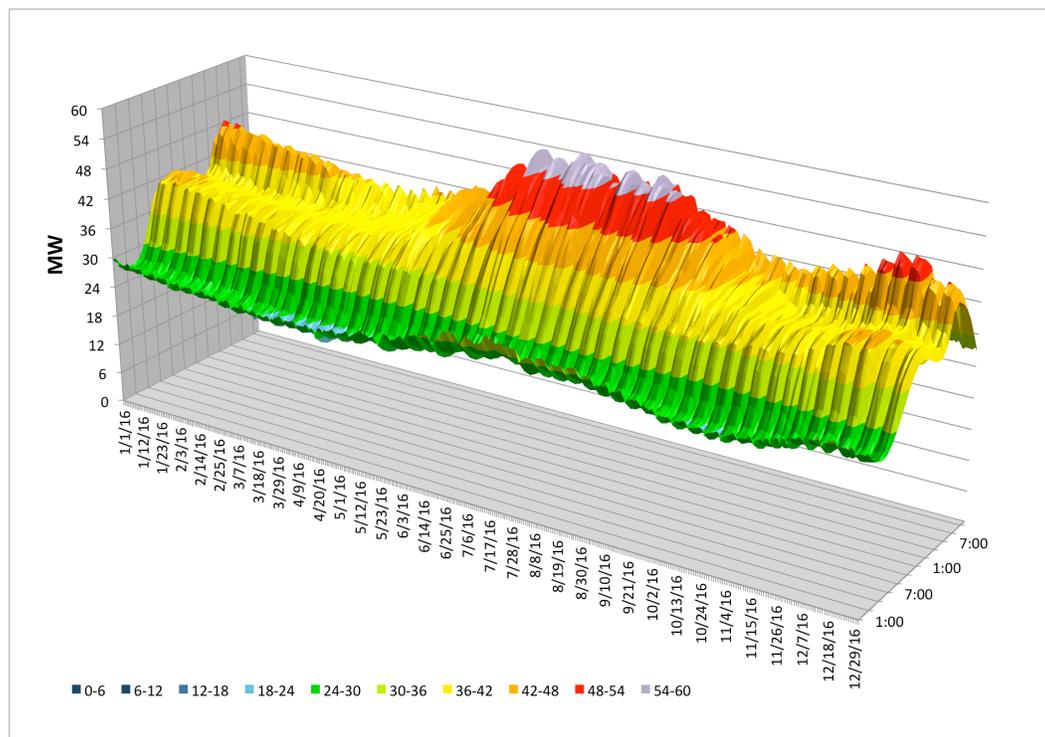
Customer Class	Number of Accounts	Energy Consumption (MWh)	% of Total Energy Consumption	% PG&E Territory-Wide
Residential	28,900	211,500	65.2%	40.1%
Non-Residential, including: Commercial	3,500	112,900	34.8%	59.9%

¹⁷ The load analysis in this section is based on publicly available information, using load profiles of the PG&E service territory retrieved from PG&E's website and accounting for the specific make-up of residential and non-residential loads in Lake County retrieved from the California Energy Commission Energy Almanac database. This was necessary because Lake County specific load data was not received from PG&E before this report was prepared. Therefore, the analysis in this section should be considered to be based on preliminary projections

Industrial Agricultural Traffic and Street Lighting				
Total	32,400	324,400	100%	100%
Peak Demand (MW)		58.8		
Average Demand (MW)		36.9		
Minimum Demand (MW)		22.3		

Figure 1 below shows Lake County’s hourly projected load profile for 2016. Generally, most energy is consumed in the winter season, but peak demand occurs in the summer, due largely to air conditioning load. Accurate and granular load forecasting is a critical function for procurement planning, compliance and risk management purposes. In addition to forecasting peak load, understanding minimum, or base-load, consumption supports procurement planning. Minimum load in Unincorporated Lake County is approximately 22.3 MW and generally occurs in the springtime during the overnight period from 2:00 a.m.-5:00 a.m.

Figure 1. Unincorporated Lake County Forecast Hourly Load, 2016



Daily load profiles in Lake County largely mirror those of California statewide, with a double peak in the winter season with a late-morning partial peak from commercial and industrial

daytime loads and an evening peak attributable primarily to lighting load. In the summer season, load grows steadily throughout the day with a single peak in the mid-afternoon due to heating, ventilation and air conditioning (HVAC) cooling load. Generally more total energy is consumed in the winter than in the summer, as shown in Table 2 below, but peak load occurs in summer months, with the second-highest peak in the winter and lowest peaks in the shoulder seasons.

Table 2. Unincorporated Lake County Total Energy and Peak Load, By Month

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Total Energy (GWh)	27.3	24.5	25.2	24.1	26.2	28.3	31.1	30.5	27.5	25.8	25.8	28.2
Peak Demand (MW)	49.1	46.5	44.5	43.6	47.5	57.6	58.8	57.5	55.3	46.0	49.9	51.8

7. Procurement Requirements & Market Analysis

This section will cover both the retail and wholesale electric power markets, in order to provide market context for a potential Lake County Community Choice program.

Evaluation of the retail rates of the incumbent utility is important for two primary reasons: First, to understand the feasibility of a Community Choice program, it is critical to consider the rates customers will pay if they choose to take service from the program's retail competition, the utility. Experience has demonstrated that relative retail rates are the largest drivers of customer decision-making on whether to participate in a Community Choice program. Rates that compare favorably will tend to drive high participation, allowing for greater confidence in load forecasting scenarios, reducing per-customer program costs and program risk. The second reason to evaluate retail rates, both historically and forward-looking, is to understand what options the community has for allocating program revenue among competing objectives (rate savings, targeted energy profiles, and funding streams for community benefit and programs).¹⁸

¹⁸ Having program revenue presumes the margin between wholesale power costs, program operating costs, and retail revenue forecasts is sufficient to support the program

The second part of this Market Analysis section will cover wholesale market conditions for various electric power products (system energy, renewable energy, capacity, power grid operating costs, etc.) as well as regulatory and legal constraints in which all Community Choice programs operate, to help illuminate retail rate trends and the profile of Lake County.

7.1. Retail Rates

Most Lake County residents and businesses are presently served by Pacific Gas and Electric Company (PG&E). PG&E's rates¹⁹ are set through a series of regulatory processes in which the California Public Utilities Commission (CPUC) considers and approves a revenue requirement to be collected through rates from PG&E's customers. Much of the revenue requirement is cost-based,²⁰ though the utility also receives an approved rate-of-return on their historical investments in tangible assets, such as power lines, generation plants, sub-stations, real estate, customer meters, and many more categories.

While PG&E's rates may be changed several times per year, Figure 2 below shows the utility's revenue requirement and blended retail rates for the past ten years, along with the most recent public projections provided by the utility in their bi-annual procurement plan²¹. Importantly, PG&E created several scenarios in the procurement plan from which the projected data were taken, and the projected values shown are from the "Low Gas Price" scenario. Figure 2 clearly indicates an ongoing trend for increased rates through the year 2020.

19 Data in this section on PG&E's historical rates and rate projections are available in the Annual Electric True-Up Advice Letters (ELEC_2570-E, ELEC_2706-E, ELEC_2895-E, ELEC_3115-E, ELEC_3349-E, ELEC_3518-E, ELEC_3727-E, ELEC_3896-E, ELEC_4096-E, ELEC_4278-E-B, ELEC_4484-E-A and ELEC_4026-E-B) and the Bi-Annual Bundled Procurement Plan (ELEC_4026-E-B).

20 Cost-based is also called "pass through", in which PG&E has received prior approval to engage in procurement activities for gas and electric commodity products.

21 See PG&E's rate projection scenarios beginning on page 121 of http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_4026-E-B.pdf.

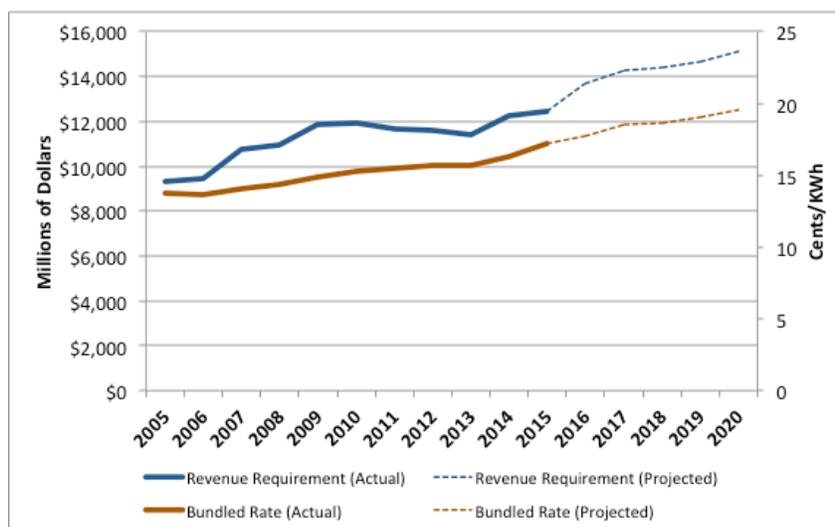
Figure 2. PG&E Annual Revenue Requirement and Bundled Retail Rates

Table 3 below shows factors which comprise PG&E's blended generation, non-generation and total rates, along with an estimate of this breakdown based on PG&E's rates projections covering the same period of time as shown in Figure 2 above.

Table 3. Historical and Projected Retail Rates of PG&E, 2005 through 2020 (shaded rows are projections)

Year	PG&E Revenue Req. (\$Billions)	Bundled Rate (Cents/kWh)	Actual Gen. Rate (Cents/kWh)	Non-Gen. Rate (Cents/kWh)	PCIA* (Cents/kWh)	Non-Gen % of Bundled Rate	Rate-To-Beat (Cents/kWh)
2005	\$9,306	13.7	6.0	7.7	1.5	56.4%	4.4
2006	\$9,477	13.6	7.1	6.5	1.5	47.7%	5.6
2007	\$10,781	14.0	7.4	6.6	2.0	47.1%	5.4
2008	\$10,928	14.3	7.7	6.6	1.6	46.2%	6.1
2009	\$11,843	14.9	8.9	6.0	1.7	40.5%	7.2
2010	\$11,955	15.2	7.7	7.6	1.4	49.7%	6.2
2011	\$11,678	15.4	7.2	8.3	1.9	53.7%	5.2
2012	\$11,568	15.6	7.3	8.3	1.9	53.2%	5.4
2013	\$11,431	15.7	7.9	7.8	0.6	49.4%	7.3
2014	\$12,231	16.3	8.6	7.7	1.1	47.0%	7.5
2015	\$12,423	17.2	9.7	7.5	1.2	43.8%	8.5
2016	\$13,679	17.7	8.6	9.1	1.3	48.6%	7.3
2017	\$14,257	18.5	9.0	9.5	1.3	48.6%	7.7
2018	\$14,373	18.6	9.0	9.6	1.3	48.6%	7.7
2019	\$14,678	19.0	9.2	9.8	1.3	48.6%	7.9
2020	\$15,120	19.5	9.5	10.0	1.3	48.6%	8.2

*In 2005 and 2006 the PCIA did not exist; the analogous charge was called the DWR power charge; for 2016 and beyond, the PCIA may change significantly. This is one of the charges most subject to change from regulatory activities.

Per Table 3, if a CCA's rates are set to match those of PG&E, the program is feasible²² if all-in costs can meet or beat 7.3 cents/kWh in 2016 growing to 8.2 cents/kWh in 2020; wholesale costs are frequently discussed in \$/MWh units, so the corresponding costs would be \$73/MWh and \$82/MWh. It is important to note that PG&E's projections included in this report are the "Low Gas Price" scenario. As we will see later, although power prices are hovering around the 4 cents/kWh, or \$40/MWh, as of May 2015, gas and power prices can be very volatile. Market conditions will impact both PG&E and the Community Choice program, depending on the procurement risk management practices used. Because PG&E is already significantly hedged against market price movements (through market positions and an existing utility-owned-generation fleet), a large jump in gas and power prices before a Community Choice program begins procurement could increase PG&E's generation rate by perhaps 20%²³, while the cost basis of the CCA could increase by 50% or more.

Additional factors on the retail side, included in Table 3 are departing load and non-generation charges. So-called "departing load" charges are assessed by PG&E to customers who depart from taking bundled utility service. The technical term for this is the Power Charge Indifference Adjustment (PCIA), and historically has ranged from about 0.6 cents/kWh to 1.9 cents/kWh (while the amount can be changed each year and differs among customer classes, for those leaving PG&E service in 2015, the PCIA is 1.16 cents/kWh). Non-generation charges (transmission, distribution, and other categories) are paid by all PG&E customers, both bundled and unbundled (i.e. CCA customers). These vary somewhat by customer class, but historically have comprised between 45% and 60% of the total bundled rate, averaging 49% over the last ten years.

To provide a robust assessment of CCA feasibility, however, it is important to identify the factors that will impact wholesale procurement, regulatory-related and operational costs that form the CCA's cost basis in addition to retail rates. This is covered in the next section.²⁴

22 In this case, feasibility assumes a program must only meet or be better than the IOU rate.

23 See PG&E's rate projection scenarios beginning on page 121 of http://www.pge.com/nots/rates/tariffs/tm2/pdf/ELEC_4026-E-B.pdf.

24 Lake County's electric energy retail base has significantly higher residential load in proportion to total load than PG&E's territory

7.2. Market Analysis

Wholesale procurement activities (and related costs) for a Lake County Community Choice program fall into several major categories: System Power, Resource Adequacy (RA), and Renewable Portfolio Standard (RPS).

Renewable and low carbon power resources often cost more than system power. To the extent any Community Choice program wants to exceed California's RPS targets and use the program to meet local climate goals, the incremental costs of these resources must be balanced against other program goals.

The rest of this section covers details of CCA operations in greater detail, and will provide the necessary context to evaluate the options of how to structure the procurement profile of the CCA. These considerations are very important, as energy and related product costs can represent 90% or more of a CCA's total costs.

7.2.1. System Power

As the default service provider for the territory, the CCA is responsible for procuring energy and capacity (Resource Adequacy, explained below) to meet the projected energy needs of its customers at all times. In practice, this means interacting with the California Independent System Operator's (CAISO) wholesale power markets to schedule and settle hourly energy load in both the Day-Ahead and Real-Time markets. To the extent the CCA has procured energy sources well in advance of the service day, the settlement dollar amounts in the CAISO markets are generally due to imbalances (the first kind is due to difference between the forward procurement and the day ahead forecast either because the forward procurement plan did not require 100% forward procurement or due to portfolio changes (either supply or demand) between when the forward energy was procured and the day before the energy is delivered to customers from the CAISO grid; the second kind is errors between what is scheduled Day-Ahead and what the CCA's customers actually use in Real-Time). By participating in the CAISO wholesale market to purchase energy, Load Serving Entities (LSE) such as CCAs are also

as a whole. The next section on market analysis assumes that the residential and non-residential load profiles in Lake County largely mirror those of PG&E's territory generally. While this preliminary study indicates that Community Choice is feasible, an analysis of actual Lake County specific load data will be necessary to design a procurement plan for the CCA program.

subject to a number of miscellaneous charges by the CAISO to ensure proper functioning of the market.

As an LSE, the CCA will need to bid and schedule its load and generation resources into the CAISO's wholesale energy market either by becoming its own Scheduling Coordinator or by outsourcing this function. Load is currently only scheduled in the day-ahead timeframe by hour with any differences between the day-ahead scheduled load and the Settlement Quality Meter Data (SQMD) settled in the real-time market as uninstructed imbalance energy (UIE). While there is no requirement that a CCA purchase power outside of the CAISO market (aside from the RPS and Storage requirements discussed below), it is prudent from a risk management perspective to hedge price risks associated with the CAISO wholesale market.

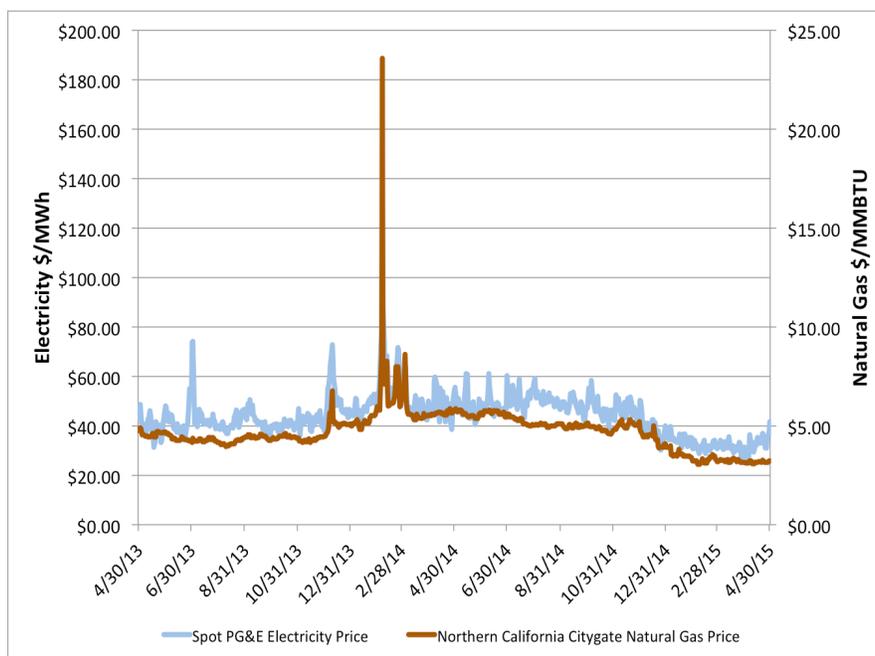
Fixed price renewable supply provides a natural hedge against the CAISO wholesale market price. There will also be time periods where renewable generation may not match load and other power will be needed to balance load. A community can procure residual needs with system power in advance to fix a portion of their costs. The standard products traded on commodity exchanges (such as the Intercontinental Exchange, the Chicago Mercantile Exchange and others) are Peak (7AM-10PM Monday through Saturday excluding certain holidays) and Off-Peak (all other hours). Furthermore, within California, the two most commonly traded locations are known as the NP15 Trading Hub (Northern California) and the SP15 Trading Hub (Southern California) with SP15 the more active of the two. For CCAs that are located in Northern California and settle load at the PG&E Default Load Aggregation Point (DLAP), NP15 generally provides a better hedge against CAISO costs but at times SP15 will be the preferred product because there are more sellers.

While trading standard products can significantly reduce risk to the CAISO wholesale market, there will always be some mismatch between load and supply that will be exposed to the CAISO market price risk. Because of this, it is important for the CCA to have appropriate risk policies and tools to effectively monitor exposure to market price movements.

In the CAISO market, the hourly price is set according to marginal cost to serve the next increment of demand. The typical marginal unit is a natural gas fired power plant and as such, the wholesale market price is highly and positively correlated with natural gas price movements. Figure 3 below shows daily average wholesale CAISO electricity prices and daily natural gas

prices at the Northern California Citygate delivery point over the last year.

Figure 3. Northern California Wholesale Electricity and Natural Gas Prices, Daily



Two things are immediately clear from this graphic: Gas and power prices move very closely together (are highly correlated), and both are highly variable. Indeed, as Table 4 above shows, it is not unusual for power prices to rise or fall 10% or 20% or more from one calendar quarter to the next.

Table 4. Quarterly Power and Gas Prices, 2013-2015

Quarter	Average of Spot PG&E Electricity Price (\$/MWh)	% Change from Previous Quarter	Average of PG&E Citygate Natural Gas Price (\$/MMBTU)	% Change from Previous Quarter
Q2 2013	\$41.02	--	\$4.48	--
Q3 2013	\$42.54	3.71%	\$4.29	-4.33%
Q4 2013	\$44.39	4.35%	\$4.62	7.66%
Q1 2014	\$53.16	19.75%	\$6.09	31.79%
Q2 2014	\$48.53	-8.70%	\$5.63	-7.51%
Q3 2014	\$49.99	3.00%	\$5.09	-9.53%
Q4 2014	\$44.17	-11.64%	\$4.74	-6.92%
Q1 2015	\$32.67	-26.03%	\$3.36	-29.19%
Q2 2015	\$32.98	0.95%	\$3.16	-5.75%

Because generators that use natural gas as an input to production face a compliance obligation under the Air Resource Board's Cap and Trade Program, wholesale power prices are also correlated with carbon allowance prices.

Given the penetration of solar generation in California, the operation of conventional power plants is shifting and the marginal unit and consequently market pricing is shifting from traditional patterns. The "duck curve"²⁵ as it is sometimes called highlights potential challenges that the grid will face with over-generation when supply exceeds demand in the middle of the day, "the belly of the duck" and the need for significant ramping capability in the evening when solar production phases out, "the neck of the duck." Careful portfolio planning should consider the impact of changing hourly prices on evaluation of long-term contracts, benefits of technology diversification and the market risks for the procurement of residual system power.

7.2.2.Resource Adequacy

In addition to meeting the energy needs of its customers, the CCA is also responsible for meeting Resource Adequacy compliance obligations set by the CPUC. Resource Adequacy is a complex topic, and requirements even change year to year.

As an LSE, the CCA will need to comply with the CPUC Resource Adequacy (RA) program. The objectives of the Resource Adequacy program are to ensure safe and reliable operation of the grid by the California Independent System Operator (CAISO) and to provide incentives for the development of new resources needed for reliability in the future.

There are currently three requirements that each LSE must meet with respect to RA.

1. The LSE must secure sufficient System RA to cover 115% of its forecasted peak demand for each month.²⁶ With respect to this requirement, each LSE must make an annual filing on or before October 31st to show that it has obtained at least 90% of the

²⁵ Information Excerpted from CAISO: www.caiso.com/Documents/FlexibleResourcesHelpRenewables_FastFacts.pdf

²⁶ The actual requirement may be less due to coincident peak adjustments, allocations for demand response, energy efficiency, distributed generation, cost allocation mechanism (CAM), and reliability must run (RMR) contracts

System requirements for the summer months (May through September). Subsequently, the LSE must submit a filing for each month 45 days ahead of the start of the month that demonstrates that it has met its full requirement for that month.

2. The LSE must secure sufficient Local RA to ensure there is sufficient capacity in the local area for a 1 in 10 load. There are currently two local requirements in the PG&E service territory, Bay Area and Other PG&E areas. Roughly speaking, the Local RA requirements are typically about half of the August System RA requirements in the PG&E service territory.²⁷ With respect to the Local RA requirement, the LSE must demonstrate it has met 100% of its requirement in the annual filing.
3. The LSE must secure sufficient Flexible RA that is based on the maximum 3-hour ramp analysis performed by the CAISO for each month. The CPUC determines each LSE's responsibility based on the CAISO study. Similar to the System RA requirement, the LSE need only show 90% of their monthly requirement in the year ahead filing, but for all months, not just the summer months. The full requirement must be met in the 45 day ahead filing. The Flexible RA requirement currently peaks in December.²⁸

Since RA is traded bilaterally, there is limited transparency into current pricing. However, the CPUC publishes an excellent report each year that includes aggregated pricing information.²⁹

The most recent report discusses RA pricing during 2012. Based on the report, during 2012, 2016 RA products traded at a weighted average price of \$2.95/kW-month, the lowest of the years discussed in the report. In contrast, 2014 RA products had the highest weighted average price of \$3.46/kW-month.

Some notable changes in market conditions since 2012 include the retirement of San Onofre Nuclear Generating Station (SONGS) and the installation of significant solar capacity driven by Renewable Portfolio Standard requirements. On balance, the CAISO has larger supply to meet

²⁷ Information Excerpted from CAISO: www.caiso.com/Documents/Draft2016LocalCapacityTechnicalAnalysis.pdf

²⁸ Information Excerpted from CAISO: www.caiso.com/Documents/Apr8_2015_Draft2016_FlexCapacityNeedsAssessment_R14-10-010.pdf

²⁹ Information Excerpted from CPUC: www.cpuc.ca.gov/NR/rdonlyres/94E0D083-C122-4C43-A2D2-B122D7D48DDD/0/2012RARReportFinal.pdf

System needs than it has in the past. According to the CAISO's 2014 summer assessment, the planning reserve margin for the ISO system is 34.4% and an even higher 36.3% for the Northern part of the state indicating ample supply to meet System RA requirements.³⁰

Another key change is that since 2012, the Flexible RA requirement has been introduced. It is widely accepted that the system has sufficient flexible capacity currently but will need additional flexibility with larger penetration of variable energy resources (both utility scale and distributed generation) and with upcoming Once Through Cooling (OTC) retirements. The additional flexibility needs will likely be met through upgrades to existing facilities, construction of new conventional generators and storage. In order to incent such investments, resources able to provide Flexible RA will charge a premium over generic System RA. Future CPUC reports on RA Pricing may provide insight on how much of a premium these resources receive.

7.2.3. Renewable Portfolio Standard

The Lake County CCA, as an LSE subject to CPUC jurisdiction, must meet the California Renewable Portfolio Standards. Generally, RPS-qualified energy is procured from resources on a medium- or long-term basis (1-3 years and as many as 25 or 30 years). Depending on the specifics of the contract, either the CCA or the supplier will be responsible for scheduling the renewable generation into the CAISO markets on a daily basis in the same way that load is scheduled.

Established in 2002 under Senate Bill 1078, accelerated in 2006 under Senate Bill 107 and expanded in 2011 under Senate Bill 2, California's Renewables Portfolio Standard (RPS) is one of the most ambitious renewable energy standards in the country. The RPS program requires IOUs, electric service providers, and CCAs to increase procurement from eligible renewable energy resources to 33% of total procurement by year 2020. The California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) jointly implement the RPS program.³¹

30 Information Excerpted from CAISO: www.caiso.com/Documents/2014SummerAssessment.pdf

31 For more information, the California Energy Commission's RPS Guidebook is available at:
<http://www.energy.ca.gov/2013publications/CEC-300-2013-005/CEC-300-2013-005-ED7-CMF-REV.pdf>

The CPUC's responsibilities include: Determining annual procurement targets and enforcing compliance; Reviewing and approving each IOU's renewable energy procurement plan; Reviewing IOU contracts for RPS-eligible energy; Establishing the standard terms and conditions used by IOUs in their contracts for eligible renewable energy.

The CEC's responsibilities include: Certify renewable facilities as eligible for the RPS; Design and implement a tracking and verification system to ensure that renewable energy output is counted only once for the purpose of the RPS and for verifying retail product claims in California or other states.

Senate Bill X1-2 increased CEC's role with responsibilities specific to POUs: Direct the Energy Commission to adopt regulations specifying procedures for enforcement of the RPS for publicly owned utilities; Requires the Energy Commission to certify and verify eligible renewable energy resources procured by publicly owned utilities and to monitor their compliance with the RPS.³²

In addition to the Resource Adequacy (RA) requirements, the CCA will need to comply with the CPUC's Renewable Portfolio Standard (RPS) requirements. 2016 marks the final year of Compliance Period 2 where LSEs are required to have on average 21.7% of 2014, 23.3% of 2015 and 25% of 2016 retail sales delivered by eligible renewable resources.³³ By year 2020, the CCA will need to procure 33% of its retail sales from renewable resources year by year.

In order to meet these requirements, a Load Serving Entity can procure from three Categories of Renewable Energy Certificates (RECs) with certain volume restrictions.

Category 1 RECs are often referred to as bundled RECs because they include both the energy and the environmental attributes associated with the energy produced by the facility. Additionally, the energy must be contracted for prior to delivery and be delivered to California without substitution by another resource. For Compliance Period 2, at least 65% of the RPS used for compliance must be Category 1. Beginning in 2017, at least 75% of RPS procurement used for compliance must be Category 1.

32 Information taken from California Public Utilities Commission and California Energy Commission websites: <http://www.cpuc.ca.gov/PUC/energy/Renewables/overview.htm> and <http://www.energy.ca.gov/portfolio/index.html>

33 Information Excerpted from CPUC: www.cpuc.ca.gov/PUC/energy/Renewables/hot/33RPSProcurementRules.htm

Category 2 RECs are often referred to as firmed and shaped renewable energy. In this case, the LSE signs a contract for delivery with an eligible facility that is not directly connected to a California Balancing Authority (CBA) and may at times require substitution from another resource. The energy used for substitution must be incremental to the LSE's existing portfolio. Category 2 has no minimum requirement but is capped at the residual of the compliance requirement and the minimum amount of Category 1.

Category 3 RECs are often referred to as unbundled RECs. A contract for Category 3 RECs does not include the energy or if it does include the energy may not be eligible for Category 1 or 2. An example would be certain distributed generation resources that produce RECs but are ineligible for Category 1 status. Category 3 is limited to 15% for Compliance Period 2 and beginning in Compliance Period 3 (2017-2020) will be capped at 10% of retail sales.

California has experienced a significant boom in solar development resulting from and due to declining prices for solar photovoltaic panels, and an Investment Tax Credit (ITC) of up to 30% of the cost of developing the project that is completed and operational by December 31, 2016. Absent a change in law, the current solar ITC would be reduced from 30% to 10% for utility scale solar. Given this landscape, the projects that are awaiting a power purchase agreement (PPA) to move forward with construction may generate competitively priced solar for years to come. In order to benefit from such an opportunity, developers with "shovel ready" projects will want to secure a buyer within 12-18 months lead time depending on the size of the project. This timing suggests that a CCA seeking to benefit from current market conditions from solar will need to move quickly to have a reasonable chance to secure solar supply at current prices or partner with an entity willing to procure on their behalf given some commitment on behalf of the community.

There have been numerous articles about the pricing for solar with the levelized cost of energy ranging from \$50-\$75/MWh, with those on the lower end of the spectrum typically located outside of California in areas such as Texas. The decrease in ITC credit from 30% to 10% could increase the costs by \$10-\$15/MWh for solar energy after 2016.

California Governor Jerry Brown has announced a push to increase the level of renewables in California to 50% by the year 2030. Depending on if such a legislation passes and how it is structured, that may place continued upward pressure on renewable energy pricing reinforcing

that there is a great opportunity for a community to take advantage of market conditions at this time.

7.2.4. Additional Renewable and Low Carbon Considerations

Pursuant to AB 2514, CCAs are to procure storage equal to 1% of their 2020 annual peak load with installation no later than 2024. Furthermore, starting January 1, 2016, and every two years after that, CCAs must file a Tier 2 Advice Letter demonstrating their efforts to comply with the target including a discussion of the cost-effectiveness methodology used to evaluate projects. For this community, it is estimated that procuring or developing a 600 kW storage facility will fulfill this requirement.

One of the motivating factors for the existing CCA programs has been to increase renewables and reduce the carbon footprint for the customers it serves related to purchased electricity. Using PG&E as a baseline, we compare the carbon impact for three scenarios, a 33% RPS, 50% RPS and 100% RPS.

PG&E is among the cleanest utilities in the country resulting from its RPS procurement as well as carbon free nuclear and large hydro. According to its 2013 Power Source Disclosure Report, PG&E sources 22% of its power from eligible renewable, 22% from Diablo Canyon Nuclear Power Plant and 10% from large hydroelectric for a total of 54% from carbon free sources. The remaining 46% is comprised of natural gas (28%) or unspecified sources (18%). In the future, PG&E is expected to have an even cleaner portfolio. According to their own estimation, PG&E will have a carbon intensity of 0.168 metric ton / MWh in 2016 declining to 0.131 metric ton / MWh in 2020.³⁴

For the customers of Unincorporated Lake County that consume 324,400 MWh annually the associated emissions for purchased electricity through PG&E would be 54,505 MT of CO₂e in 2016 declining to 43,358 MT of CO₂e in 2020. Eliminating these emissions is equivalent to

³⁴ PG&E estimated emissions factor for 2016 and 2020 based on document found at:

http://www.pge.com/includes/docs/pdfs/shared/environment/calculator/pge_ghg_emission_factor_info_sheet.pdf

removing 11,475 and 9,128 passenger cars from the road respectively³⁵.

Assuming that RPS eligible facilities are carbon free and that the remaining System Power or Unspecified Sources have a carbon content of 0.428 MT/MWh³⁶, Lake County would have the following carbon emissions for the three scenarios (see Table 5).

Table 5. Annual Carbon Emissions

RPS Percentage	Annual Carbon Emissions (MT CO ₂ e)
33%	93,035
50%	69,429
100%	0

It is worth noting that a 50% carbon free scenario would still not match PG&E's emission rate for 2016. The equivalent carbon free portfolio for PG&E's 2016 emission estimate is ~60% and for 2020 it is ~70%. Again, a significant portion of PG&E's carbon free portfolio is Diablo Canyon Nuclear Power Plant, the only remaining nuclear facility in CA. Unit One is licensed to operate until November 2, 2024 and Unit Two is licensed to operate until August 20, 2025. It is uncertain whether the licenses will be extended.

7.3. High-Level Comparison, Retail & Wholesale Market Assessment

While precise estimates of program costs and utility rates are challenging to make, we can build scenarios for considerations knowing what we have learned in the previous two sections on load analysis, procurement requirements and market analysis.

Table 6-8 below show two scenarios of procurement costs, based on current market intelligence from public sources. The first assumes a base case given current market conditions, using PG&E's "Low Gas Price" scenario for comparison. The second shows a very adverse scenario in which gas prices double, and contrasts this with PG&E's "High Gas Price" scenario. Keep in

³⁵ Conversion of metric tons to automobiles based on the following EPA calculator: <http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results>

³⁶ Assumed emissions factor for unspecified power based on ARB Guidance Document: <http://www.arb.ca.gov/cc/capandtrade/guidance/chapter7.pdf>

mind that these scenarios of procurement costs do not include operating costs such as staff, billing, call center, etc.

Table 6. Procurement Costs Scenario, Low Gas Prices (33% RPS)

Year	Retail Rate-to-Beat (\$/MWh)	Forward Energy Prices (\$/MWh)	Projected Energy Costs (\$ millions)	Resource Adequacy Costs (\$ millions)	Compliance RPS Costs (\$ millions)	Projected Lake County Energy Load (GWh)	Implied Procurement Cost-per-MWh
2016	\$73	\$40.34	\$13.1M	\$2.27M	\$2.14M	324.44	\$53.95
2017	\$77	\$42.24	\$13.8M	\$2.28M	\$2.37M	326.06	\$56.51
2018	\$77	\$43.54	\$14.3M	\$2.30M	\$2.38M	327.69	\$57.80
2019	\$79	\$45.00	\$14.8M	\$2.31M	\$2.39M	329.33	\$59.27
2020	\$82	\$46.34	\$15.3M	\$2.32M	\$2.40M	330.97	\$60.61

Table 7. Procurement Costs Scenario, High Gas Prices (33% RPS)

Year	Retail Rate-to-Beat (\$/MWh)	Forward Energy Prices (\$/MWh)	Projected Energy Costs (\$ millions)	Resource Adequacy Costs (\$ millions)	Compliance RPS Costs (\$ millions)	Projected Lake County Energy Load (GWh)	Implied Procurement Cost-per-MWh
2016	\$89	\$77.69	\$25.2M	\$2.27M	\$2.14M	324.44	\$91.30
2017	\$92	\$81.49	\$26.6M	\$2.28M	\$2.37M	326.06	\$95.76
2018	\$94	\$84.08	\$27.6M	\$2.30M	\$2.38M	327.69	\$98.35
2019	\$97	\$87.00	\$28.7	\$2.31M	\$2.39M	329.33	\$101.27
2020	\$99	\$89.68	\$29.7M	\$2.32M	\$2.40M	330.97	\$103.95

Table 8. Comparing Low and High Gas Price Scenarios

Year	Low Gas Price Retail Rate-to-Beat (\$/MWh)	Low Gas Price Procurement Cost (\$/MWh)	Low Gas Prices, Margin on Procurement Costs (\$/MWh)	High Gas Price Retail Rate-to-Beat (\$/MWh)	High Gas Price Procurement Cost (\$/MWh)	High Gas Prices, Margin on Procurement Costs (\$/MWh)
2016	\$73	\$53.95	\$19.05	\$89	\$91.30	-\$2.30
2017	\$77	\$56.51	\$20.49	\$92	\$95.76	-\$3.76
2018	\$77	\$57.80	\$19.20	\$94	\$98.35	-\$4.27
2019	\$79	\$59.27	\$19.73	\$97	\$101.27	-\$4.27
2020	\$82	\$60.61	\$21.39	\$99	\$103.95	-\$4.95

7.4. Local Resources

Lake County has several local generation resources that could potentially support a Community Choice program, including both significant developed geothermal fields and two existing hydroelectric facilities.

Table 9. 1 MW and Larger Electric Power Resources Local to Lake County

Plant Name	Fuel Type	MW	Status	Notes
Big Geysers	Geothermal	60	Operating	Calpine-Owned
Bottle Rock	Geothermal	55	Operating	Privately Owned Facility
Calistoga	Geothermal	66	Operating	Calpine-Owned
Clear Lake	Hydro	3.75	Operating	
Indian Valley	Hydro	5	Operating	
Quicksilver	Geothermal	53	Operating	
West Ford Flat	Geothermal	27	Operating	

More analysis would be necessary to assess the precise contractual arrangements of these plants in order to evaluate them as potential resources for the Community Choice program.

8. Community Choice Program Structure

AB 117 delimits who is eligible to form Community Choice programs. All programs must be government agencies, which includes a single city or county, or a combination of cities and/or counties. When multiple cities and/or counties are combined, they may form under what is known as a Joint Powers Authority, or a JPA. The rules governing JPAs are found in the California Government Code. Based on experiences of existing Community Choice programs, communities will need some level of professional services and consulting expertise to establish and operate a Community Choice program on their own.

The role of professional or consulting services has been crucial to the success of early programs, and is expanding within the field of Community Choice. There are many private firms that provide a fee-for-service for specific Community Choice functions, and now an emerging area of innovation providing complete, or turnkey, services for governments.

8.1. Single City or County

While many cities in the State are contemplating Community Choice, the City of Lancaster is likely to be the first single city to launch program operations on its own. By acting alone, the City of Lancaster is able to enjoy complete and autonomous control over its program decisions.

As previously noted, a significant hurdle to overcome for any jurisdiction is identifying funding to seed program start up and operation costs, including power purchases. However, the City of Lancaster, like all single cities that launch a program, will be able to use revenue generated from the electricity rates to both repay this initial financing as well as fund and operate the program on an ongoing basis.

Based on the City's approved implementation plan, the program will require a limited number of staff with support for more technical services provided by private contractors.

A single county may form a Community Choice program as well. Although this would only include the unincorporated area of the county, it could expand to include the county's incorporated cities. The expansion could occur with or without a JPA. Alternatively, a county program could operate seamlessly alongside similar, but separately governed, Community Choice programs of its local cities.

8.2. Joint Powers Authority (JPA)

Marin Clean Energy (CME) and Sonoma Clean Power (SCP) operate as a Joint Powers Authority, and other feasibility analysis suggest a JPA has operational advantages. These advantages come primarily from the protection a Joint Powers Authority provides to its participating members. Specifically, a JPA provides a firewall preventing financial risk from extending to the participating agencies.

Just like a single city program, local communities retain complete control over program decisions. In contrast to a single city program, a JPA can generally create a larger Community Choice program. By aggregating several populations, a JPA provides the necessary scale to support a more robust staff infrastructure as well as the creation of increased revenue to develop associated programs. Because a JPA governing board typically includes representatives from each participating agency, there is a potential drawback in that an individual community's unique goals may be diluted by the need to establish cooperative goals

for the program.

Experience for both MCE and SCP, just as for the City of Lancaster, demonstrated funding as a critical challenge for program initiation. For MCE, a significant amount of funding came from an anonymous donor; for SCP the majority of funding came from First Community Bank, a Sonoma County based financial institution. However, successful operation of MCE and SCP has generated the necessary revenue to substantially repay debt and become cash-positive.

8.3. Public-Private Partnership

All existing Community Choice programs use some level of service from private companies. Private companies within the utilities field, including Community Choice, typically bring a level of expertise and experience not customarily present in existing government staff and leveraging these strengths provides a benefit to the program. With the success of MCE and SCP, there is a growing private sector field to provide service to Community Choice programs.

There are a number of consulting firms and other professional services firms that provide discrete or a full range of fee-for-service support. Currently, there is one firm, California Clean Power, which provides a full service option for Community Choice programs. California Clean Power, a public benefit corporation, provides many of the benefits of the approaches described above, such as providing a financial firewall for the government, because of its unique full-service approach while alleviating some of the critical challenges to launching a program, such as developing the expertise and funding needed.

Based on the load and market analysis provided in this report, a public-private partnership with California Clean Power could provide a range of rate, revenue, and renewable portfolio benefits.

9. Appendix

9.1. Related Legislation

State legislation is dynamic in its evolution from original proposed language to final language. Information presented in this report reflects the most current public information as of the date of the report; amendments and actions that have happened after the date of this report related to the proposed legislation summarized below could significantly alter the information included

below.

Perhaps the most prominent piece of legislation currently is SB 350 (D-De Leon), which was introduced following Governor Jerry Brown's State of the State address given in January of 2015. During his inaugural address, Governor Brown called upon legislators to take bold action on climate change by drafting ambitious legislation to meet his target goals. Shortly thereafter, Senate President Kevin De Leon introduced SB 350, which is one of four pieces of climate change legislation introduced by Senate Democrats.

There are three parts to the SB 350 bill:

- First, the bill would require California to reduce petroleum use by 50%.
- Second, this legislation would require existing buildings to increase their energy efficiency by 50% to reduce electricity consumption.
- Third, SB 350 will require both IOUs and POUs, (Community Choice programs included), to increase renewable energy generation and/or procurement to at least 50% by the year 2030.

Although raising the minimum amount of renewables generated in California will increase the demand for renewable energy, many renewable energy projects and initiatives are expected to launch in the next few years that are expected to keep pace with the rising demand and keep prices stable. One such example is the Stateline Solar Farm Project in San Bernardino County that is expected to generate 300 megawatts of renewable energy.³⁷ Moreover, establishing Community Choice could help safeguard communities from potential price increases through direct control over procurement of renewable and other energy.

Bill ID/Topic	Location	Summary

³⁷ Stateline Solar Farm Project. U.S. Bureau of Land Management. web. 04/29/2015 April 29, 2015. http://www.blm.gov/pgdata/etc/medialib/blm/wo/MINERALS__REALTY__AND_RESOURCE_PROTECTION_/energy/priority_projects.Par.51088.File.dat/Stateline%20Solar%20Farm%20Project%20fact%20sheet.pdf

<p>AB 175 Mathis R</p> <p>Electricity.</p>	<p>ASSEMBLY PRINT 1/27/2015 - From printer. May be heard in committee February 26.</p>	<p>The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission and requires it to certify sufficient sites and related facilities that are required to provide a supply of electricity sufficient to accommodate projected demand for electricity in that commission's most recent forecast of statewide and service area electricity demand. This bill would make nonsubstantive revisions to the State Energy Resources Conservation and Development Commission's certification requirements. This bill contains other related provisions and other existing laws.</p>
<p>AB 197 Garcia, Eduardo D</p> <p>Public utilities: renewable resources.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From NAT. RES.: Do pass as amended.To APPR..</p>	<p>The Public Utilities Act requires the Public Utilities Commission (PUC), in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities, including electrical corporations, in accordance with specified objectives. The act further requires each load-serving entity to maintain physical generating capacity adequate to meet its load requirements, including peak demand and planning and operating reserves, deliverable to locations and at times as may be necessary to provide reliable electric service. This bill would require the PUC, in adopting the process, to include consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 and consideration of capacity and essential reliability services of the eligible renewable energy resource to ensure grid reliability. The bill would require the PUC to require an electrical corporation, in soliciting and procuring eligible renewable energy resources, to consider the best-fit attributes of resources types that ensure a balanced resource mix to maintain the reliability of the electrical grid. The bill would revise the authority of an electrical corporation to refrain from entering into new contracts or constructing facilities beyond the quantity that can be procured within the electrical corporation's cost limitation, as specified. This bill contains other related provisions and other existing laws. Last Amended on 3/26/2015</p>

<p>AB 577 Bonilla D</p> <p>Biomethane: grant program.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From NAT. RES.: Do pass as amended.To APPR..</p>	<p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. This bill would, upon appropriation, require the State Air Resources Board to allocate an unspecified percentage of the moneys in the fund to the State Energy Resources Conservation and Development Commission for the implementation of a biomethane collection and purification grant program. The bill would require the commission to develop and implement the grant program to award moneys for projects that build or develop collection and purification technology, infrastructure, and projects that upgrade existing biomethane facilities to meet certain requirements. Last Amended on 4/6/2015</p>
<p>AB 645 Williams D</p> <p>Electricity: California Renewables Portfolio Standard.</p>	<p>ASSEMBLY NAT. RES. 4/21/2015 - From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 10. Noes 5.) (April 20). Re-referred to Com. on NAT. RES.</p>	<p>Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing boards. This bill would additionally express the intent of the Legislature for the purposes of the RPS program that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount equal to at least 50% by December 31, 2030, and would require the PUC, by January 1, 2017, to establish the quantity of electricity products from eligible renewable energy resources to be procured by each retail seller for specified compliance periods sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 50% of retail sales by December 31, 2030, and that retail sellers procure not less than 50% of retail sales in all subsequent years. The bill would require the governing boards of local publicly owned electric utilities to ensure that specified quantities of electricity products from eligible renewable energy resources to be procured for specified compliance periods to ensure that the procurement of electricity products from eligible renewable energy resources achieve 50% of retail sales by December 31, 2030, and that the local publicly owned electric utilities procure not less than 50% of retail sales in all subsequent years. This bill contains other related provisions and other existing laws.</p>

<p>AB 674 Mullin D</p> <p>Electricity: distributed generation.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From NAT. RES.: Do pass as amended.To APPR..</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes the Public Utilities Commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the Public Utilities Commission to require each electrical corporation under the operational control of the Independent System Operator as of January 1, 2001, to modify tariffs so that all customers that install new distributed energy resources, as defined, in accordance with specified criteria are served under rates, rules, and requirements identical to those of a customer within the same rate schedule that does not use distributed energy resources, and to withdraw any provisions in otherwise applicable tariffs that activate other tariffs, rates, or rules if a customer uses distributed energy resources. Existing law provides, notwithstanding these requirements, that a customer that installs new distributed energy resources not be exempted from (1) reasonable interconnection charges, (2) charges imposed pursuant to the Reliable Electric Service Investment Act, and (3) charges imposed to repay the Department of Water Resources for electricity procurement expenses incurred in response to the electricity crisis of 2000-01. Existing law requires the Public Utilities Commission, in establishing the rates applicable to customers that install new distributed energy resources, to create a firewall that segregates distribution cost recovery so that any net costs, taking into account the actual costs and benefits of distributed energy resources, proportional to each customer class, as determined by the Public Utilities Commission, resulting from the tariff modifications granted to members of each customer class may be recovered only from that class. This bill would, to the extent authorized by federal law, require the Public Utilities Commission, by July 1, 2016, to do both of the following for those electrical corporation customers that have installed clean distributed energy resources, as defined, after January 1, 2016: (1) require each electrical corporation to collect all applicable nonbypassable charges fixed, implemented, administered, or imposed by the Public Utilities Commission based only on the actual metered consumption of electricity delivered to the customer through the electrical corporation's transmission or distribution system, which charges are to be at the same rate per kilowatthour as paid by other customers that do not employ a clean distributed energy resource, and (2) calculate a reserve capacity for standby service, if applicable, based on the capacity needed by an electrical corporation to serve a customer's electrical demand during an outage of the clean distributed energy resource providing electric service for that customer. The bill would require the State Energy Resources Conservation and Development Commission to report to the Legislature and the relevant policy committees of the Legislature on the impact of its provisions on specified issues by July 1, 2021. This bill contains other related provisions and other existing laws. Last Amended on 4/16/2015</p>
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<p>AB 793 Quirk D</p> <p>Energy efficiency.</p>	<p>ASSEMBLY APPR. 4/20/2015 - Re-referred to Com. on APPR.</p> <p>4/29/2015 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GOMEZ, Chair</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. Existing law requires the commission to require an electrical or gas corporation to perform home weatherization services for low-income customers if the commission determines that a significant need for those services exists in the corporation's service territory. For these purposes, existing law authorizes weatherization, where feasible, to include certain measures for a dwelling unit. Existing law also authorizes weatherization, for these purposes, to include other measures determined by the commission to be feasible, taking into consideration the cost-effectiveness of the measures as a whole and the policy of reducing energy-related hardships facing low-income households. This bill would require weatherization, for the above-specified purposes, to include energy management technology, as defined, determined by the commission to be feasible, taking into consideration the above-described factors. This bill contains other related provisions and other existing laws. Last Amended on 4/16/2015</p>
<p>AB 895 Rendon D</p> <p>Utility rate refunds: energy crisis litigation.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From U. & C.: Do pass.To APPR..</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. When the commission orders rate refunds to be distributed, existing law requires the commission to require the public utility to pay refunds to all current utility customers, and, when practicable, to prior customers, on an equitable pro rata basis without regard as to whether or not the customer is classifiable as a residential or commercial tenant, landlord, homeowner, business, industrial, educational, governmental, nonprofit, agricultural, or any other type of entity. This bill would prohibit the Public Utilities Commission from distributing or expending the proceeds of claims in any litigation or settlement to obtain ratepayer recovery for the effects of the 2000-02 energy crisis and would require that the proceeds be deposited into the Ratepayer Relief Fund. This bill contains other existing laws.</p>

<p>AB 1022 Obernolte R</p> <p>Solar Water Heating and Efficiency Act of 2007.</p>	<p>ASSEMBLY U. & C. 4/16/2015 - In committee: Set, first hearing. Hearing canceled at the request of author.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. The Solar Water Heating and Efficiency Act of 2007 requires the commission, if it determines that a solar water heating program is cost effective for ratepayers and in the public interest, to design and implement a program applicable to the service territories of a gas corporation to achieve the goal of the Legislature to promote the installation of 200,000 solar water heating systems, as defined, in homes, businesses, and buildings or facilities of eligible customer classes, as specified, receiving natural gas service throughout the state by 2017. The act prohibits funding from exceeding \$250,000,000 for the collective service territories of all gas corporations over the 10-year life of the program and requires that the cost of the program be paid through a usage-based surcharge annually established for each class of gas customers, with specified exceptions. The act requires the governing body of each publicly owned utility providing gas service to retail end-use customers to adopt, implement, and finance a solar water heating system incentive program that meets certain requirements. Existing law repeals these requirements on August 1, 2018. This bill would repeal the substantive requirements of the act and would prohibit any additional moneys from being collected from ratepayers to fund the act after December 31, 2015. The bill would require that any loans that are outstanding as of January 1, 2016, that were made pursuant to the act, continue to be repaid in a manner that is consistent with the terms and conditions of the loan agreements, until repaid in full. The bill would authorize moneys to be dispersed after January 1, 2016, that were encumbered on or before December 31, 2015, pursuant to the act and would require that all moneys not encumbered on or before December 31, 2015, that were collected from ratepayers pursuant to the act and all loan repayments be refunded to the ratepayers in proportion to the ratepayer classes from which they were collected. This bill contains other related provisions and other existing laws. Last Amended on 3/26/2015</p>
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<p>AB 1094 Williams D</p> <p>Energy usage: plug-in equipment.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From NAT. RES.: Do pass.To APPR..</p>	<p>Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), on a biennial basis, to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery, and distribution. Existing law requires the Energy Commission, beginning November 1, 2003, and biennially thereafter, to adopt an integrated energy policy report containing an overview of major energy trends and issues facing the state. This bill would require the Energy Commission, in collaboration with the Public Utilities Commission, to conduct an analysis of plug-in equipment electricity consumption, as specified, and set statewide targets for the greenhouse gases emitted by the generation of the electricity consumed by plug-in equipment. The bill would require the Energy Commission, in collaboration with the Public Utilities Commission, to develop, track the progress of, revise, and update an implementation plan to achieve those statewide targets, as specified. The bill would require the Public Utilities Commission, in collaboration with the Energy Commission, to work with stakeholders to address challenges to the achievement of those statewide targets. This bill contains other existing laws. Last Amended on 4/6/2015</p>
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<p>AB 1144 Rendon D</p> <p>California Renewables Portfolio Standard Program: unbundled renewable energy credits.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From NAT. RES.: Do pass.To APPR..</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The existing definition of an electrical corporation excludes from that definition a corporation or person employing landfill gas technology or digester gas technology for the generation of electricity for (1) its own use or the use of not more than 2 of its tenants located on the real property on which the electricity is generated, (2) the use of or sale to not more than 2 other corporations or persons solely for use on the real property on which the electricity is generated, or (3) the sale or transmission to an electrical corporation or state or local public agency, if the sale or transmission of the electricity service to a retail customer is provided through the transmission system of the existing local publicly owned electric utility or electrical corporation of that retail customer. This bill would provide that unbundled renewable energy credits may be used to meet the first category of the portfolio content requirements if (1) the credits are earned by electricity that is generated by an entity that, if it were a person or corporation, would be excluded from the definition of an electrical corporation by operation of the exclusions for a corporation or person employing landfill gas technology or digester gas technology, (2) the entity employing the landfill gas technology or digester gas technology has a first point of interconnection with a California balancing authority, a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source, and (3) where the electricity generated that earned the credit is used at a wastewater treatment facility that is owned by a public entity and first put into service on or after January 1, 2016. This bill contains other existing laws. Last Amended on 4/14/2015</p>
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<p>AB 1266 Gonzalez D</p> <p>Electrical and gas corporations: excess compensation.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From U. & C.: Do pass as amended.To APPR..</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires that any expense resulting from a bonus paid to an executive officer, as defined, of a public utility that has ceased to pay its debts in the ordinary course of business, be borne by the shareholders of the public utility and prohibits any expense from being recovered in rates. This bill would prohibit an electrical corporation or gas corporation from recovering from ratepayers expenses for excess compensation, as defined, paid to an officer of the utility following a triggering event, as defined, unless the utility obtains the approval of the commission. Following a triggering event and prior to paying or seeking recovery of excess compensation, the electrical corporation or gas corporation would be required to file a Tier 3 advice letter with the commission containing specified information and the commission would be required to open a proceeding or expand the scope of an existing proceeding to evaluate the advice letter and, following a duly notice public hearing in the proceeding, to issue a written decision determining whether, and if so, how much, of each officers' compensation shall be recoverable from ratepayers. This bill contains other related provisions and other existing laws.</p>
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<p>AB 1330 Bloom D</p> <p>Energy Efficiency Resource Standard Act.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Read second time and amended.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined, while local publicly owned electric utilities, as defined, and local publicly owned gas utilities are under the direction of their governing boards. The Public Utilities Act requires the Public Utilities Commission to review and accept, modify, or reject a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective electricity efficiency savings and to establish efficiency targets for electrical corporations to achieve pursuant to their procurement plan. The act requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for gas corporations to achieve and requires that a gas corporation first meet its unmet resource needs through all available gas efficiency and demand reduction resources that are cost effective, reliable, and feasible. This bill would enact the Energy Efficiency Resource Standard Act. The Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, would be responsible for supervising the implementation of the act by community choice aggregators, electric service providers, electrical corporations, and gas corporations. The governing board of each local publicly owned electric utility and local publicly owned gas utility, in consultation with the State Energy Resources Conservation and Development Commission, would be responsible for the implementation of the act by the utility. The bill would require the State Energy Resources Conservation and Development Commission, in a public stakeholder engagement process, to determine how the energy savings goals of the act are measured and reported. The act would require each retail seller of electricity and gas utility, as defined, to establish an energy efficiency resource standard that shall increase the amount of energy efficiency resources of the utility so that the minimum amount of incremental energy savings achieved in any given year amounts to not less than specified amounts. The bill would require the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission, to adopt a cost limitation, as necessary, for each retail seller of electricity for meeting the energy efficiency resource standard. The bill would require the Public Utilities Commission to establish an annual percentage of peak demand that shall be achieved through event-based demand response and would require that annual percentage to be achieved by retail sellers of electricity. The bill would require that the energy savings of a retail seller of electricity or gas utility first come from disadvantaged communities identified by the California Environmental Protection Agency, as specified. The bill would require each retail seller of electricity and gas utility to annually file with the State Energy Resources Conservation and Development Commission, a report that</p>
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		<p>analyzes the energy savings achieved by the utility during the prior year, divided by the energy retail sales in the immediately preceding year. This bill contains other related provisions and other existing laws. Last Amended on 4/27/2015</p>
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<p>AB 1332 Quirk D</p> <p>California Global Warming Solutions Act of 2006: offsets.</p>	<p>ASSEMBLY NAT. RES. 4/15/2015 - In committee: Set, first hearing. Hearing canceled at the request of author.</p>	<p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. This bill would require the state board, as part of a market-based compliance mechanism, to create an offset protocol for renewable energy projects that are able to ramp up or down during peak energy demands.</p>
<p>AB 1333 Quirk D</p> <p>Energy efficiency programs.</p>	<p>ASSEMBLY U. & C. 4/7/2015 - Re-referred to Com. on U. & C.</p>	<p>Existing law requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potential cost-effective energy efficiency savings and establish efficiency targets for an electrical or gas corporation. Existing law requires a local publicly owned electric utility, in procuring energy, to acquire all cost-effective energy efficiency and demand response resources that are cost-effective, reliable, and feasible. This bill would require electric and gas corporations and local publicly owned electric and gas utilities to require recipients of rebates or incentives from their residential or commercial energy efficiency or weatherization programs to install demand response infrastructure on the property for which the rebates or incentives are provided. Last Amended on 4/6/2015</p>
<p>AB 1334 Quirk D</p> <p>Public utilities: research and development projects.</p>	<p>ASSEMBLY U. & C. 3/23/2015 - Referred to Com. on U. & C.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, gas corporations, heat corporations, and telephone corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law authorizes the commission to allow inclusion of expenses for research and development in rates. Existing law requires the commission to consider specified guidelines in evaluating the research, development, and demonstration programs proposed by electrical and gas corporations. This bill would require findings supporting a decision to approve the inclusion of expenses incurred for research and development projects or programs in electricity rates be informed by independent expert review.</p>

<p>AB 1453 Rendon D</p> <p>Electrical corporations: underground electrical facilities: worker safety.</p>	<p>ASSEMBLY APPR. 4/27/2015 - Action From U. & C.: Do pass.To APPR..</p>	<p>The Public Utilities Act authorizes the Public Utilities Commission to require public utilities, including electrical corporations, to construct, maintain, and operate their facilities and equipment to promote and safeguard the health and safety of its employees. A violation of the Public Utilities Act, or any decision, rule, direction, demand, or requirement of the commission is a crime. This bill would require the commission, by January 1, 2017, to adopt a rule regulating work performed in underground electrical facilities by, or on behalf of, an electrical corporation that is consistent with certain worker safety protections. Because a violation of the rule would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. Last Amended on 4/20/2015</p>
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<p>SB 180 Jackson D</p> <p>Electricity: emissions of greenhouse gases.</p>	<p>SENATE E.Q. 4/20/2015 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.</p> <p>4/29/2015 9 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOW SKI, Chair</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing board. Existing law prohibits any load-serving entity and any local publicly owned electric utility from entering into a long-term financial commitment for baseload generation unless that baseload generation complies with a greenhouse gases emission performance standard. Existing law requires the Public Utilities Commission, by February 1, 2007, through a rulemaking proceeding and in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to establish a greenhouse gases emission performance standard for all baseload generation of load-serving entities. Existing law requires the State Energy Resources Conservation and Development Commission, by June 30, 2007, at a duly noticed public hearing and in consultation with the Public Utilities Commission and the State Air Resources Board, to establish a greenhouse gases emission performance standard for all baseload generation of local publicly owned electric utilities. This bill would, on July 1, 2017, replace the greenhouse gases emission performance standards for baseload generation with greenhouse gases emission performance standards for nonpeaking generation and peaking generation. The bill would require the Public Utilities Commission, by June 30, 2017, through a rulemaking proceeding and in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to establish a greenhouse gases emission performance standard for all nonpeaking generation of load-serving entities, and a separate standard for peaking generation. The bill would require the State Energy Resources Conservation and Development Commission, by June 30, 2017, at a duly noticed public hearing and in consultation with the Public Utilities Commission and the State Air Resources Board, to establish a greenhouse gases emission performance standard for all nonpeaking generation of local publicly owned electric utilities, and a separate standard for peaking generation. The bill would require that, taking into consideration siting factors such as altitude, regional climate, and operating capacity, the greenhouse gases emission performance standard for nonpeaking generation and peaking generation be established at the lowest level that the respective commissions determine to be technologically feasible without putting reliability of the electrical grid and of electric service at risk and without hampering further deployment of renewable generation resources or reductions of greenhouse gases emissions. The bill would require that the commissions update their respective greenhouse gases emission performance standards every 5 years based on new technology. This bill contains other related provisions and other existing laws. Last Amended on 4/20/2015</p>
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<p>SB 189 Hueso D</p> <p>Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee.</p>	<p>SENATE APPR. SUSPENSE FILE 4/27/2015 - April 27 hearing: Placed on APPR. suspense file.</p>	<p>Existing law requires specified state agencies to prepare and submit to the Secretary for Environmental Protection specified information relating to the state agency's greenhouse gas (GHG) emissions, including a list of measures adopted and implemented by the agency to meet GHG emission reduction targets, as defined, and a status report on GHG emissions reduced as a result of these measures. Existing law further requires the California Environmental Protection Agency to provide that information on its Internet Web site in the form of a state agency GHG emission reduction report card. This bill would create the Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee, comprised of 7 members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules, as provided. The bill would prescribe the terms and qualifications of committee members and would require the committee to advise state agencies on the most effective ways to expend clean energy and GHG-related funds and implement policies in order to maximize California's economic and employment benefits, and to take specified actions in that regard. The bill would also require the committee to provide an annual update to the Governor and the appropriate policy and fiscal committees of the Legislature on its activities. The bill would require each state agency responsible for implementing clean energy and low-carbon polices and programs to submit an annual progress report to the Governor and the appropriate policy and fiscal committees of the Legislature describing how it implemented or responded to the advice, guidance, and recommendations of the committee. Last Amended on 3/26/2015</p>
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<p>SB 286 Hertzberg D</p> <p>Electricity: direct transactions.</p>	<p>SENATE APPR. 4/27/2015 - Read second time and amended. Re- referred to Com. on APPR.</p>	<p>The Public Utilities Act requires the Public Utilities Commission, pursuant to electrical restructuring, to authorize and facilitate direct transactions between electricity suppliers and retail end-use customers. Existing law, enacted during the energy crisis of 2000-01, authorized the Department of Water Resources, until January 1, 2003, to enter into contracts for the purchase of electricity, and to sell electricity to retail end-use customers at not more than the department's acquisition costs and to recover those costs through the issuance of bonds to be repaid by ratepayers. That law suspended the right of retail end-use customers, other than community choice aggregators and a qualifying direct transaction customer, as defined, to acquire service through a direct transaction until the Department of Water Resources no longer supplies electricity under that law. Existing law continues the suspension of direct transactions except as expressly authorized, until the Legislature, by statute, repeals the suspension or otherwise authorizes direct transactions. Existing law requires the commission to authorize direct transactions for nonresidential end-use customers subject to a reopening schedule that will phase in over a period of not less than 3 years and not more than 5 years, and is subject to an annual maximum allowable total kilowatt-hour limit established, as specified, for each electrical corporation. This bill would require the commission to adopt and implement a schedule that implements a 2nd phase-in period for expanding direct transactions for individual retail nonresidential end-use customers over a period of not more than 3 years, raising the allowable limit of kilowatt-hours that can be supplied by other providers in each electrical corporation's distribution service territory to 8,000 gigawatt hours above the amount determined by the commission for the first phase-in period. The bill would require the commission to ensure that 51% of the new direct transactions are for electricity products from eligible renewable energy resources. The bill would require that an electrical corporation continue to provide direct access customers with support functions, as specified, through its own employees, except that construction of distribution system equipment and line clearance tree trimming may be performed under contract with the electrical corporation. The bill would prohibit an electric service provider from offering consolidated billing beginning January 1, 2016. This bill contains other related provisions and other existing laws. Last Amended on 4/27/2015</p>
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<p>SB 350 De León D</p> <p>Clean Energy and Pollution Reduction Act of 2015.</p>	<p>SENATE E.Q. 4/10/2015 - Set for hearing April 29.</p> <p>4/29/2015 9 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair</p>	<p>Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing boards. This bill would additionally express the intent of the Legislature for the purposes of the RPS program that the amount of electricity generated per year from eligible renewable energy resources be increased to an amount equal to at least 50% by December 31, 2030, and would require the PUC, by January 1, 2017, to establish the quantity of electricity products from eligible renewable energy resources be procured by each retail seller for specified compliance periods sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 50% of retail sales by December 31, 2030. The bill would require the governing boards of local publicly owned electric utilities to ensure that specified quantities of electricity products from eligible renewable energy resources to be procured for specified compliance periods to ensure that the procurement of electricity products from eligible renewable energy resources achieve 50% of retail sales by December 31, 2030. The bill would exclude all facilities engaged in the combustion of municipal solid waste from being eligible renewable energy resources. The bill would require community choice aggregators and electric service providers to prepare and submit renewable energy procurement plans. The bill would revise other aspects of the RPS program, including, among other things, the enforcement provisions and would require penalties collected for noncompliance to be deposited in the Electric Program Investment Charge Fund. The bill would require the PUC to direct electrical corporations to include in their proposed procurement plans a strategy for procuring a diverse portfolio of resources that provide a reliable electricity supply. The bill would require the PUC and the Energy Commission to take certain actions in furtherance of meeting the state's clean energy and pollution reduction objectives. This bill contains other related provisions and other existing laws.</p>
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<p>SB 427 Fuller R</p> <p>Renewable energy resources.</p>	<p>SENATE RLS. 3/5/2015 - Referred to Com. on RLS.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing board. The existing Renewables Portfolio Standard Program (RPS program) requires a retail seller of electricity, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods. The specified minimum quantities of electricity products are based upon a percentage of the utility's total retail sales of electricity in California. The RPS program authorizes an electrical corporation to apply to the commission for approval to construct, own, and operate an eligible renewable energy resource, and requires the commission to approve the application if certain conditions are met. This bill would make technical, nonsubstantive changes to the RPS program authorization for electrical corporations to apply to the commission for approval to construct, own, and operate an eligible renewable energy resource.</p>
<p>SB 539 Hueso D</p> <p>Renewable energy resources: geothermal.</p>	<p>SENATE APPR. 4/27/2015 - Read second time and amended. Re-referred to Com. on APPR.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act authorizes the Public Utilities Commission, upon a complaint by a geothermal energy producer, to prohibit any electrical corporation from curtailing the generation, production, or transmission of electricity from a geothermal powerplant operated by the corporation, if the commission deems that the curtailment is not in the public interest. This bill would repeal the above-described geothermal generation, production, or transmission curtailment authorization. Last Amended on 4/27/2015</p>

<p>SB 765 Wolk D</p> <p>Net energy metering: eligible customer generators.</p>	<p>SENATE APPR. 4/24/2015 - Set for hearing May 4.</p> <p>5/4/2015 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair</p>	<p>The Reliable Electric Service Investment Act requires the Public Utilities Commission (PUC), in evaluating energy efficiency investments, to ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into program portfolio design and that local governments, community-based organizations, and energy efficiency service providers are encouraged to participate in program implementation where appropriate. This bill would require the PUC, in ensuring that prudent investments in energy efficiency are made and produce cost-effective energy savings, reduce customer demand, and support the state's greenhouse gas emissions reduction goals, to contract with an independent entity to serve as the California Market Transformation Administrator (CalMTA). The bill would require the PUC to require the CalMTA to take certain actions, including, among other actions, working in concert with other energy efficiency administrators that are carrying out energy efficiency activities under the PUC's oversight to incorporate long-term market transformation strategies into the state's energy efficiency portfolio and to work with the State Energy Resources Conservation and Development Commission to encourage local publicly owned electric utilities to participate in the CalMTA's planning efforts and provide funding for and support the market transformation initiatives administered by the CalMTA to ensure statewide consistency and full market deployment. Because a violation of these requirements would be a crime, this bill would impose a state-mandated local program. The bill would require the PUC to consult with the CalMTA regarding demand-side energy management programs. This bill contains other related provisions and other existing laws. Last Amended on 4/6/2015</p>
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<p>SB 793 Wolk D</p> <p>Green Tariff Shared Renewables Program.</p>	<p>SENATE APPR. 4/27/2015 - Read second time and amended. Re-referred to Com. on APPR.</p>	<p>Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. The Green Tariff Shared Renewables Program requires a participating utility, defined as being an electrical corporation with 100,000 or more customers in California, to file with the commission an application requesting approval of a tariff to implement a program enabling ratepayers to participate in electrical generation facilities that use eligible renewable energy resources, consistent with certain legislative findings and statements of intent. Existing law requires the commission, by July 1, 2014, to issue a decision concerning the participating utility's application, determining whether to approve or disapprove the application, with or without modifications. Existing law requires the commission, after notice and opportunity for public comment, to approve the application if the commission determines that the proposed program is reasonable and consistent with the legislative findings and statements of intent and requires the commission to require that a participating utility's green tariff shared renewables program be administered in accordance with specified provisions. Existing law repeals the program on January 1, 2019. This bill would require the commission to additionally require that a participating utility's green tariff shared renewables program permit a participating customer to subscribe to the program and receive a reasonably estimated bill credit and bill charge, as determined by the commission, for a period of up to 20 years. The bill would delete the repeal of the program. This bill contains other related provisions and other existing laws. Last Amended on 4/27/2015</p>
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10. GLOSSARY OF TERMS

AB	Assembly Bill
ARB	Air Resources Board
CAISO	California Independent System Operator
CBA	California Balancing Authority
CCA	Community Choice Aggregation
CEC	California Energy Commission

CPUC	California Public Utilities Commission
DLAP	Default Load Aggregation Point
EPA	Environmental Protection Agency
IOU	Investor Owned Utility
ITC	Investment Tax Credit
kW	Kilowatt
kWh	Kilowatt hour
LSE	Load Serving Entity
MCE	Marin Clean Energy
MT	Metric Ton
MW	Megawatt
MWh	Megawatt hour
NP15	North of Path 15
OTC	Once Through Cooling
PG&E	Pacific Gas & Electric Company
PCIA	Power Charge Indifference Adjustment
POU	Publicly Owned Utility
PPA	Power Purchase Agreement
PUC	Public Utilities Code
RA	Resource Adequacy
RECs	Renewable Energy Certificates
RPS	Renewable Portfolio Standard
SB	Senate Bill
SCE	Southern California Edison
SCP	Sonoma Clean Power
SDG&E	San Diego Gas & Electric
SONGS	San Onofre Nuclear Generating Station
SP15	South of Path 15
SQMD	Settlement Quality Meter Data
UIE	Uninstructed Imbalance Energy

MEMORANDUM

TO: Board of Supervisors
FROM: Anthony Farrington, Board Chair
DATE: May 19, 2015
SUBJECT: Presentation on Community Choice Aggregation program for electrical power purchase, including renewable energy, for residents and businesses in the unincorporated area of Lake County

EXECUTIVE SUMMARY:

During the past month, staff and I have met with representatives of California Clean Power ("CCP"), a turnkey, full service CCA provider, to determine the benefits of implementing a Community Choice Aggregation electrical procurement program. An overview of the Community Choice Aggregation program and the benefits of entering into a turnkey contract with California Clean Power is attached. Representatives of CCP will attend the May 19 Board meeting to present this proposal to the full Board.

Sole Source

Should the Board wish - after reviewing the attached documents and hearing the proposal - to enter into a contract with CCP, we can consider making certain findings to exempt this action from the competitive bidding process. An exemption under Lake County Code Section 2-38 (2) *Not in the public interest* is applicable due to the unique nature of the services provided by CCP. CCP is the only company or organization that offers a turnkey, fully financed CCA solution that allows Lake County to establish an individual CCA program, thereby directly retaining all of the benefits of CCA and retaining direct control of all of the CCA policies.

Process

CCP has prepared a Feasibility Study, a draft CCA Ordinance and a draft contract for our review. If the Board agrees to implement a CCA program through a turnkey contract with CCP, then a contract with CCP and a CCA Ordinance would be presented for adoption at the next regular Board meeting.

RECOMMENDED ACTION:

I recommend that the Board direct staff to produce in final form the attached draft ordinance and the draft agreement with California Clean Power and place on the next available Board meeting for consideration and formal action.

Overview of Community Choice Aggregation and a Turnkey Contract with California Clean Power

Introduction

Established under California Assembly Bill (AB) 117 (2002 Stats., ch. 838), Community Choice Aggregation (“CCA”) provides local communities with the opportunity to procure electric power for their citizens, utilizing the wires and other equipment of the investor owned utility (Pacific Gas and Electric Company (“PG&E”)) to deliver, meter and bill for the electricity procured by the CCA. Thus, while the CCA replaces PG&E’s electric procurement, PG&E continues to perform all other electric functions. CCA customers are also PG&E customers, and continue to receive the same delivery, metering, billing and customer service from PG&E.

When CCA programs launch, all electric customers within the jurisdiction are automatically enrolled as CCA customers, but have the option, at any time, to opt-out of CCA electric procurement services and instead continue to receive those services from PG&E.

CCA Benefits

Community Choice Aggregation can bring the following benefits to a community:

1. Competitive, often cheaper electricity rates;
2. Consumer energy choice;
3. Environmentally friendlier electric supply;
4. Additional revenue;
5. Programming designed to meet the unique needs of that community.

CCA Feasibility

CCA feasibility is proven out by successfully operating CCA programs in Marin and Sonoma Counties (Marin Clean Energy (“MCE”) and Sonoma Clean Power (“SCP”)), and the City of Lancaster. The attached report entitled “Lake County Community Choice Program Feasibility Report” provides a general and comprehensive review of CCA and a specific analysis of implementing a Lake County CCA, finding that Lake County can establish a CCA with all of the above described benefits.

Existing CCA Models

The MCE and SCP programs operate as Joint Powers Authorities (JPAs) consisting of their respective counties and multiple cities. The JPA model shields jurisdictions from liability and allows the pooling of resources, but is time and

resource intensive to both start up and operate and prevents revenue or other community specific benefits from returning to individual JPA members.

To ensure that all benefits stay within a single community, similar to the City of Lancaster model, a single community can operate a CCA. Under this model, however, the community retains full financial liability, the pooling of resources with other communities is lost and start up and operational time and resource intensity remains.

Common to all existing CCAs is the need to borrow or raise considerable amounts of start-up capital (often in the many millions of dollars), the establishment of infrastructure to operate the CCA program, and contracting with multiple vendors to provide a variety of services including procurement, customer service, back office processing, regulatory and legal services.

California Clean Power Turnkey Model

California Clean Power was founded by a number of participants involved in various stages of SCP's start up and operation. Inspired by the potential benefits of CCA, yet well aware of the risks and obstacles, CCP offers a turnkey CCA program capturing all the public benefits of CCA while privatizing the risks. Utilizing the public-private partnership CCA model, CCP has offered Lake County the opportunity to implement CCA without additional staff, money or risk.

Through a contractual relationship, CCP is responsible for every operational and financial aspect of a CCA program while the community decides on all key policies including what the CCA will charge customers, the type of electric power resources procured, and special program offerings. In addition, CCP makes public benefit payments to the communities CCP serves, the use of which is at the sole discretion of the community governance.

CCP has presented Lake County with a contract to provide all turnkey CCA services to Lake County for ten years that includes:

1. No financial contributions from the County.
2. Extremely minimal County staff resources.
3. Launch of service between December 1, 2015 to April 1, 2016.
4. Total electric rates that, on an annual basis, remain 2% below PG&E, resulting in a \$750,000/year savings to the people and businesses of Lake County.
5. Electricity that is from at least 33% renewable resources and has a greenhouse gas emissions factor at or below PG&E.
6. Quarterly public benefit payments to Lake County of \$500,000, beginning as soon as July 1, 2015, with a second payment on April 1, 2016.

Sharon Hanlon

From: Despain, Anne-Marie [<mailto:despain@smcl.org>]
Sent: Friday, May 29, 2015 9:36 AM
To: Maryann Derwin; Nick Pegueros
Subject: Fwd: history of portola valley's donor city funds

Maryann and Nick- here is the information on the PV donor funds. Please note that the last number is different than what I verbally reported on Wednesday night and what we included in the recent memo to the Operations Committee. That memo is being updated for the Board meeting on June 8th. I will forward you the updated/corrected memo when it is finalized on Monday.

Based on the terms outlined in the Library JPA Agreement, the Portola Valley Library met the criteria for Library revenue set aside amounts following the close of FY 2005-06. Below is a breakdown of donor revenue balances.

June 30, 2007 = \$12,373

June 30, 2008 = \$139,649

June 30, 2009 = \$129,560

June 30, 2010 = \$396,508

June 30, 2011 = \$415,321

June 30, 2012 = \$483,838

June 30, 2013 = \$533,954 (\$478,685 held by Town of Portola Valley Library Trust Fund and \$55,269 held by SMCL Donor Trust Fund)

June 30, 2014 = \$593,449 (\$433,612 held by Town of Portola Valley Library Trust Fund and \$159,837 held by SMCL Donor Trust Fund)

Sharon Hanlon

From: Victor Schachter [<mailto:VSchachter@fenwick.com>]

Sent: Monday, May 25, 2015 9:12 PM

To: Nick Pegueros

Subject: FAA FONSI

Nick- FYI and distribution to the TC, attached is the legal brief filed in federal court in support of our objections and appeal. I think it very effectively sets forth our key arguments. I will call you later this week about the request for financial support for expert services. Vic

Vic Schachter

190 Golden Hills Drive

Portola Valley, California 94028

Phone- 650-335-7905

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No. 14-72991

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

JAMES E. LYONS, TINA NGUYEN, MARY JANE McCARTHY
AND A. FRANK ROTHSCHILD

Petitioners

v.

UNITED STATES FEDERAL AVIATION
ADMINISTRATION, *et. al.*,

Respondents

Petition for Review of Finding of No Significant Impact and Record of Decision
For the Northern California Optimization of the Airspace and Procedures in the
Metroplex by Federal Aviation Administration dated July 31, 2014

(49 U.S.C. Section 46110)

PETITIONERS' OPENING BRIEF

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I. INTRODUCTION

Petitioners James E. Lyons, Tina Nguyen, Mary Jane McCarthy, and A. Frank Rothschild (“Petitioners”) are residents of the communities of Woodside and Portola Valley, California. Petitioners have experienced a dramatic and unreasonable increase in the amount of aircraft noise in their communities as a result of Respondent the Federal Aviation Administration’s recent changes to the flight paths followed by aircraft flying into San Francisco International Airport (“SFO”) under a project the FAA calls the Northern California Optimization of Airspace and Procedures in the Metroplex (“NorCal OAPM”). NorCal OAPM is part of the FAA’s planned transition to the Next Generation Air Transportation System (“NextGen”), which standardizes arrival and departure routes involving the four major airports in Northern California through the use of GPS-based technologies to permit aircraft to fly routes that are more predictable and efficient.

On July 31, 2014, the FAA issued a Finding of No Significant Impact (“FONSI”) that NorCal OAPM would not have any significant noise impact on Petitioners’ communities and the surrounding areas. The FONSI thus excused the FAA from analyzing and documenting the actual noise impacts of NorCal OAPM in an Environmental Impact Statement (“EIS”), which would otherwise be required by the National Environmental Policy Act (“NEPA”), 42 U.S.C. §§ 4321 et seq. In issuing its FONSI, the FAA violated the technical and scientific advice of its own

technical consultant on the NorCal OAPM project, ATAC Corporation (“ATAC”), which stated in its report to the FAA on the project that “[t]o determine projected noise levels on the ground, it is necessary to determine not only how many aircraft are present, but where they fly.” (ER at 652; emphasis added.) In concluding that NorCal OAPM had no significant noise impact on Petitioners’ communities, the FAA flouted both of these criteria – it did not determine how many aircraft would use the new routes and it did not determine over which communities the additional aircraft would fly.

The FAA’s FONSI was thus arbitrary and capricious and resulted from a flawed and unlawful process. This Court should set it aside for the following four reasons. First, the entire process by which the FAA purported to measure the anticipated noise impacts of NorCal OAPM was tainted from the outset because the FAA unlawfully predetermined that no significant noise impacts would occur before the FAA performed its analysis of the anticipated noise impacts, and then committed itself to an implementation timeline for NorCal OAPM that required it to later confirm this preordained conclusion. Second, the record indicates that at the time ATAC measured the anticipated noise effects on the ground of NorCal OAPM, ATAC did not actually know where aircraft were expected to fly after the implementation of NorCal OAPM. ATAC’s noise calculations were therefore based on unreliable data and guesswork as to where planes would actually fly

under NorCal OAPM. Third, in measuring the anticipated noise impacts of NorCal OAPM, the FAA improperly inflated the amount of noise that would be anticipated if NorCal OAPM were not implemented, and then used this inflated noise baseline when measuring the relative amount of additional noise that would be created by implementation of NorCal OAPM. This use of an inflated noise baseline for comparison purposes artificially understated the impact of noise caused by NorCal OAPM, thus rendering the FAA's conclusions regarding the amount of additional noise created by NorCal OAPM unreliable. Finally, the FAA failed to analyze and consider the cumulative noise impacts of NorCal OAPM when considered in conjunction with other activities outside of NorCal OAPM that are expected independently to increase aircraft noise around SFO over the next several years, despite express authority from this Circuit requiring the FAA to do so.

Each of these reasons is discussed in further detail below, and each is sufficient for this Court to hold that the FAA's conclusion that implementation of NorCal OAPM would not have any significant noise impact on any affected community was arbitrary and capricious and should be set aside.

A. The FAA Improperly Prejudged the Issue of Whether NorCal OAPM Would Have a Significant Noise Impact.

The process followed by the FAA in measuring the potential noise impacts of implementing NorCal OAPM and the associated changes to flights paths into

SFO was tainted from the outset because the FAA predetermined that no such noise impacts would occur before it performed its analysis of those noise impacts. The FAA then committed itself to an implementation schedule for NorCal OAPM that required it to later avoid at all costs any finding that NorCal OAPM would in fact cause significant noise impacts, as any such finding would have prevented the FAA from meeting its self-imposed implementation timeline by requiring the preparation of an EIS.

It was unlawful for the FAA to put the cart before the horse in this manner and then work backward to arrive at a preordained outcome. NEPA requires federal agencies to thoroughly analyze and take a “hard look” at the potential environmental consequences of their proposed actions, including effects on noise pollution levels. To ensure that federal agencies in fact take the “hard look” required by NEPA, the law generally requires those agencies to prepare and make public an EIS thoroughly documenting all the potential environmental impacts of their conduct.

Congress however recognized that preparation of an EIS is time consuming and expensive, and permitted agencies to prepare a preliminary analysis, known as an environmental assessment, for the purpose of assessing whether or not a full blown EIS is necessary. If an agency’s environmental assessment demonstrates

that no significant environmental or noise impacts are likely to result from the agency's proposed course of action, then the agency need not prepare an EIS.

An important caveat to this exception permitting an agency to avoid preparation of an EIS, violated by the FAA here, is that a federal agency must not predetermine, prior to the completion of its environmental assessment, that preparation of an EIS is unwarranted. Davis v. Mineta, 302 F.3d 1104, 1112 (10th Cir. 2002) (holding that an agency must perform an environmental assessment for the purpose of determining whether an EIS is necessary “and not the other way around”). Despite this prohibition, the record here demonstrates that the FAA concluded that an EIS was unnecessary well before it even completed its draft environmental assessment (the “Draft EA”) in April 2014, and its final environmental assessment (the “Final EA”) in July 2014.

The FAA's prejudgment of the issue is confirmed in correspondence between the FAA and the National Park Service. In that correspondence, Elizabeth Ray of the FAA responded to a letter from the National Park Service expressing concerns about anticipated heightened noise levels of NorCal OAPM, in which Ms. Ray noted that “[NorCal OAPM] is being implemented on an expedited timeline of 36 months from time of design to implementation The Norcal Metroplex does not seek to implement procedures which result in significant noise or other environmental impacts that would necessitate preparation of an Environmental

Impact Statement (EIS). Preparation of an EIS is a process that typically requires more than 3 years.” (ER at 980.)

This letter demonstrates that the FAA had no choice but to later conclude in its Draft EA and Final EA that NorCal OAPM would not result in significant noise impacts because the FAA was insistent that the project be completed in less than three years, which the FAA recognized would not be possible if it later found that an EIS was necessary. Petitioners respectfully submit that the FAA’s predetermination that an EIS was unnecessary unfairly prejudiced the process whereby the FAA then purported to measure the anticipated noise impacts of NorCal OAPM, and also helps explain the existence of the methodological flaws in the FAA’s analysis discussed below. It also explains why the FAA, in its haste to implement NorCal OAPM, brushed aside numerous requests from Petitioners, other citizens, and Congresswomen Eshoo and Speier for more information about NorCal OAPM and greater community engagement by the FAA to ensure a fair process.

B. **The Finding of No Significant Impact Was Based On Guesswork As To Where Planes Would Actually Fly.**

The FAA’s conclusion in the Final EA that NorCal OAPM would not have any significant noise impacts was arbitrary and capricious because, although it was based on a report by the FAA’s consultant ATAC, the record indicates that at the

time ATAC conducted its noise measurements, neither the FAA nor anyone else actually knew where planes would fly under the proposed new procedures, and how frequently they would do so.

As part of NorCal OAPM, the FAA proposed making changes to the flight paths of aircraft landing at SFO approaching the airport from the South. These flights from the South historically followed an air route denominated BIG SUR TWO, which was then used by about 29% of all flights arriving at SFO. The FAA proposed as part of NorCal OAPM to keep the BIG SUR TWO air route, and to add an additional flight path for aircraft arriving from the South, denominated SERFR ONE. These two routes are of greatest concern to Petitioners because aircraft following these routes have the greatest effect on noise levels in their communities.

Documents in the record indicate that, unlike BIG SUR TWO, which consisted of a single approach procedure from the South, the proposed SERFR ONE route at the time ATAC conducted its noise analysis consisted of two possible alternative approach procedures that could be used by planes coming from the South. No indication is given in the record as to which of these alternative procedures will actually be used by aircraft arriving from the South, or, if both are to be used, how frequently planes will fly on each of these alternative procedures. In addition, the record indicates that NorCal OAPM contemplates keeping the old

BIG SUR TWO air route, but does not provide data indicating how frequently aircraft will continue to use the old BIG SUR TWO instead of the newly-implemented SERFR ONE. The record therefore is devoid of facts indicating where aircraft approaching SFO from the South will actually fly, and how frequently they will do so, as a result of the implementation of NorCal OAPM.

The dearth of facts in the record indicating where and with what *frequency* aircraft approaching SFO from the South will fly is a critical omission because the *frequency* of overhead flights is a primary driver of the methodology the FAA uses in calculating noise impacts from altered flight procedures. The FAA, using what is known as a Day Night Average Sound Level (“DNL”), is required to measure anticipated noise changes not merely in terms of the absolute volume of the noise created by any particular overflight. Rather, the DNL metric takes into account the frequency with which a person on the ground would be exposed to noise from aircraft overflights during a 24 hour period. Thus, all things being equal, more flights equal more noise under the DNL metric, even if individual overflights do not get any louder. The DNL reflects the common sense proposition that an increase in the raw number of overhead flights, even if all of the same decibel level, can be just as or more annoying as an increase in the decibel level of an individual overflight created by other changes to air routes, such as reductions in altitude.

Since the record indicates that, at the time ATAC made its noise measurements, it could not have known where and how frequently aircraft would fly over specific ground points post implementation of NorCal OAPM, the FAA has effectively conceded that reliable data was not used to perform the necessary noise measurements. The FAA's conclusion of no significant noise impact was therefore arbitrary and capricious, and based on speculation as to where aircraft might fly, rather than where and how frequently they would fly.

C. **The Finding of No Significant Noise Impact Was Arbitrary and Capricious Because the Noise Baseline Used For Computing The Amount of Additional Noise Under NorCal OAPM Was Inflated.**

The FAA's conclusion that NorCal OAPM would not have any significant noise impacts was also arbitrary and capricious because it rested on the unwarranted assumption that the total number of flights into SFO would increase *at an identical rate* over the next several years regardless of whether NorCal OAPM was implemented. This assumption by the FAA is devoid of support in the record, completely illogical, inconsistent with other FAA studies, and caused an artificial inflation in the noise baseline used to measure the relative expected increase in noise caused by NorCal OAPM.

In comparing the relative expected increase in noise to be caused by NorCal OAPM, ATAC had to first create a baseline of expected noise levels assuming

NorCal OAPM were not implemented. This “no action” baseline was then compared with noise levels to be expected under NorCal OAPM to determine whether NorCal OAPM will cause any significant noise impacts. In computing the no action noise baseline, ATAC had to determine the amount of flights expected at SFO if NorCal OAPM were not implemented because, as noted above, the raw number of flights is a critical data point for measuring noise under the DNL metric. The record reveals that the FAA had ATAC just assume that an identical number of flights, and thus, arrivals, would occur if NorCal OAPM were not implemented. This is problematic because ATAC’s analysis therefore ignored the substantial possibility, acknowledged in other FAA studies, that without the increases in operational efficiency created under NorCal OAPM, it would not be logistically possible for total flight volume to increase at the same rate it would if NorCal OAPM were implemented.

The only reference the FAA cites in support of its conclusion that the total number of flights will increase at an identical rate in the coming years with or without NorCal OAPM is a 2012 Terminal Area Forecast prepared by the FAA, *but that document explicitly states that it conducted no analysis of whether the anticipated increase in consumer demand for flights into SFO was logistically possible to accommodate.* (ER at 931; Terminal Area Forecast at 3) (“an airport’s forecast is developed independent of the ability of the airport . . . to furnish the

capacity to meet demand.”) Nonetheless, ATAC assumed in making its noise measurements that an identical number of flights (826,187 in 2014, and 900,324 in 2019) would occur whether or not NorCal OAPM were implemented. This assumption makes no sense. The FAA touts NorCal OAPM as a way to increase operational efficiency by allowing planes to fly closer together and along more narrow corridors. (ER at 52-65.) If, as common sense suggests, the increased operational efficiency that the FAA touts under NorCal OAPM with respect to arrival and departure procedures could result in increased capacity, it was improper for the FAA to just assume, without any analysis or supporting evidence in the record, that the increase in flight volume will be identical regardless of whether NorCal OAPM is implemented.

Moreover, a recent FAA study demonstrates that without the implementation of NorCal OAPM, SFO will lack the logistical capacity to handle the increased volume of traffic that the FAA contends will occur if NorCal OAPM is implemented. In other words, implementation of NorCal OAPM will mean there will be more flights into SFO in the coming years than could occur without NorCal OAPM. This study, referred to by the FAA as FACT3, unlike the Terminal Area Forecast relied on by the FAA, actually examined the ability of airports such as SFO to handle the expected increases in demand for air travel in the next several years. The FAA concluded in the FACT3 study that the increase in demand at

SFO could be accommodated if NorCal OAPM were implemented, but that accommodation of the increased demand might not be possible if it were not. Thus, it was improper for the FAA to just assume that the total flight volume into SFO would increase at an identical rate regardless of whether NorCal OAPM were implemented. It was also improper for the FAA to conceal the information revealed for the first time in FACT3 when all the data points used in the report were available at the time the FAA issued its Final EA and FONSI.¹

ATAC's reliance on this unwarranted assumption biased its results and rendered them unreliable. As noted above, ATAC's report measured the expected increase in noise levels under NorCal OAPM by comparing them with a baseline of expected noise levels if NorCal OAPM were not implemented. If ATAC used an incorrect input regarding the number of flights that would occur at SFO without NorCal OAPM, then its baseline for comparing expected noise increases under NorCal OAPM was inflated under the DNL metric. Without an accurate baseline for comparative measurement, ATAC's conclusions regarding the relative expected increase in noise under NorCal OAPM were arbitrary, capricious and totally unreliable.

¹ Petitioners recognize that the FAA did not submit the FACT3 study as part of the Certified List of Record for this proceeding. Petitioners intend to file a motion to have this document, which is authored by the FAA and of unquestionable authenticity, added to the administrative record for this proceeding.

D. The Finding Of No Significant Impact Was Arbitrary and Capricious Because the FAA Failed To Conduct The Required “Cumulative Impacts” Analysis.

The FAA’s analysis of the potential noise impacts created by NorCal OAPM was also arbitrary and capricious because the FAA failed to analyze not just the noise impacts of NorCal OAPM, but also the “cumulative” noise impact of NorCal OAPM when added to any past, present or foreseeable actions taken by any other person or entity. This is what is commonly known as a “cumulative impacts” analysis, and it is required under both NEPA, the FAA’s own regulations and caselaw in this Circuit. Te-Moak Tribe of Western Nevada v. United States Dept. of the Interior, 608 F.3d 592, 602-03 (9th Cir. 2010) (agencies are required to take a “hard look” at the potential “cumulative impacts” of their actions, and “cumulative impact is the impact on the environment which results from the incremental impact of the action when other past, present, and reasonably foreseeable actions” are considered).

The requirement of a cumulative impacts analysis is to prevent the government from ignoring the fact that that its actions do not take place in a vacuum, but may occur at a time when other actions by other governmental agencies or non-governmental actors are doing things that might, when considered jointly and in conjunction with the proposed agency action, have a significant negative effect on environmental noise levels.

No such analysis was conducted here with respect to the anticipated noise impacts of NorCal OAPM, perhaps because the record appears to indicate that the FAA is under a misunderstanding about the requirement and purpose of a cumulative noise impacts analysis. The Final EA declares summarily that no analysis of the cumulative impacts was necessary because NorCal OAPM allegedly would not cause a significant increase in noise. (ER at 144; Final EA at 5-17.) That argument misses the point of a *cumulative* impacts analysis. Such analysis assumes that the proposed agency action in question does not, by itself, have a significant environmental or noise impact, but seeks to determine whether such an impact will occur when the proposed agency action is combined with actions that have or will be taken by other government agencies or non-governmental actors.

The FAA should have conducted such an analysis, especially when *its own assumptions* (discussed above) indicated that other actors would be taking actions that could also independently cause an increase in noise as measured under the DNL metric (*e.g.*, the airlines increasing the number of flights into SFO). If the FAA's assumption that the airlines and SFO will increase traffic into SFO in the coming years, then the FAA should have measured any cumulative impacts created by an increase in air traffic when combined with noise increases created by the flight path alterations made by NorCal OAPM.

For all of these reasons, the Court should grant the Petition for Review. The Court should set aside the FAA's conclusion that NorCal OAPM would not have any significant noise impact and direct the FAA to prepare an EIS and permit the type of meaningful community input of the potential environmental and noise impacts of NorCal OAPM required for an EIS.

II. STATEMENT OF JURISDICTION

This Court has jurisdiction over the Petition for Review under 49 U.S.C. Section 46110, which provides: “Except for an order related to a foreign air carrier subject to disapproval by the President under section 41307 or 41509 (f) of this title, a person disclosing a substantial interest in an order issued by the Secretary of Transportation (or the Under Secretary of Transportation for Security with respect to security duties and powers designated to be carried out by the Under Secretary or the Administrator of the Federal Aviation Administration with respect to aviation duties and powers designated to be carried out by the Administrator) in whole or in part under this part, part B, or subsection (l) or (s) of Section 114 may apply for review of the order by filing a petition for review in the United States Court of Appeals for the District of Columbia Circuit or in the Court of Appeals of the United States for the circuit in which the person resides or has its principal place of business.” See 49 U.S.C. Section 46110.

The FAA’s FONSI was dated July 31, 2014, and this Petition for Review was filed on September 26, 2014. (ER at 13.) It is therefore timely under the 60 day limit provided for in 49 U.S.C. Section 46110(a). The FONSI states that it constitutes a final, appealable order. (Id.)

III. ISSUES TO BE DECIDED

1. Whether the FAA's finding that implementation of NorCal OAPM would not have a significant noise impact on any affected community was arbitrary and capricious where the FAA predetermined, before even completing its Draft EA, that an EIS was unnecessary and then proceeded to implement a timeframe for implementing NorCal OAPM that made preparation of an EIS impossible?

2. Whether the FAA's finding that implementation of NorCal OAPM would not have a significant noise impact on any affected community was arbitrary and capricious where the FAA relied in reaching this conclusion on a noise analysis conducted by its third-party consultant that was not based on actual knowledge of where aircraft would fly after implementation of NorCal OAPM?

3. Whether the FAA's finding that implementation of NorCal OAPM would not have a significant noise impact on any affected community was arbitrary and capricious where, in comparing the anticipated noise impacts of implementing NorCal OAPM or taking no action, the FAA used a no action noise baseline that was improperly inflated?

4. Whether the FAA's finding that implementation of NorCal OAPM would not have a significant noise impact on any affected community was arbitrary and capricious where the FAA failed to conduct a mandatory analysis of the cumulative impacts on noise levels by aggregating the increased noise anticipated

under NorCal OAPM with other changes outside of NorCal OAPM that are reasonably likely to affect noise levels?

IV. PRIMARY AUTHORITY (CIRCUIT RULE 28-2.7)

42 U.S.C. § 4332. Cooperation of agencies; reports; availability of information; recommendations; international and national coordination of efforts

The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this chapter, and (2) all agencies of the Federal Government shall--

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decision making which may have an impact on man's environment;

(B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality established by subchapter II of this chapter, which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decision making along with economic and technical considerations;

(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on--

- (i) the environmental impact of the proposed action,
- (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,
- (iii) alternatives to the proposed action,
- (iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and
- (v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved.

Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of Title 5, and shall accompany the proposal through the existing agency review processes;

40 C.F.R. § 1501.4 - Whether to prepare an environmental impact statement.

In determining whether to prepare an environmental impact statement the Federal agency shall:

(a) Determine under its procedures supplementing these regulations (described in § 1507.3) whether the proposal is one which:

(1) Normally requires an environmental impact statement, or

(2) Normally does not require either an environmental impact statement or an environmental assessment (categorical exclusion).

(b) If the proposed action is not covered by paragraph (a) of this section, prepare an environmental assessment (§1508.9). The agency shall involve environmental agencies, applicants, and the public, to the extent practicable, in preparing assessments required by § 1508.9(a)(1).

(c) Based on the environmental assessment make its determination whether to prepare an environmental impact statement.

(d) Commence the scoping process (§ 1501.7), if the agency will prepare an environmental impact statement.

(e) Prepare a finding of no significant impact (§ 1508.13), if the agency determines on the basis of the environmental assessment not to prepare a statement.

(1) The agency shall make the finding of no significant impact available to the affected public as specified in §1506.6.

(2) In certain limited circumstances, which the agency may cover in its procedures under § 1507.3, the agency shall make the finding of no significant impact available for public review (including State and area wide clearinghouses) for 30 days before the agency makes its final determination whether to prepare an environmental impact statement and before the action may begin. The circumstances are:

(i) The proposed action is, or is closely similar to, one which normally requires the preparation of an environmental impact statement under the procedures adopted by the agency pursuant to § 1507.3, or

(ii) The nature of the proposed action is one without precedent.

40 C.F.R. § 1508.7 Cumulative impact.

Cumulative impact is the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

40 C.F.R. § 1508.9 Environmental assessment.

Environmental assessment:

(a) Means a concise public document for which a Federal agency is responsible that serves to:

(1) Briefly provide sufficient evidence and analysis for determining whether to prepare an environmental impact statement or a finding of no significant impact.

(2) Aid an agency's compliance with the Act when no environmental impact statement is necessary.

(3) Facilitate preparation of a statement when one is necessary.

(b) Shall include brief discussions of the need for the proposal, of alternatives as required by section 102(2)(E), of the environmental impacts of the proposed action and alternatives, and a listing of agencies and persons consulted.

40 C.F.R. § 1508.13 Finding of no significant impact.

Finding of no significant impact means a document by a Federal agency briefly presenting the reasons why an action, not otherwise excluded (§ 1508.4), will not have a significant effect on the human environment and for which an environmental impact statement therefore will not be prepared. It shall include the environmental assessment or a summary of it and shall note any other environmental documents related to it (§ 1501.7(a)(5)). If the assessment is

included, the finding need not repeat any of the discussion in the assessment but may incorporate it by reference.

V. STATEMENT OF FACTS

A. The Parties

Petitioners are residents of the communities of Woodside and Portola Valley, California, and certain of them are members of a group known as The Ad Hoc Committee for Noise Abatement in the South Bay. (ER at 367; Final EA Appx. F at 190.) The Federal Aviation Administration is the national aviation authority of the United States, and Michael Huerta is the current Administrator of the FAA. Petitioners have suffered a direct injury as a result of the Respondents' actions challenged in this Petition in that implementation of NorCal OAPM has caused a substantial increase in the amount of noise created by aircraft flying over their homes and communities. (ER at 367-376; Final EA Appx. F at 190-99.)

B. Background on NextGen and NorCal OAPM

The FAA is currently implementing what it refers to as the next generation air transportation system ("NextGen"), which the FAA characterizes "as a plan to modernize the national airspace system through 2025." (ER at 2; FONSI at 2.) According to the FAA, "NextGen represents an evolution from an air traffic control system that is a primarily ground-based system to a system that is satellite-

based.” (Id.) A stated purpose of the NextGen system is to “allow the FAA to guide and track air traffic more precisely and efficiently.” (Id.)

As a midterm incremental step in implementing NextGen, the FAA is carrying out a project known as the Northern California Optimization of Airspace Procedures in the Metroplex (“NorCal OAPM”). (ER at 2; FONSI at 2.) The NorCal OAPM project is considered a “mid-term implementation step in the overall process of transitioning to the NextGen system.” (Id.) The NorCal OAPM project “is intended to address specific issues related to the efficient flow of traffic into and out of the Northern California Metroplex” - - a geographic area including SFO. (ER at 2; FONSI at 2.) Among other things, the NorCal OAPM project “consists of procedural changes intended to improve operational efficiency, increase flightpath predictability, and reduce required controller-pilot voice communication.” (ER at 3; FONSI at 3.) It accomplishes these goals in part by allowing aircraft to fly closer together and along more narrow flight corridors. (ER at 52-65.) As a result, and as detailed below in Section V.C, implementation of NorCal OAPM requires significant modifications to the flight paths that aircraft will take flying into and out of SFO.

C. The FAA’s Draft Environmental Assessment of NorCal OAPM

The FAA in conjunction with considering NorCal OAPM recognized that NEPA requires federal agencies to disclose to the public a clear and accurate

description of the potential environmental consequences, including noise impacts, of proposed federal actions and “to consider environmental factors in their decision making processes,” including noise impacts on affected communities. (ER at 494; Draft EA at 1-1.) In March 2014, the Seattle division of the FAA issued a Draft EA for the NorCal OAPM project concluding that implementation of NorCal OAPM would not result in any significant noise impact on any affected community.

Section 3 of the Draft EA, titled “Alternatives,” explained that, as part of NorCal OAPM, the FAA was proposing certain changes to the flight paths that aircraft will take going into and out of SFO. (ER at 546-51; Draft EA at 3-17-22.) This is consistent with the goal of NorCal OAPM, which implements “procedural changes intended to improve operational efficiency, *increase flightpath predictability*, and reduce required controller-pilot voice communication.” (ER at 3; FONSI at 3 (emphasis added).)

The changes highlighted in the Draft EA that are of greatest concern to Petitioners are changes proposed to the BIG SUR TWO flight path for arrivals into SFO. Prior to NorCal OAPM, aircraft approaching SFO from the South used BIG SUR TWO as the primary flight path, and BIG SUR TWO accounted for 29 percent of all arrivals into SFO. (ER at 1060; OAPM Study Report at 29.) The attached screenshot, shows the flight path of planes following BIG SUR TWO.



(ER at 181; Final EA Appx. F at 4.) Petitioners' communities of Woodside and Portola Valley are located within the blue shaded area in San Mateo County, just south of Interstate 280.

NorCal OAPM maintains BIG SUR TWO as an available arrival flight path option, but adds a new flight path for aircraft approaching from the South - - SERFR ONE. As demonstrated in the attached screenshot, the new SERFR ONE route actually consists of two alternative air routes into SFO, both of which terminate well before the airport and then rely on real time tower control to then route planes the rest of the way into SFO.



Figure 3 – Proposed SERFR1 STAR

(ER at 182; Final EA Appx. at 5.) Below is a screenshot of the two layered on top of one another for comparison purposes:



(Id.) Importantly, the Draft EA provided no detail as to how frequently planes following SERFR ONE will fly over each of the alternative legs of new SERFR ONE, or how frequently planes will continue to follow the BIG SUR TWO arrival route. Nonetheless, the Draft EA concluded that NorCal OAPM would not have a substantial noise impact on any affected Bay Area community, including the Petitioners' communities of Woodside and Portola Valley. (ER at 594; Draft EA at 5-3.)

D. Petitioners And Their Elected Representatives Formally Comment on the Draft Environmental Assessment and Proposed Changes to Flight Paths.

After reviewing the Draft EA, and frustrated by the rise in aircraft noise they were then experiencing over their homes and in their communities, Petitioners formally submitted written comments on the Draft EA to the FAA. The comments were primarily drafted by Petitioner James E. Lyons, a resident of Woodside, California, and were submitted on behalf of an Ad Hoc Committee For Noise Abatement in the South Bay on April 28, 2014. (ER at 367.)

The Petitioners' comments pointed out that the FAA had not clearly identified where planes would actually fly if NorCal OAPM were implemented, and thus the FAA's conclusion that NorCal OAPM would not have a significant noise impact on any community was irrational. (ER at 370-73; Final EA Appx. F at 193-96.) Petitioners noted that it appeared that the changes would cause increased overflights over their communities, but that they were not able to determine based on the information provided by the FAA where exactly the planes would fly. (Id.) They also expressed their understandable frustration at being unable, despite repeated efforts, to compel a response from the FAA indicating exact flight path locations. (ER at 376; Final EA Appx. F at 199.)

Petitioners' elected representatives also struggled in vain to obtain more information about NorCal OAPM's changes to flight paths and greater community

involvement from the FAA. In a letter dated April 24, 2014, the Honorable Anna Eshoo and the Honorable Jackie Speier, Members of Congress representing Petitioners and their neighboring constituents adversely affected by NorCal OAPM, jointly wrote a letter to the Administrator of the FAA noting that “Regional agencies, cities and constituents who have reviewed the draft report are still waiting for critically important information from your agency including the altitude of aircraft.” (ER at 970.) The Representatives’ letter further noted that

It is difficult for a layperson or even an expert outside of the FAA to determine where a plane will be along a proposed route . . . based upon information in the current draft report. This jeopardizes the informative value of the document and makes it difficult to comment upon the possible noise impacts of the proposal on our communities.

(Id.)

E. The FAA Disregards Petitioners’ Comments and the Concerns Of Their Elected Representatives And Issues a Final Environmental Assessment.

Ignoring the concerns raised by Petitioners and their elected representatives, and after granting only a 10 day extension of time to respond to the Draft EA, on July 31, 2014, the FAA issued a Final EA regarding the predicted environmental effects of NorCal OAPM. (ER at 14.) The Final EA acknowledged that “aircraft noise is often the most noticeable environmental effect associated with any aviation project.” (ER at 103; Final EA at 4-6.) However, the Final EA, like the Draft EA, concluded that NorCal OAPM would not have any significant noise

impact on any affected communities. (ER at 130; Final EA at 5-3.) This finding was incorporated into the FAA's July 31, 2014 FONSI. (ER at 7; FONSI at 7.)

In reaching the conclusion that NorCal OAPM would not have any significant noise impact on any affected community, the FAA did not conduct its own analysis on the expected noise impacts created by NorCal OAPM. Instead, the FAA relied on a report prepared by its third party consultant, ATAC. (ER at 612-924.) According to the Final EA, ATAC measured anticipated noise levels under five different scenarios, including:

- Actual Noise Levels existing during the year 2011
- Anticipated noise levels for the no action alternative in 2014
- Anticipated noise levels in 2014 if NorCal OAPM is implemented
- Anticipated noise levels for the no action alternative in 2019
- Anticipated noise levels in 2019 if NorCal OAPM is implemented.

(ER at 664; ATAC Report at 5-1.) The purpose of the noise analysis was to determine whether, if adopted, NorCal OAPM would result in any adverse, significant noise impacts on any affected community during the years 2014 or 2019 as a result of the proposed new flight paths being implemented. (ER at 130; Final EA at 5-3 (“The noise analysis reflects the change in noise exposure resulting

from the proposed changes in aircraft routes (i.e., flight tracks) under the Proposed Action compared to the No Action Alternative”).)

The ATAC report made the commonsense observation that: “To determine projected noise levels on the ground, it is necessary to determine not only how many aircraft are present, but where they fly. (ER at 652; ATAC Report at 3-29.) However, as noted above, the record does not provide any information regarding the number of flights expected to take each of the alternative routes on the new SERFR ONE air route, nor does it indicate how many planes will continue to take the BIG SUR TWO route.

This is a critical omission because of the manner in which noise must be measured under FAA regulations. The FAA’s own preferred method for calculating aircraft noise on the ground is known in the industry as the Day Night Average Sound Level. (ER at 155-56; Final EA Appx. E at E-4-5.) Importantly, the DNL metric does not merely measure how loud an individual aircraft flying overhead is to an observer on the ground. (Id.) Instead, the DNL metric takes account of the total number of overflights an observer on the ground would hear on average over a 24 hour weighted period and considers the cumulative amount of all noise made by all of those aircraft. (ER at 103; Final EA at 4-6. “The DNL metric is a single value representing aircraft sound level over a 24 hour period and includes all of the sound energy generated within that period.”)

The ATAC report also assumed that the increase in the raw number of flights flying into SFO would be identical regardless of whether NorCal OAPM were implemented. (ER at 131; Final EA at 5-4.) However, no evidence is cited in the Final EA indicating that the increase in volume into SFO will be identical regardless of whether NorCal OAPM is implemented. The FAA's only support for this assumption is a citation to a 2012 Terminal Area Forecast prepared by the FAA. (ER at 131; Final EA 5-4 at n. 31.) But that document states that it served only to measure expected demand from consumers, but was not in any way measuring whether airports could actually handle any volume increases. (ER at 931.)

The Final EA also declined to conduct any analysis of the "cumulative impacts" of increased noise from NorCal OAPM when combined with other actions that might also result in noise increases. (ER at 144; Final EA at 5-17.) ATAC's report indicates that ATAC did not conduct such an analysis because it believed the FAA was doing so. (ER at 664; ATAC Report at 5-1.) However, Section 5.10 of the Final EA contains no such analysis. (ER at 144; Final EA at 5-17) ("[e]nvironmental resource categories not further evaluated for cumulative impacts include noise.")

The Final EA was published in connection with the FAA issuing responses to the various comments that had been made to the FAA regarding the Draft EA.

One such comment took the form of a December 18, 2013, letter from a representative of the National Park Service. (ER at 982.) In this letter a representative of the National Park Service wrote to Michael Huerta of the FAA expressing his concern regarding the possibility that newly-establish flight routes might have an adverse noise impact on national park space in the Bay Area. (Id.)

Elizabeth Ray of the FAA responded on April 2, 2014, noting that “[NorCal OAPM] is being implemented on an expedited timeline of 36 months from time of design to implementation The Norcal Metroplex does not seek to implement procedures which result in significant noise or other environmental impacts that would necessitate preparation of an Environmental Impact Statement (EIS). Preparation of an EIS is a process that typically requires more than 3 years.” (ER at 980.) Ms. Ray’s letter admits that the FAA was operating under a 36 month deadline and therefore the FAA had no intention of creating an EIS, which would cause the FAA to miss its target date. The record therefore demonstrates that the FAA had prejudged the issue of whether an EIS was necessary and pre-committed itself to an implementation schedule that would make preparation of an EIS impossible before even completing its Draft EA.

F. The FAA Issues a Report Demonstrating That Certain Of Its Assumptions Regarding The Anticipated Noise Impacts of NorCal OAPM Might Be Unwarranted.

Although not included by the FAA as part of the Certified List of Record provided in this case, at the time the FAA filed the Certified List of Record it had published a report entitled Future Airport Capacity Task 3: Airport Capacity Needs in the National Airspace System (“FACT3”). (ER at 984.) In FACT3, the FAA purported to analyze the capacity of major hub airports to handle the anticipated increase in consumer demand for flights over the next 5 years. (ER at 990; FACT3 at 1.)

In this document the FAA concluded that if NorCal OAPM is not implemented, SFO will need additional capacity to meet expected demand sometime in the next 5 years, but that such capacity limits will not be reached if NorCal OAPM is implemented. (ER at 992; FACT3 at 3.) In other words, more flights will occur into SFO under NorCal OAPM than would occur without NorCal OAPM. Nonetheless, the FAA’s consultant ATAC assumed in conducting its analysis of the potential noise impacts of NorCal OAPM that the volume of increase of flights into SFO would increase at an identical rate regardless of whether NorCal OAPM were implemented. (ER at 131; Final EA at 5-4.)

VI. STATEMENT OF THE CASE/SUMMARY OF ARGUMENT

This is a challenge under 49 U.S.C Section 46110 by various petitioners that have been adversely affected by the FAA's July 31, 2014, finding that implementation of NorCal OAPM would not have a significant noise impact on any affected community. Petitioners are residents of the Bay Area communities of Woodside and Portola Valley, California, and have experienced a dramatic and unreasonable increase in the amount of aircraft noise in their communities as a result of the FAA's implementation of NorCal OAPM. Petitioners assert that the FAA's finding that NorCal OAPM would not have any significant noise impacts on their community was arbitrary and capricious and should be set aside by the Court for at least the following reasons.

First, the FAA improperly prejudged the issue of whether NorCal OAPM would have a significant noise impact on any affected community, and therefore that it was not required to prepare an EIS analyzing that impact, and then committed itself to an implementation schedule for NorCal OAPM that would have made preparation of an EIS impossible. This prejudgment by the FAA was unlawful and tainted the entire process by which it subsequently purported to actually measure those noise increases. Second, the record indicates that at the time the FAA's technical consultant ATAC measured the anticipated noise effects on the ground of NorCal OAPM, that consultant did not actually know where

aircraft were expected to fly after the implementation of NorCal OAPM. ATAC's noise calculations were therefore based on unreliable data. Third, in measuring the anticipated noise impacts of NorCal OAPM in comparison with expected noise levels if NorCal OAPM were not implemented, the FAA improperly inflated the measurement of expected noise if NorCal OAPM were not implemented by assuming that a greater number of flights would occur at SFO without NorCal OAPM than was reasonable. Fourth, the FAA failed to analyze and consider the cumulative noise impacts of NorCal OAPM when considered in conjunction with other activities outside of NorCal OAPM that are expected to increase aircraft noise around SFO over the next several years.

For all of these reasons, Petitioners respectfully request that the Court set aside the FAA's conclusion that NorCal OAPM would not have a significant noise impact on any affected community and direct the FAA to prepare an EIS analyzing the real environmental and noise impacts expected under implementation of NorCal OAPM.

VII. ARGUMENT

A. The National Environmental Policy Act Requires the FAA to Consider, Disclose and Take a Hard Look At the Potential Noise Impacts of NorCal OAPM.

The National Environmental Policy Act of 1969 ("NEPA") is "our basic national charter for protection of the environment." Barnes v. United States Dept.

of Transportation, 655 F.3d 1124, 1131 (9th Cir. 2011). NEPA requires the FAA to prepare an EIS for every “major Federal action[] significantly affecting the quality of the human environment.” Id.; Grand Canyon Trust v. Federal Aviation Administration, 290 F.3d 339, 340 (D.C. Cir. 2002). In order to meet the requirements of NEPA, the agency must perform a comparative analysis of the environmental impacts of the different alternatives before the agency, including the impact of taking no action. Center for Biological Diversity v. United States Department of the Interior, 623 F.3d 633, 644 (9th Cir. 2010) (“It is black letter law that NEPA requires a comparative analysis of the environmental consequences of the alternatives before the agency.”)

Federal agencies are required to take a “hard look” at the potential environmental and noise impacts of their actions. Te-Moak Tribe of Western Nevada v. United States Dept. of the Interior, 608 F.3d 592, 602-03 (9th Cir. 2010) (federal agencies are required to take a “hard look” and consider all potential environmental effects that might be caused by their actions). The “hard look” requirement is not satisfied by conclusory statements by the agency about anticipated environmental effects. Oregon Natural Resources Council v. United States Bureau of Land Management, 470 F.3d 818, 823 (9th Cir. 2006) (rejecting EA that analyzed cumulative impacts in a “conclusory” manner using “general statements about possible effects.”)

Under the Council on Environmental Quality regulations implementing NEPA, “an agency prepares an EA [Environmental Assessment] in order to determine whether to prepare an EIS or issue a FONSI [Finding Of No Significant Impact], the latter of which excuses the agency from its obligation to prepare an EIS.” Barnes, 655 F.3d at 1131; Grand Canyon Trust, 290 F.3d at 340 (“An environmental assessment is made for the purpose of determining whether an EIS is required.”) However “if *any* ‘significant’ environmental impacts might result from the proposed agency action then an EIS must be prepared *before* agency action is taken.” Id. Of course, an agency is prohibited from prejudging the issue of whether an EIS must be prepared and must conduct a good faith environmental assessment to answer that question. Davis, 302 F.3d at 1112 (holding that federal agencies may not prejudge the issue of whether an EIS is necessary prior to conducting an environmental assessment.)

B. This Court Has the Statutory Authority to Review the FAA’s Determination that NorCal OAPM Would Not Have a Significant Noise Impact and Set That Decision Aside If It Was Arbitrary or Capricious.

This Court has authority to review the FAA’s actions for compliance with NEPA under the Administrative Procedures Act, 5 U.S.C. Section 701. Barnes, 655 F.3d at 1132. Although Petitioners recognize that “a reviewing court may set aside an agency action only if it is ‘arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law’” Barnes, 655 F.2d at 1132, caselaw

interpreting the manner in which this standard is applied where, as here, *an agency has declined to prepare an EIS*, indicates that the FAA has the burden of providing a “convincing statement of reasons” explaining why an EIS was unnecessary. *Id.* at 1132. As explained by the Ninth Circuit panel in Barnes in rejecting the FAA’s decision not to prepare an EIS in that case:

In reviewing an agency’s decision not to prepare an EIS, the arbitrary and capricious standard under the APA requires this Court [P] to determine whether the agency has taken a ‘hard look’ at the consequences of its actions, based [its decision] on a consideration of the relevant factors, *and provided a convincing statement of reasons to explain why a project’s impacts are insignificant.*

Id. at 1132 (emphasis added).

The FAA therefore has the burden of providing the Court with “a *convincing statement of reasons*” establishing that it correctly concluded that NorCal OAPM would not have a significant noise impact on any affected community and therefore preparation of an EIS was unnecessary. As demonstrated below, the FAA will be unable to do so because its analysis of the potential noise impacts of NorCal OAPM was arbitrary and capricious for several reasons.

C. The FAA Improperly Prejudged The Issue Of Whether Preparation Of An EIS Was Necessary.

As noted above, Federal law under NEPA requires federal agencies to carefully consider the potential environmental and noise impacts of their actions.

Barnes, 655 F.3d at 1131 (NEPA requires federal agencies to prepare an EIS for every “major Federal action[] significantly affecting the quality of the human environment.”) This generally requires the preparation of an EIS, but an agency can shortcut the process by preparing an EA demonstrating that a full blown EIS is not necessary because it is readily apparent that the proposed action will not have any significant environmental impacts. However, a federal agency is not permitted to prejudge the issue of whether an EIS is necessary but must wait until after it has conducted its environmental assessment. Davis, 302 F.3d at 1112 (holding that federal agencies may not prejudge the issue of whether an EIS is necessary prior to conducting an environmental assessment.)

The record in this case reveals that the FAA’s failure to prepare an EIS was a forgone conclusion from the start, because the FAA pre-committed itself to an implementation timeline for NorCal OAPM that would prohibit the preparation of an EIS. As noted above, NorCal OAPM is a mid-term project that is part of NextGen, the FAA’s plan to modernize the national airspace system by 2025. (ER at 1-2; FONSI at 1-2.) Documents in the record indicate that in its haste to implement this mid-term step, the FAA committed to a timeframe that made preparation of an EIS impossible.

On December 18, 2013, long before the publication of either the Draft EA or the Final EA, a representative of the National Park Service wrote to Michael

Huerta of the FAA expressing his concern regarding the possibility that newly-established flight routes might have an adverse noise impact on national park space in the Bay Area. (ER at 982.) Elizabeth Ray of the FAA responded on April 2, 2014, noting that “[NorCal OAPM] is being implemented on an expedited timeline of 36 months from time of design to implementation The Norcal Metroplex does not seek to implement procedures which result in significant noise or other environmental impacts that would necessitate preparation of an Environmental Impact Statement (EIS). Preparation of an EIS is a process that typically requires more than 3 years.” (ER at 980.)

Thus, given the FAA’s own expedited timeline, it had no choice from the beginning but to conclude in the Final EA that NorCal OAPM would not cause any significant noise impacts. This was unlawful. The very purpose of an environmental assessment is to determine whether preparation of an EIS is necessary. Grand Canyon Trust, 290 F.3d at 340 (“An environmental assessment is made for the purpose of determining whether an EIS is required.”) It is therefore completely improper for the FAA, as it did here, to have concluded that no EIS was necessary before completing its environmental assessment. Citizen Advocates For Responsible Expansion, Inc. (I-Care) v. Dole, 770 F.2d 423, 434 (5th Cir. 1985) (“government agencies must prepare the required meaningful environmental

assessment and reviewable administrative record *before* reaching a decision on whether an EIS is necessary”) (emphasis added).

Caselaw holds that where, as here, the record indicates that a government agency has prejudged the issue of whether an EIS need be prepared, courts do not owe the same deference to the agency’s decision that an EIS is unnecessary.

Davis, 302 F.3d at 1112 (finding the decision not to prepare an EIS arbitrary and capricious and noting that “the record establishes here that the defendants prejudged the NEPA issues. This prejudgment diminishes the deference owed to the federal defendants in our review of their decision to issue a FONSI rather than an EIS.”) The Davis court went on to observe that “the decision whether to prepare a FONSI should be based on the EA of course, not the other way around.”

Id.

Here, the record indicates that the FAA pre-determined that an EIS was not necessary before it even published its Draft EA, or heard and considered any comments from affected constituents, including Petitioners. This was improper, and Petitioners respectfully submit that they deserve more from the federal government. Scherr v. Volpe, 466 F.2d 1027, 1030 (7th Cir. 1972) (“Congress expressed [with NEPA] its basic goal that the federal government should strive for the protection of environmental values.”) Here, the record indicates that the FAA was striving for expediency, not environmental values, and set itself on a schedule

that precluded it from fairly determining whether or not an EIS was necessary. Petitioners deserve more from a government agency given the great responsibility of protecting our environment. The FAA's conclusion that NorCal OAPM would not cause any significant noise increases was therefore arbitrary and capricious and should be set aside by the Court.

D. The FAA's Conclusion that NorCal OAPM Would Not Have a Significant Noise Impact Was Arbitrary and Capricious Because It Was Based On Guesswork Regarding Where Planes Would Actually Fly And How Frequently.

In concluding that NorCal OAPM would not have a significant noise impact on any affected community, the FAA relied on a noise analysis conducted by ATAC. (ER at 612.) However, as ATAC astutely observed in its report, "To determine projected noise levels on the ground, it is necessary to determine not only how many aircraft are present, but where they fly." (ER at 652.) The problem for the FAA here is that the record is devoid of evidence establishing that ATAC (or the FAA) actually knew where planes would be flying if NorCal OAPM were implemented, and how frequently, at the time ATAC conducted its noise analysis.

The change in air routes implemented by NorCal OAPM that is of primary concern to Petitioners is that affecting an air route that is currently known as BIG SUR TWO. BIG SUR TWO is an arrival procedure into SFO that is used by

planes approaching from the South, and prior to NorCal OAPM accounted for about 29% of arrivals from the South into SFO. (ER at 1060; OAPM Study Report at 29.) Under NorCal OAPM, flights arriving from the South into SFO will now, in addition to using BIG SUR TWO, have another arrival procedure available denominated SERFR ONE. The administrative record however demonstrates that SERFR ONE consists of two alternative procedures that cross the San Francisco Peninsula and South Bay at different locations, but stop well clear of SFO and then rely on in flight instructions from tower personnel regarding how the aircraft will actually approach SFO for landing. (ER at 182; Final EA Appx. F at 51.) Notably, the record is devoid of evidence indicating:

- Which of the two alternative legs of the procedure is the correct one, or, are they both going to be implemented?;
- If both of the alternative legs are to be implemented, how frequently will planes use each of the alternatives?;
- How frequently will planes continue to use the old BIG SUR TWO procedure that is being kept under NorCal OAPM?;
- Where will aircraft actually fly once the procedures terminate well short of SFO?

The lack of data regarding the new flight approach procedure is alarming to Petitioners, because it is these Southerly arrivals following BIG SUR TWO or

SERFR ONE that most impact their communities. Moreover, the lack of data in the record regarding how *frequently* planes will use the new procedure, and how frequently they will use which leg of the procedure when they do so, makes measuring the future noise impacts of these changes on the ground impossible. This is the case because the FAA is required to measure noise impacts using a methodology that measures not just how loud any individual overflight is on the ground, but the total number of times during an average day a person on the ground would be exposed to overflight noise. (ER at 103; Final EA at 4-6.)

This methodology of measuring aircraft noise is called the Day Night Average Sound Level. (ER at 103.) Importantly, the DNL metric does not merely measure the decibel level on the ground of an aircraft flying overhead. Instead, the DNL recognizes the common sense proposition that an increase in *the number of times per day* that a person on the ground is exposed to noise from an aircraft overflight can be just as disturbing as an increase in the total decibel level emitted by an aircraft flying overhead. The DNL metric is therefore a measure of the cumulative amount of aviation noise that a person on the ground would be exposed to throughout a 24 hour period. (Id.) Under the DNL metric, a location that receives many aircraft overflights per day with minimal noise intrusion might actually be deemed “noisier” than a location with just a few window shattering, booming overflights per day.

It is for this reason that no accurate prediction of DNL levels could ever occur without knowing not only where aircraft will fly, but how frequently they will do so. As explained above, the record indicates that at the time the FAA concluded that NorCal OAPM would not have any significant noise impacts on the ground, many unanswered questions existed about where and how frequently planes would actually fly once it was implemented. The record also demonstrates that the FAA ignored pleas from Petitioners and their elected representatives to get more specific information regarding where planes would fly post NorCal OAPM, as the administrative record does not provide comprehensible information on this critical point. (ER at 970.)

The FAA's conclusion of no significant noise impact was therefore arbitrary and capricious and should be set aside the Court. Federal agencies are simply not permitted to satisfy their obligations under NEPA without a record demonstrating that the agency knew how and where environmental impacts would occur at the time it reached the conclusion that a significant environmental impact would not exist. See Advocates for Responsible Expansion, Inc. v. Dole, 770 F.2d 423, (5th Cir. 1985) (government agency violated NEPA by concluding that freeway

expansion project would not have a significant environmental effect before decision was finalized regarding construction and location of freeway overpass.)²

E. The FAA's Conclusion That NorCal OAPM Would Not Have a Significant Noise Impact On Any Affected Community Was Arbitrary and Capricious Because It Relied On Inaccurate Baseline Noise Data.

The FAA's conclusion that NorCal OAPM would not have any significant noise impacts was also arbitrary and capricious because it relied on a critical assumption that is not supported by the record and which the FAA knows may be unwarranted. Specifically, the FAA's third party consultant that analyzed the expected noise increases to be caused by NorCal OAPM assumed that the number of aircraft flying into SFO would increase at an identical rate over the next several years regardless of whether NorCal OAPM were implemented. As explained below, nothing in the record supports this assumption, certain documents authored by the FAA actually contradict this assumption, and the assumption caused an

² Petitioners further note that both procedures of the new SERFR ONE route terminate well short of SFO and then rely on radar vectors to route planes the rest of the way to the airport. (ER at 182.) This also makes accurate measurements of noise by aircraft using the new SERFR ONE impossible because the FAA admits that flight paths using radar vectors cannot be reliably predicted beforehand. (ER at 230; Final EA Appx. F at 53.) ("There is a distinct difference between published routes and radar vectors. Published routes are predictable and repeatable. Radar vectors are applied when the expected path of the aircraft needs to be adjusted for many different reasons, such as conflicts with other traffic, weather, aircraft spacing, equipment outages, law enforcement/military operations, lifeguard flights, etc. Because of the unpredictable nature of the conditions which may warrant issuance of vectors, forecasting their frequency of use is very difficult.")

artificial increase in the noise level baseline that ATAC used for measuring the anticipated noise increases caused by NorCal OAPM.

The Final EA indicates that ATAC measured and compared anticipated noise levels under five different scenarios, including:

- Actual Noise Levels existing during the year 2011
- Anticipated noise levels for the No Action alternative in 2014
- Anticipated noise levels in 2014 if NorCal OAPM is implemented
- Anticipated noise levels for the No Action alternative in 2019
- Anticipated noise levels in 2019 if NorCal OAPM is implemented.

(ER at 664; ATAC Report at 5-1.) The purpose of the noise analysis conducted by ATAC was to determine whether, if adopted, NorCal OAPM would result in any significant noise impacts on any affected community during the year 2014, or 2019 when compared with expected noise levels if NorCal OAPM were not implemented (the “no action” baseline). (ER at 130; Final EA at 5-3 (“The noise analysis reflects the change in noise exposure resulting from the proposed changes in aircraft routes (i.e., flight tracks) under the Proposed Action compared to the No Action Alternative.”))

In calculating the no action noise baseline, ATAC’s calculations assumed, without any supporting evidence, that the number of flights, and thus, arrivals into

SFO, would increase by an identical amount regardless of whether NorCal OAPM were implemented. This is a critical assumption upon which ATAC's final noise calculations rely, because, as noted above, the raw number of overhead flights is an critical metric for determining noise levels under the DNL standard. Thus, an incorrect assumption regarding the number of flights that would occur if NorCal OAPM were not implemented would improperly inflate the no action noise baseline level. If the baseline noise level were improperly inflated, then any conclusion regarding the relative noise increases caused by NorCal OAPM would be unreliable.

Despite the critical nature of the assumption that the number of flights into SFO would increase at an identical rate regardless of whether NorCal OAPM were implemented, the FAA did not provide any data or analysis in the record supporting this critical assumption. The law requires it to do so. Davis, 302 F.3d at 1122-23 (“A conclusory statement that growth will increase with or without the project, or that development is inevitable, is insufficient; the agency must provide an adequate discussion of growth-inducing impacts”); Northern Plains Resource Council v. The Surface Transportation Board, 668 F.3d 1067, 1083 (9th Cir. 2012) (“NEPA requires that the agency provide the data on which it bases its environmental analysis . . . [s]uch analysis must occur before the proposed action is approved, not afterward.”)

The only reference the FAA cites in support of this critical assumption in its Final EA is a 2012 Terminal Area Forecast prepared by the FAA, *but that document explicitly states that it conducted no analysis of whether the anticipated increase in flight volume was logistically feasible.* (ER at 931) (“an airport’s forecast is developed independent of the ability of the airport . . . to furnish the capacity to meet demand.”) Nonetheless, ATAC assumed in making its noise measurements that the exact same number of flights (826,187 in 2014, and 900,324 in 2019) would occur under the no action alternative as would if NorCal OAPM were implemented. (ER at 131; Final EA at 5-4.)

Other FAA documents demonstrate that this assumption was plain wrong, and that more flights will occur at SFO in the coming years under NorCal OAPM than could occur if NorCal OAPM were not implemented. Specifically, the FAA authored a document entitled Future Airport Capacity Task 3: Airport Capacity Needs in the National Airspace System (“FACT3”) in which it purported to analyze the capacity of major hub airports to handle the anticipated increase in consumer demand for flights over the next 5 years. (ER at 990; FACT3 at 1.) In this document the FAA concluded that if NorCal OAPM is not implemented, SFO may not be able to handle the expected increase in air traffic sometime in the next 5 years, and that such capacity limits will not be reached if NorCal OAPM is

implemented. (ER at 992; FACT3 at 3.) In other words, NorCal OAPM means more flight traffic at SFO in the coming years and associated noise increases.

The FAA therefore knows that a critical assumption underlying ATAC's noise analysis may be unwarranted, and concealed this fact in the Final EA, even though all the data inputs in FACT3 were available at the time the FAA issued the Final EA. The FAA knows that without NorCal OAPM, less flights will occur into SFO than will occur in the coming years under NorCal OAPM. The FAA knows this may be the case because it has acknowledged in FACT3 that without NorCal OAPM, SFO may simply lack the capacity to handle the expected increase in demand for flights into SFO.³ It was therefore completely inappropriate for ATAC to simply assume in its noise measurements that there will be exactly the same number of flights into SFO in 2019 in their "no action" noise scenario as there would be if NorCal OAPM is implemented. The FAA's conclusion that no

³The FAA notes in FACT3 that SFO might not be able to handle the demand for future air traffic by 2020 without implementation of midterm NextGen. (ER at 992; FACT 3 at 3.) In an addendum to the report, the FAA notes that SFO may not be capacity constrained by 2020 based on a sensitivity analysis of recent data. (ER at 1026; FACT3 at D-4.) Nonetheless, this shows at the very least the FAA knows that its assumptions about the number of flights going into SFO are subject to considerable doubt.

significant noise increase will occur if NorCal OAPM were implemented was therefore arbitrary and capricious and should be set aside by this Court.⁴

F. The FAA's Conclusion That NorCal OAPM Would Not Have a Significant Noise Impact on Any Affected Community Was Arbitrary and Capricious Because The FAA Failed to Conduct The Required "Cumulative Impacts" Analysis

NEPA requires Federal Agencies to not only measure the potential environmental and noise impacts of a proposed action as compared to a no action alternative, it also requires the agency to examine the "cumulative impacts" of the proposed action when considered in conjunction with other actions taken by the government or private individuals in the foreseeable future to determine if, *taken together*, the proposed action and the other actions would jointly have a significant negative effect on the environment. Te-Moak Tribe of Western Nevada v. United States Dept. of the Interior, 608 F.3d at 602-03 ("Cumulative impact is the impact

⁴In opposing this Petition, we anticipate that the FAA will attempt to rely on the case of Seattle Community Council Federation v. FAA, 961 F.2d 829 (9th Cir. 1992), for the proposition that the FAA is permitted to disregard the possibility that air traffic might not increase at the same rate as a result implementation of NorCal OAPM. Seattle Community Council Federation, is however distinguishable. In that case, the Court relied on the fact that the FAA in its final environmental assessment had affirmatively determined that Sea-Tac airport had the ability to handle the increase in capacity even if the proposed action were not implemented. Id. at 836. By contrast, the FAA made no such finding here and admitted in the Terminal Area Forecast that it based its projections of increased traffic solely on consumer demand without analysis of whether SFO could actually accommodate that traffic. (ER at 931.) Moreover, here, there is evidence that the FAA knew that air traffic would increase at a greater rate if NorCal OAPM were implemented than if it were not. (ER at 992.)

on the environment which results from the incremental impact of the action when other past, present, and reasonably foreseeable actions” are considered).

Ninth Circuit caselaw requires that even if a federal agency prepares only an environmental assessment, as opposed to an EIS, the agency’s EA must “fully address cumulative environmental effects or ‘cumulative impacts.’” Id. citing Kern v. BLM, 284 F.3d 1062, 1076 (9th Cir. 2002) (“Given that so many more EA’s are prepared than EIS’s, *adequate consideration of cumulative effects requires that EA’s address them fully*”) (emphasis in original.) Moreover the agency’s analysis in the EA cannot be conclusory or perfunctory, rather, it must be based on hard, quantifiable data:

In a cumulative impacts analysis, an agency much take a ‘hard look’ at all actions. An EA’s analysis of cumulative impacts must give a sufficiently detailed catalogue of past, present, and future projects, and provide adequate analysis about how these projects, and differences between the projects, are thought to have impacted the environment. [Citation] General statements about possible effects and some risk do not constitute a hard look absent justification of why more definitive information could not be provided. [Citation.] [S]ome quantified or detailed information is required. Without such information, neither the courts nor the public . . . can be assured that the [agency] provided the hard look that it is required to provide.

Ta-Moak Tribe of Western Shoshone of Nevada, 608 F.3d at 603 (quotations omitted); see also Oregon Natural Resources Council v. United States Bureau of Land Management, 470 F.3d 818 (9th Cir. 2006) (rejecting EA that analyzed

cumulative impacts in a “conclusory” manner using “general statements about possible effects.”)

In order to ensure strict agency compliance with the requirement of a cumulative impacts analysis, the burden on a petitioner challenging an agency’s failure to properly perform a cumulative impacts analysis “is not an onerous one.” Te-Moak Tribe of Western Shoshone, 608 F.3d at 605. Indeed, controlling caselaw provides that a petitioner has no obligation to demonstrate that a cumulative impact might occur. Id. at 605. As the Court in Te-Moak Tribe of Weestern Shoshone explained:

We conclude that in order for plaintiffs to demonstrate that the [government] failed to conduct a sufficient cumulative impacts analysis, they need not show that cumulative impacts would occur. To hold otherwise would require the public, rather than the agency, to ascertain the cumulative impacts of a proposed action. [citation] Such a requirement would thwart one of the ‘twin aims’ of NEPA—to ensure[] that the *agency* will inform the *public* that it has indeed considered environmental concerns in its decision making process.

Id. at 605.

In this case, not only did the FAA fail to conduct the kind of rigorous “hard look” at cumulative impacts required by NEPA and controlling caselaw, but also simply declined to evaluate the cumulative noise impacts that NorCal OAPM might have when combined with other factors, summarily declaring that since

NorCal OAPM would not have a significant noise impact, no cumulative analysis was necessary. (ER at 144; Final EA at 5-17).

Petitioners respectfully submit that this was improper and contrary to law. The entire point of a cumulative impacts analysis is to determine the impacts of an action, such as increased aviation noise, that might not in and of itself create a significant impact, but might cumulatively do so when viewed in conjunction with actions being taken by other governmental agencies or non-governmental actors. Grand Canyon Trust, 290 F.3d at 346 (FAA required to consider not only the noise impacts of the proposed action but also total noise impacts of the proposed action when considered with other actions not included in the proposed action); see also Natural Res. Def. Council, Inc. v. Hodel, 865 F.2d 288, 297 (D.C. Cir. 1988) (The purpose of this requirement is to prevent agencies from dividing one project into multiple individual actions “each of which individually has an insignificant environmental impact, but which collectively have a substantial impact.”)

The FAA is therefore not permitted to simply assume that because (according to the FAA) NorCal OAPM would not have a significant effect on noise, no cumulative noise impact exceeding an acceptable threshold would occur. Grand Canyon Trust, 290 F.3d at 339. In Grand Canyon Trust, the FAA approved the City of St. George Utah’s plans to construct a replacement airport near Zion National Park, and issued an environmental assessment concluding that doing so

would create non-existent or negligible noise impacts. Id. at 340. That decision was challenged on the basis that the FAA's noise analysis considered only the additional noise impact created by construction of the replacement airport, but ignored the cumulative noise impacts of the project when viewed with other factors that might also contribute to increased noise. Id. Specifically, the petitioners alleged that "The FAA cannot be said to have taken a 'hard look' at the problem when it considered only the incremental impacts of the replacement airport and not the total noise impact that will result from the relocated airport." Id. at 341. The FAA contended, as it does here, that it had already found the noise impacts from the proposed action to be negligible and that it was not required to consider the total impact of noise on the Park. Id.

The Court of Appeals for the District of Columbia rejected the FAA's position, noting that "the consistent position of the caselaw is that, depending on the environmental concern at issue, the agency's EA must give a realistic evaluation of the total impacts and cannot isolate a proposed project, viewing it in a vacuum." Id. at 342. The Court then remanded the case to the FAA for further consideration of whether an EIS was necessary, stating that "NEPA regulations require that an agency consider cumulative impacts and the FAA's EA fails to address the total noise impact that will result from the replacement airport" and that "it would be difficult to understand how an agency could determine that an

EIS is not required if it had not evaluated existing noise impacts *as well as those planned impacts that will exist by the time the new facility is constructed and in operation.*” Id. at 345 (emphasis added.). In Grand Canyon Trust, the FAA failed to consider that an increase in air traffic might occur as a result of changes to flight patterns and schedules at other airports, as well as an increase in activity by private aircraft tour operators that were not a part of the proposed action but also had the potential to increase aircraft noise in the affected area. Id. at 346; see also Ocean Advocates v. United States Army Corps of Engineers, 402 F.3d 846, 864 (9th Cir. 2005) (Army Corps of Engineers’ conclusion that adding an addition to a dock would not have a significant environmental impact rejected as arbitrary and capricious where Corps failed to consider the possibility that project would result in additional ship traffic).

Here, Petitioners respectfully submit that the FAA should have considered the potential cumulative noise impacts of NorCal OAPM in conjunction with the potential increase of flight traffic that the FAA contends in the Final EA will occur at SFO regardless of whether the project is implemented. As noted above in Section VII.E., the FAA disregarded the potential effects of an increase in traffic by assuming the same increase would occur with or without NorCal OAPM. Even if it was fair for the FAA to assume that air traffic into SFO would increase at the same rate regardless of whether NorCal OAPM were implemented, which

Petitioners do not concede, then the FAA should have analyzed and considered the cumulative noise impacts created by NorCal OAPM when viewed in conjunction with noise increases caused by increased air traffic into SFO. Only by conducting such an analysis could the FAA have determined whether the cumulative impact of NorCal OAPM when combined with the increases in noise resulting from the increase in flight traffic would together have a significant noise impact on an affected community. The FAA's conclusory determination that no cumulative noise impacts would occur is insufficient where, as here, an agency is relying on its conclusions to avoid preparing an EIS. Ocean Advocates, 402 F.3d at 864 ("The Corps cannot avoid preparing an EIS by making conclusory assertions that an activity will have only an insignificant impact on the environment.")

The FAA's failure to conduct any type of cumulative noise analysis is especially troubling given that the FAA's consultant, ATAC, failed to conduct an analysis of certain cumulative noise impacts *because it mistakenly believed that the FAA would do so in the Final EA*. Specifically, Section 5.2 of the report prepared by ATAC corporation, entitled "Existing conditions and No Action Conditions," reveals that ATAC did not evaluate the cumulative noise impacts of certain other changes being made to aircraft flight patterns outside of NorCal OAPM, by including those changes in its no action baseline, because it wrongly believed that the FAA would discuss these cumulative impacts in its Final EA. In fact, the FAA

did not discuss the potential cumulative impacts on noise levels that would occur with implementation of both NorCal OAPM and the changes referenced above by ATAC in its report, as ATAC clearly believed it would. (ER at 144; Final EA at 5-16-18.) Instead, the FAA summarily concluded in the Final EA that no cumulative impacts analysis was necessary because no noise impacts would occur. (Id.) (“[e]nvironmental resource categories not further evaluated for cumulative impacts include noise.”)

The law of this Circuit does not permit this type of conclusory analysis of cumulative impacts by the FAA. Northern Plains Resource Council, 668 F.3d at 1076 (“A cumulative impact analysis must be more than perfunctory; it must be a useful analysis of the cumulative impacts of past, present, and future projects”) (quotations omitted); Oregon Natural Resources Council, 470 F.3d at 822 (rejecting an EA on the basis that it “failed to disclose and consider quantified and detailed information regarding the cumulative impact of the [] logging project combined with past, present, and reasonably foreseeable logging projects.”).

The FAA’s complete failure to address the potential cumulative impacts on noise levels of NorCal OAPM when viewed in conjunction with other factors that could affect noise levels was therefore arbitrary and capricious, and it should be ordered at a minimum on remand to perform the required analysis.

VIII. CONCLUSION

For the reasons stated above, the Court should grant the Petition for Review. The Court should set aside the FAA's conclusion that NorCal OAPM would not have any significant noise impact and direct the FAA to prepare an EIS and permit the type of meaningful community input of the potential environmental and noise impacts of NorCal OAPM required for an EIS.

_____/s/_____

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Attorney for Petitioners James
E. Lyons, Tina Nguyen,
Mary Jane McCarthy and A. Frank
Rothschild

STATEMENT OF RELATED CASES

Petitioners are not aware of any related cases pending in this Court.

CERTIFICATE OF COMPLIANCE

This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B) because this brief contains 13,472 words. This certification is made in reliance on the word count feature of Microsoft Word.

_____/s/_____

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Sharon Hanlon

From: Jonathan Barth [<mailto:jbarth@pvsd.net>]
Sent: Thursday, May 28, 2015 2:48 PM
To: John Zussman; Leo Gonzalez; Lisa Gonzales; Nick Pegueros; Howard Young
Subject: Back flow prevention leak

Good afternoon,

This morning we identified a leak which appear to be coming from a back flow valve prevention valve on the Corte Madera campus. This leak is causing visible water waste onto the pavement on campus. I am sure there will be some concern that we are not aware of this problem. We want to assure our neighbors that we have taken action and scheduled a leak detection service and a repair appointment. We are also trying to notify others who may hear about the condition so that you can reassure concerned citizens that the District has taken action.

Thank you all.

Best regards,
Jon

Jon Barth, MPA | Chief Business Officer
Portola Valley School District | 4575 Alpine Road | Portola Valley, CA 94028
650.851.1777 ext. 2560 | jbarth@pvsd.net



1400 K Street, Suite 400 • Sacramento, California 95814
 Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

Council Action Advised by July 31, 2015
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May 29, 2015

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
 League of California Cities Annual Conference – September 30 – October 2, San Jose**

The League's 2015 Annual Conference is scheduled for September 30 – October 2 in San Jose. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, October 2, at the San Jose Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 18, 2015. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

-over-

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the San Jose Convention Center, will be open at the following times: Wednesday, September 30, 8:00 a.m. – 6:00 p.m.; Thursday, October 1, 7:00 a.m. – 4:00 p.m.; and Friday, October 2, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 18. If you have questions, please call Kayla Gibson at (916) 658-8247.

Attachments:

- 2015 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures 2015 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2015 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, September 18, 2015. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, September 18, 2015

League of California Cities
ATTN: Kayla Gibson
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: kgibson@cacities.org
(916) 658-8247

Sharon Hanlon

Attachments: Adobe Acrobat X Pro.Ink**From:** MTC Public Information [<mailto:info@mtc.ca.gov>]**Sent:** Thursday, May 28, 2015 6:15 PM**To:** Nick Pegueros**Subject:** Plan Bay Area 2040: Join the Conversation**Join the conversation online!**

Hello,

For the past month, residents from across the San Francisco Bay Area have come together at a series of public open houses to discuss how to plan for our region's future growth.

[Plan Bay Area](#), the region's long-range transportation and housing roadmap, is being updated. The Plan looks to the year 2040, when two million more residents and 1.1 million new jobs are expected in the nine-county Bay Area. How this growth takes place will affect us all.

Even if you could not attend the open house in your community, you can still participate online via the [Plan Bay Area Open Forum](#), which will be active through May 31, 2015.

You can offer comments on long-term goals to:

- House the projected population;
- Maintain and enhance our transportation infrastructure;
- Reduce greenhouse gas emissions;
- Improve public health;
- And, much more.

The public comments will feed into the "[Goals and Targets](#)" that will form the foundation for this iteration of the Bay Area's long-range plan, which is updated every four years.

Plus, you'll be able to learn about how future housing and employment numbers are forecast and what transportation improvements are already

in the pipeline for your county and the region.

What kind of Bay Area we build today will be the legacy we leave for the next generation. If we want to continue to have a strong economy, with a range of housing, transportation and employment options for our region's residents, we need to plan now.

Please join the discussion online at PlanBayArea.org and help spread the word about the forum to your colleagues and neighbors.

If you want to receive updates about Plan Bay Area 2040, sign up here: <http://planbayarea.org/get-involved.html>.

Best wishes,

ABAG and MTC Public Information Staff

Association of Bay Area Governments and Metropolitan Transportation Commission
101 Eighth Street, Oakland, CA 94607
Phone: 510.817.5700
Fax: 510.817.5848
Email: info@onebayarea.org



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council
FROM: Nick Pegueros, Town Manager
DATE: May 29, 2015
RE: Weekly Update

The purpose of this report is to provide a summary update on items/projects of interest for the week ended May 29, 2015.

1. Zero Energy Plan Classes Hosted at Town Center – In collaboration with San Mateo County Energy Watch, the Town hosted two successful classes: “Zero Energy in Local Government: Creating Your Zero Energy Plan” and “Creating a Zero Energy Home”. The events were well attended and congratulations to Brandi and intern-Greg for their hard work putting the event together.
2. Meeting on OPEB/Retiree Medical Liabilities – I attended a meeting on OPEB/Retiree Medical Liabilities in Sacramento this Thursday. The meeting highlighted the challenges facing the CalPERS-Medical (PEMHCA) due to the Affordable Care Act and changes in actuarial standards relative to long-term liability calculations. OPEB/Retiree Medical Liabilities for those cities who contract with PEMHCA will likely take center stage over the next three years.
3. Communications & Information Manager (CIM) Interviews – Interviews for the P/T CIM position are currently underway with the assistance of a staffing agency in Menlo Park. Early interviews are promising and a decision relative to next steps is expected in the next week.

TOWN COUNCIL WEEKLY DIGEST

Friday – June 5, 2015

1. Agenda (Action) – Planning Commission Meeting – Wednesday, June 3, 2015
2. Agenda – ASCC – Monday, June 8, 2015
3. Agenda – Trails & Paths Committee – Tuesday, June 9, 2015
4. Agenda – Emergency Preparedness Committee – Thursday, June 11, 2015
5. Agenda – Cultural Arts Committee – Thursday, June 11, 2015
6. Agenda – Nature & Science Committee – Thursday, June 11, 2015
7. Month End Financial Report – May 2015
8. Invitation to Demonstration of Water Purification System at Town Hall
9. Grand Jury Report – Flooding Ahead: Planning for Sea Level Rise
10. Email from Pamela Machado, San Mateo County Health Services re: Onsite Wastewater Treatment System
11. Request from Barry Chang, Vice Mayor City of Cupertino re: Letter of Support for Consent Decree against Lehigh Southwest Cement Co. and Hanson Permanente Cement, Inc.
12. Agenda re: San Mateo County Sea Level Rise Vulnerability Assessment Kickoff Meeting
13. Midpeninsula Regional Open Space District - Monthly E-Newsletter / June 2015
14. Invitation to 3rd Annual San Mateo County Pride Celebration
15. Western City Magazine – June 2015
16. Memo from Town Manager, Nick Pegueros re: Weekly Update – Friday, June 5, 2015

Attached Separates (Council Only)
(placed in your town hall mailbox)

1. League of California Cities 2015 Annual Conference & Expo Program



TOWN OF PORTOLA VALLEY
REGULAR PLANNING COMMISSION MEETING
Special Joint Field Meeting (time and place as listed herein)
765 Portola Road, Portola Valley, CA 94028
Wednesday, June 3, 2015 – 7:30 p.m.
Council Chambers (Historic Schoolhouse)

REGULAR AGENDA

Call to Order, Roll Call

Call to Order at 7:30 p.m.

Chairperson Targ, Vice-Chairperson Hasko, Commissioners Gilbert and Von Feldt present. Also present: Maryann Derwin, Town Council Liaison; Debbie Pedro, Town Planner; Karen Kristiansson, Deputy Town Planner; Ted Sayre, Town Geologist.

Absent: Commissioner McKittrick.

Oral Communications

There were no oral communications.

Regular Agenda

1. *Public Hearing:* Lot Line Adjustment Application, File #: 43-2014 and X6D-216, 846/850 Portola Road, Sausal Creek Associates (Staff: K. Kristiansson)
Approved (4-0) subject to the conditions outlined in the staff report.
2. *Public Hearing:* Site Development Permit for a Landslide Repair Project, File #: X9H-660, 16/42 Santa Maria Avenue, Bylund (Staff: K. Kristiansson)
Approved (3-0, Targ recused) subject to the conditions outlined in the staff report, as amended.
3. *Preliminary Review of Conditional Use Permit, Variance, and Architectural and Site Plan Review Applications for Pipeline Replacement and Consolidation of Pump Stations 8 and 13, File #s: 3-2015, X7D-176, and X7E-138, Portola Road right-of-way, Pump Station 8 on Portola Road across from Hayfields Road, and Pump Station 13 at the corner of Portola Road and Stonegate Drive, California Water Service Company (Staff: K. Kristiansson)* **Planning Commission provided comments and continued review to 6/17/15 Planning Commission meeting.**
4. Study Session on Amendments to the Second Unit Ordinance (Staff: D. Pedro)
Planning Commission provided comments and forwarded draft ordinance amendments to the ASCC for review and recommendations.

Commission, Staff, Committee Reports and Recommendations: **None.**

Approval of Minutes:

March 4, 2015 and May 20, 2015 Minutes approved as submitted (4-0)

Adjournment: 9:40 p.m.

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700 ext. 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley branch of the San Mateo County Library located at Town Center.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is posted in compliance with the Government Code of the State of California.

Date: May 29, 2015

CheyAnne Brown
Planning Technician



**TOWN OF PORTOLA VALLEY
ARCHITECTURAL AND SITE CONTROL COMMISSION (ASCC)
Monday, June 8, 2015
7:30 PM – Regular ASCC Meeting
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028**

7:30 PM – REGULAR AGENDA*

1. Call to Order:
2. Roll Call: Breen, Clark, Harrell, Koch, Ross
3. Oral Communications:

Persons wishing to address the Commission on any subject, not on the agenda, may do so now. Please note, however, the Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

4. Old Business:
 - a. Continued Review of Conditional Use Permit, Variance, and Architectural and Site Plan Review Applications for Pipeline Replacement and Consolidation of Pump Stations 8 and 13, File #s: 3-2015, X7D-176, and X7E-138, Portola Road right-of-way, Pump Station 8 on Portola Road across from Hayfields Road, and Pump Station 13 at the corner of Portola Road and Stonegate Drive, California Water Service Company (Staff: K. Kristiansson)
5. New Business:
 - a. Study Session on Amendments to the Second Unit Ordinance (Staff: D. Pedro)
6. Commission and Staff Reports:
7. Approval of Minutes: May 26, 2015
8. Adjournment:

*For more information on the projects to be considered by the ASCC at the Special Field and Regular meetings, as well as the scope of reviews and actions tentatively anticipated, please contact Carol Borck in the Planning Department at Portola Valley Town Hall, 650-851-1700 ex. 211. Further, the start times for other than the first Special Field meeting are tentative and dependent on the actual time needed for the preceding Special Field meeting.

PROPERTY OWNER ATTENDANCE. The ASCC strongly encourages a property owner whose application is being heard by the ASCC to attend the ASCC meeting. Often issues arise that only property owners can responsibly address. In such cases, if the property owner is not present it may be necessary to delay action until the property owner can meet with the ASCC.

WRITTEN MATERIALS. Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700, extension 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is Posted in Compliance with the Government Code of the State of California.

Date: June 5, 2015

CheyAnne Brown
Planning Technician



TOWN OF PORTOLA VALLEY
Trails and Paths Committee
Tuesday, June 9, 2015 - 8:15 AM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

AGENDA

1. Call to Order
2. Oral Communications
3. Approval of Minutes, April 14, 2015
4. Financial Review and Trail Work – May 2015
5. Conservation Committee Update
 - (a) Old Schoolhouse Landscaping Working Group
6. Old Business
 - (a) MROSD / Hawthorn Ranch
 - (b) Equestrian trail in front of Alpine Hills Club
 - (c) Town Picnic – Saturday, June 6th
 - (d) Celebration of the Horse and Horse Fair – Sunday, June 14th
7. New Business
 - (a) Community Hike Planning
 - (b) Larry Lane Trail – Scenic Overlook
8. Other Business
9. Adjournment

Enclosures:

Minutes from April 14, 2015 meeting
Financial Review
Trail Work Map and Memo – May 2015



TOWN OF PORTOLA VALLEY
Regular Meeting of the
Emergency Preparedness Committee
Thursday, June 11, 2015 - 8:00 AM
EOC / Town Hall Conference Room
765 Portola Road, Portola Valley, CA 94028

AGENDA

1. 8:00 Call to order -
 Members: John Boice, Dave Howes, Diana Koin, Anne Kopf-Sill,
 Dale Pfau/Chair, Chris Raanes, Ray Rothrock, Craig Taylor, Bud Trapp,
 Tamara Turner, and Stuart Young

 Guests: Nick Pegueros/Town Manager, John Richards/Town Council, Dan
 Ghiorso and Selena Brown WFPD, Mark Kuykendall/Sheriff's Office, Gary
 Nielsen, Police Commissioner

 Absent:
2. 8:01 Oral Communications
3. 8:04 Review and approval of minutes
 - Motion: Accept the Minutes of May 14, 2015
4. 8:05 CERPP/WFPD Report (Brown/Ghiorso)
5. 8:20 Town Report (Nick/Marsha)
 - Cross-Training with EPC Members
 - Wildland Fire Drill; EOC activation report
6. 8:35 Medical Subcommittee Report (Young)
 - MOU status with Stanford
 - Sequoia supplies update
7. 8:40 Communications Subcommittee Report (Rothrock)
 - AM Radio Web-streaming
8. 8:45 Community Outreach Subcommittee Report (Turner)
 - Picnic Report
9. 8:55 Other Business
10. 9:00 Adjourn. Next meeting is July 9, 2015



TOWN OF PORTOLA VALLEY
Cultural Arts Committee
Thursday, June 11, 2015 - 1:00 PM
Historic Schoolhouse
765 Portola Road, Portola Valley, CA

AGENDA

1. Call to Order
2. Oral Communications
3. Approval of Minutes – May 14, 2015
4. Old Business:
 - CAC Survey Status
 - 2015-2016 Budget
 - Summer Concerts
 - Food arrangements for Summer Concerts
 - Signage for Concerts
 - PV Picnic on June 6
5. New Business:
 - Art Donation
 - CAC Annual Report
 - Signage Recycle
 - PV Picnic Report
 - Co-Sponsor Teen Project with Friends of Library
 - Piano Purchase Report
6. Adjournment



Town of Portola Valley
Nature and Science Committee Meeting
Thursday, June 11, 2015 – 5:00 pm
Historic Schoolhouse
765 Portola Road, Portola Valley, CA 94028

MEETING AGENDA

Reminder: meeting start time is now 5:00 pm

1. Call to Order
2. Oral Communications (Anyone wanting to address the Committee OR anyone wanting to speak on something that is not on the agenda)
Introduction of visitors
3. Approve minutes of April 9, 2015 regular meeting
4. Reports:
Annual Report to Portola Valley Town Council
Town Picnic participation – June 6
5. Planning and discussion:
Flight Night – September 19
Star Party – October 16
Next big event
6. Budget:
2014-15 Budget balance
Bills to be presented
7. Action Items:
Election of Officers
8. Other reports including Sub-Committee/Liaison Reports:
9. Adjournment:
Next meeting: August 13, 2015 at 5:00 pm



MONTH END FINANCIAL REPORT FOR THE MONTH OF: May 2015

C A S H	Bank of America	\$	102,879.69	
	Local Agency Investment Fund (0.283%)	\$	13,477,782.67	
	Total Cash		\$	13,580,662.36
F U N D S	05 General Fund	\$4,713,272.71		<i>General Fund Assignments:</i>
	08 Grants	(219,069.23)		<i>Capital Replacement</i>
	10 Safety Tax	1,897.39		<i>Unfunded Pension</i>
	15 Open Space	4,549,856.99		<i>Equipment Replacement</i>
	20 Gas Tax	(9,455.23)		<i>Unfunded OPEB</i>
	22 Measure M	(5,220.60)		<i>Legal Fee Contingency</i>
	25 Library Fund	401,977.60		<i>UNASSIGNED BALANCE</i>
	30 Public Safety/COPS	(17,499.65)		<i>* General Fund Total</i>
	40 Park in Lieu	6,272.15		
	45 Inclusion In Lieu	2,886,725.01		
	50 Storm Damage	(218,078.12)		
	60 Measure A	256,037.79		
	65 Road Fees	41,169.48		
	75 Crescent M.D.	100,834.87		
	80 PVR M.D.	14,339.88		
	85 Wayside I M.D.	5,766.09		
	86 Wayside II M.D.	61,868.10		
	90 Woodside Highlands M.D.	189,134.92		
	95 Arrowhead Meadows M.D.	(1,799.67)		
	96 Customer Deposits	822,631.88		
	Total Fund Balance		\$	13,580,662.36
A C T I V I T Y R E C A P	Beginning Cash Balance:	\$	13,700,409.41	
	Revenues for Month:		225,581.02	
	Total Revenues for Month:		225,581.02	
	Warrant List 5/13/2015	(96,376.81)		
	Warrant List 5/27/2015	(120,257.86)		
	Payroll	(126,965.32)		
	Total Expenses for Month:		(343,599.99)	
	Total JE's and Void Checks:		(1,728.08)	
	Ending Cash Balance		\$	13,580,662.36

*NOTE: Per Adopted Budget 2014-15, General Fund total fund balance for 6/30/15 is projected at \$4.6 million.

FISCAL HEALTH SUMMARY:

Unreserved/Spendable Percentage of General Fund (Adopted Policy is 60%)	101.34%
<i>Calculated at current GF fund balance less non-spendable funds, divided by current year budgeted operating expenditures.</i>	
Days of Running Liquidity of Spendable General Fund	435
<i>GASB recommends no less than 90 days</i>	

NOTE: General Fund assigned fund balances were approved by the Town Council on January 24, 2014. The unassigned fund balance is on the cash basis and does not include the adopted budget surplus/deficit for the fiscal year or accrued liabilities such as accounts payable or compensated absences, which are typically only accrued on June 30th of each fiscal year. This report is complete as of the last business day of the month for which it was issued. If new information arises for this or prior periods, these monthly reports will not be updated but the adjustment will be reflected in

Sharon Hanlon

From: Stacie Nerdahl

Sent: Tuesday, June 02, 2015 3:31 PM

To: Brandi de Garneau; Debbie Pedro; Howard Young; Nick Pegueros; Sharon Hanlon

Subject: Emerg Prep ~ Demo of Water Purification System

The Town recently purchased a water purification system that can be used to manufacture/provide clean drinking water here at Town Center in the case of an emergency. I believe Nick and Howard have already sampled (and survived) the purified delights of Town Center's own Sausal Creek.

John Novitsky of [Merlin Ecosystems](#) will be delivering our unit on **Monday afternoon (6/8) around 1:30 pm**. If you are available, please make an effort to attend/participate in a 15-20 minute demo on how to use this device. I do not believe that the imbibing of creek-water (purified or otherwise) will be required.



Stacie Nerdahl

Administrative Services Manager

Town of Portola Valley

765 Portola Road

Portola Valley, CA 94028

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www.portolavalley.net

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FLOODING AHEAD: PLANNING FOR SEA LEVEL RISE

ISSUE

What actions can the County of San Mateo, and the 20 cities and two relevant local special agencies within the county, take now to plan for sea level rise?

SUMMARY

San Mateo County is at severe risk for sea level rise (SLR) over the period 2015-2100. The County, and the 20 cities and two relevant local special agencies within the county,¹ do not have a coordinated approach to address *existing* problems related to flooding and are not prepared for the added challenge of SLR. This investigation documents the countywide risk that SLR poses to people, property, and critical infrastructure. For example, wastewater treatment plants are highly vulnerable to SLR and this vulnerability presents significant problems for all cities, not just those along the coast and bay.

This Grand Jury report discusses ways to get organized to plan for SLR, as well as alternative sources of funding for SLR-related projects. Based on this investigation, the Grand Jury recommends that a single organization undertake SLR planning on a countywide basis. This report also examines ways to address SLR as part of local land use planning and recommends including SLR-related policies in local General Plans. It also recommends implementation of a coordinated program to raise public awareness of SLR, particularly as to how it may impact this county. Finally, the report highlights the need for effective and coordinated advocacy at the regional, State, and federal levels.

The Grand Jury strongly urges action *now* to undertake countywide planning for SLR. By acting now, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, such as those that may be triggered by new FEMA flood hazard maps. By acting now, San Mateo County jurisdictions may apply land use planning measures to mitigate future exposure to SLR. Finally, by acting now to address SLR, San Mateo County can also address the lack of coordination among jurisdictions that is evident in existing flood prevention efforts. Notably, this lack of coordination places the county at a severe disadvantage when applying for federal or State monies for flood protection.

GLOSSARY

County of San Mateo or County: County government under the Board of Supervisors

¹ The two relevant special agencies with responsibilities for flood prevention are the County Flood Control District and the San Francisquito Creek Joint Powers Authority.

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San Mateo County or **SMC**, or **county**: the geographic entity. Local governments and residents collectively.

Levees: includes levees, horizontal levees, walls, dikes, and similar structures designed to prevent flooding along the coast, bay shoreline, and along creeks subject to tidal flows

Local officials: elected and appointed officials and staff of the County, cities, and special agencies within the county, interviewed by the jury

CEQA: California Environmental Quality Act. A law governing the environmental review process, including the preparation of environmental impact reports, to be used by local governments when considering proposed new developments.

JPA: Joint Powers Authority. A separate government agency created by its member agencies (such as cities and counties), typically with officials from the member agencies on its governing board. JPAs are formed for specific purposes and to exercise powers commonly held by the member agencies. For example, two or more cities may form a JPA to manage a common government function, such as fire protection for their jurisdictions, where it is more cost-effective to act together than separately.

Specific Agencies

BCDC: San Francisco Bay Conservation and Development Commission. A State agency with permit authority over new development along the San Francisco Bay shoreline. BCDC requires an SLR risk assessment for any new development within its jurisdiction. It published the report *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline* (2011).

C/CAG: City/County Association of Governments of San Mateo County. A JPA formed by the County of San Mateo and all 20 cities within the county for various purposes including, for example, oversight of a regional transportation Congestion Management Program.

CCC: California Coastal Commission. A State agency with permit authority over new development along the coast. CCC requires an SLR risk assessment for new development within its jurisdiction.

CEC: California Energy Commission. A State agency responsible for energy policy and planning, including research. It published the reports *The Impacts of Sea Level Rise on the San Francisco Bay* (2012) and *Climate Change Scenarios and Sea Level Rise Estimates for California* (2009).

CO-CAT: Coastal and Ocean Working Group of the California Climate Action Team. A working group of senior staff from 17 State agencies with ocean and coastal resource

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management responsibilities. It issued the *State of California Sea-Level Rise Guidance Document* (2013) for use by State agencies as part of their assessments and decisions.

FEMA: Federal Emergency Management Administration. A federal agency whose responsibilities include preparing Flood Insurance Rate Maps that depict areas subject to inundation by a “100-year storm.”² At present, FEMA does not map flood hazards based on anticipated future sea levels.

NRC: National Research Council. An operating arm of the National Academy of Sciences and the National Academy of Engineering, a private nonprofit institution. It published the report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future* (2012).

SCC: State Coastal Conservancy. A State agency that purchases, protects, restores, and enhances coastal resources. Currently supports preparation of local coastal plans and vulnerability assessments in San Mateo County that address SLR.

BACKGROUND

San Mateo County (SMC) residents are at severe risk for flooding due to projected sea level rise (SLR) over the period 2015-2100. In fact, SLR is already occurring. Measurements at the San Francisco Tide Station at the Golden Gate show eight inches of SLR between 1897 and 2006, consistent with figures from around the world.³

The precise amount and rate of SLR are unknown, but State agencies have consistently advised that seas are rising at “accelerating rates,” and project SLR ranging up to 65 inches (167 centimeters) by the year 2100.⁴ One scientist advised SMC officials of the possibility of even greater SLR, nearly 15 feet, during this century.⁵

² A “100-year-storm” is used to define a rainfall event that statistically has a one percent chance of occurring in any given year. However, it is not the storm that will occur once every 100 years. Rather, it is the rainfall totals that have a one percent chance of being equaled or exceeded each year.

³ Matthew Heberger et al. (Pacific Institute) 2012, *The Impacts of Sea Level Rise on the San Francisco Bay*, California Energy Commission (CEC) Publication No. CEC-500-2012-014, pp. 2-3; and San Francisco Bay Conservation and Development Commission (BCDC), *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline*, Staff Report, October 6, 2011, p. 18.

⁴ In 2008, Governor Schwarzenegger issued an executive order requiring State agencies to prepare SLR scenarios for the years 2050 and 2100 to “assess project vulnerability, reduce expected risks, and increase resilience to sea level rise.” In response, the Coastal and Ocean Working Group of the California Climate Action Team (CO-CAT), representing 17 State agencies, proposed interim SLR projections for the year 2100 ranging from 31 to 69 inches, grouped into “low,” “medium,” and “high” models (based on a 2009 CEC study). For some planning purposes, agencies such as BCDC focused on 55 inches of SLR, the average projection in the “high” model. However, CO-CAT urged agencies to “select SLR values based on agency and context-specific considerations of risk tolerance and adaptive capacity.” (See BCDC, *Living with a Rising Bay*, pp. 9, 20-22.) In 2012, the National Research Council (NRC) issued a report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future*. The report projects SLR ranging from about 16 inches to 65 inches (42 to 167 centimeters) by the year 2100.

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Scientists have identified the major sources of SLR: an increase in water temperature causing expansion of the oceans, plus the addition of water from melting glaciers.⁶ Based on scientific studies, State agencies warn that additional SLR is now *inevitable*.⁷

Most discussions of SLR focus on the cause (climate change) and means of prevention (such as reducing carbon emissions). This Grand Jury report is not about preventing SLR, but rather about *adaptation* to SLR. Adaptation includes measures such as constructing or modifying levees, elevating structures, restoring wetlands, or abandoning low-lying areas.

This report addresses SLR that is projected to gradually increase through the year 2100. Although this may seem to stretch far into the future, it is within the lifespan of younger residents and the useful life of many existing buildings and infrastructure. Substantial areas of the county are *already* within existing FEMA flood insurance rate maps. Unless better protected, these areas could feel the first impact of SLR at any time.

Over the last 20 years, there have been incidents of severe flooding in SMC. In December 2014, low-lying basins and levee over-topping were contributing factors when a moderate “five-year”⁸ storm left hundreds of residents homeless.⁹ If the County, cities, and two relevant local special agencies are struggling to address *existing* flood conditions, how will they handle worse conditions in the future?¹⁰

The NRC report was commissioned by California, Oregon, and Washington State agencies, by the National Oceanic and Atmospheric Administration (NOAA), the U.S. Army Corps of Engineers, and the U.S. Geological Survey. CO-CAT now considers the NRC report to be the “best available science” on SLR for this state, but allows State agencies to use the projections “in a flexible manner” in their assessments or decisions. (See CO-CAT, *Sea-Level Rise Guidance Document*, March 2013, p. 1, and California Coastal Commission (CCC), *Draft Sea Level Rise Policy Guidance*, October 14, 2013, p. 4.)

⁵John Englander, Conference Speech at Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” December 9, 2013, College of San Mateo Theatre, San Mateo, CA.

⁶ The risk is not just SLR alone, that is, a slow rise in sea level until one day the levees are topped. For one thing, SLR can undermine the integrity of existing levees. Even more, the risk lies in the *combination* of SLR, plus the yearly high tides (“king” tides), plus a 100-year storm that causes a storm surge and wave action in the Bay, plus heavy rainwater runoff in creeks. Other factors that influence the risk of flooding due to SLR include changes in land elevation due to earthquakes, and the subsidence, or sinking, of land such as that caused by excess pumping of groundwater. See BCDC, *Living with a Rising Bay*, p. 4; and see Schaaf & Wheeler, Consulting Civil Engineers, *Climate Change Impacts for San Mateo, California*, February 2, 2009, pp. 4-10 (report commissioned by the City of San Mateo).

⁷ “Perhaps the most notable finding from the IPCC is that the effect of GHG emissions will continue long after emissions are reduced. The IPCC projects that global temperature will continue rising for a few centuries before stabilizing. Sea level rise from thermal expansion will continue for centuries to millennia. Sea level rise from ice-sheet melting will continue for several millennia.” BCDC, *Living with a Rising Bay*, p. 9.

⁸ A five-year storm statistically is a storm whose magnitude has a 20% chance of occurrence each year.

⁹ Angela Swartz, “Cleanup Begins: Some Still Can’t Return to Homes Damaged from Storm, CSM Shelter Available,” *San Mateo Daily Journal*, December 16, 2014; a 45-year flood in 1998 that damaged about 1,700 properties was a factor that led to the creation of the San Francisquito Creek JPA. See <http://sfcjpa.org/web/about/agency-overview/>.

¹⁰ The two relevant local special agencies with responsibilities for flood prevention are the San Mateo County Flood Control District and the San Francisquito Creek Joint Powers Authority.

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METHODOLOGY

Documents

See Bibliography for a detailed list:

- Federal, State, and regional agency reports
- Consultant studies prepared for government agencies
- Information from government websites
- City and county planning documents
- Newspaper articles
- Videos of two conferences on SLR held in San Mateo County

Site Tours

Silicon Valley Clean Water wastewater treatment plant (Redwood Shores)

Interviews

In conducting this investigation, the jury interviewed 14 individuals including two elected officials; four city managers or assistant city managers; four executive directors, general managers, or assistant general managers of three joint powers authorities; and four County of San Mateo appointed officials.

DISCUSSION

San Mateo County's Exposure to Sea Level Rise

As noted earlier, State agencies project SLR within a range of up to 65 inches by 2100. A 2012 report, prepared by the Pacific Institute for the California Energy Commission (CEC), documents the potential impacts on areas around San Francisco Bay of sea level rise of 16 inches by 2050 and 55 inches by 2100.¹¹

The results of the CEC study are startling. Of all the counties in California, SMC is by far the most exposed to SLR, in terms of both the residents and economic value at risk. Assuming 55 inches of SLR, the replacement value of buildings and contents at risk of flooding along the bay

¹¹ Heberger et al., *The Impacts of Sea Level Rise*, pp. 6-21. As noted in the discussion in footnote 4 of this Grand Jury report, 55 inches is the average of "high" model projections. Thus, it represents a close-to-worst-case scenario (excluding catastrophic SLR discussed elsewhere in this report).

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is estimated to exceed \$23 billion, while that along the coast is valued at \$910 million (land value is not included in these figures).¹² This is about one-quarter of the statewide total and nearly 40% of the Bay Area total. The dollar figure only hints at the threat to the people and structures within SMC due to SLR:

- 120,000 residents at risk of losing their homes to flooding (also nearly one-quarter of the statewide and 40 percent of the Bay Area totals)¹³
- 110,000 employees at job locations at risk
- 5 wastewater treatment plants at risk
- 1 power plant at risk
- 72 miles of highways at risk
- 420 miles of roads at risk
- 10 miles of railroads at risk
- 78 EPA-regulated hazardous material sites at risk
- 75% of existing wetlands at risk of being “unviable”

The Grand Jury reviewed SLR flood maps prepared by the Pacific Institute, which show the impact of 55 inches of SLR.¹⁴ These maps are included in the Appendix. All of Foster City and substantial areas of Redwood City and San Mateo could be inundated. Serious flooding could also occur in East Palo Alto, Menlo Park, San Carlos, Belmont, Burlingame, Millbrae, San Bruno, and South San Francisco.

The 55-inch SLR flood zone covers important commercial centers including part of South San Francisco’s biotech industrial area, the hotels along Burlingame’s shoreline, numerous shopping areas, business parks, and recreational spaces. Within this floodplain are the headquarters of Visa International in Foster City, Franklin Templeton Investments in San Mateo, Oracle in Redwood Shores, and Facebook in Menlo Park.

¹² SCC, “San Mateo County Shoreline Vulnerability Assessment,” Staff Recommendation, January 29, 2015, p. 2. Valuation of coastal property at risk was not included in the Heberger et al. report but was provided by the Pacific Institute.

¹³ Pacific Institute, “Thematic Maps.” <http://www.pacinst.org/publications/sea-level-rise-thematic-maps/>. Based upon 2010 U.S. Census data, the website updates the 110,000 population figure for SMC that was included in Heberger et al.

¹⁴ Pacific Institute, “Impacts of Sea Level Rise on the California Coast.” http://www2.pacinst.org/reports/sea_level_rise/gmap.html.

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Fifty-five inches of SLR waters would flood San Francisco International Airport and the County's Half Moon Bay and San Carlos Airports. Other County facilities at risk include the new jail under construction and the Government Center, both in Redwood City. The Caltrain line in San Mateo, Burlingame, and Millbrae is threatened. The Port of Redwood City and marinas operated by the County Harbor District at Pillar Point on the coast and at Oyster Point in South San Francisco could be flooded.

The new Kaiser Foundation hospital in Redwood City, the Kaiser Foundation medical office building in San Mateo, the new Palo Alto Medical Foundation medical office building in San Carlos, and the Stanford Health Care medical office buildings in Redwood City are all within the 55-inch SLR flood zone.

On the coast, parts of Half Moon Bay and Pescadero could be flooded. In Pacifica, the potential for SLR has "very serious implications . . . areas of the Sharp Park Golf Course, the Rockaway Beach district, and the West Linda Mar and West Sharp Park neighborhoods could be inundated."¹⁵ Further, "coastal erosion processes that have caused damage along the high bluffs of Pacifica's northern neighborhoods would very likely increase in magnitude . . . while there could be new risks of erosion along the length of Pacifica's coastline in areas that are not currently exposed to wave action erosion. . . ."¹⁶

Countywide Impact—Tax Revenue

Although no exact figure has been calculated, it is evident that the impacts identified above would also have a severe effect on tax revenues from a variety of sources. In particular, a reduction in property tax revenue from SLR flood zones would affect all taxing entities in the county. This might affect the provision of County and city services throughout the county.

Countywide Impact—Wastewater Treatment Plants

The impact of SLR is not limited to jurisdictions touching the ocean or bay. Inundation of wastewater treatment plants would pose severe countywide environmental and health threats. Since sewer systems rely on gravity, treatment plants are often located at sea level, with outflow of treated wastewater into the bay or ocean. The CEC report identified the following plants in SMC as vulnerable with 55 inches of SLR:¹⁷

- Mid-Coast Sewer Authority (includes the city of Half Moon Bay)
- City of Millbrae

¹⁵ Dyett & Bhatia (consultants), *City of Pacifica Draft General Plan*, March 2014, pp. 7-8.

¹⁶ Ibid.

¹⁷ Heberger et al., *The Impacts of Sea Level Rise*, p. 16. Note also that the City of Brisbane is served by the Southeast Water Quality Control treatment facility in San Francisco, which also appears to be vulnerable to SLR.

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- San Francisco International Airport
- City of San Mateo (includes the city of Foster City and part of the town of Hillsborough)
- South Bayside System Authority (now Silicon Valley Clean Water) (includes the cities and towns of Atherton, Belmont, East Palo Alto, Menlo Park, Portola Valley, Redwood City, San Carlos, and Woodside)
- South San Francisco/San Bruno (includes the town of Colma)

In addition to the threat of flooding, it is likely that these plants, and others that pump their treated water into the bay or ocean, will also need to install stronger pumps in order to deal with the increased water pressure at depths that will have increased due to SLR.¹⁸

The State CO-CAT advises that shoreline wastewater treatment plants with no space to relocate inland have “low adaptive capacity and high potential impacts from flooding.” For such facilities, preparing for a higher projected SLR would be prudent.¹⁹

The Grand Jury toured the largest treatment plant, located in Redwood Shores, operated by Silicon Valley Clean Water. It serves 200,000 south county residents. At the plant, key components have been elevated to protect against possible levee failure. However, this does not take into account SLR. Also, staff noted that the treatment plant receives wastewater from four pumping stations, all of which are in the SLR flood plain.²⁰

Catastrophic Sea Level Rise

A 2013 *National Geographic Magazine* article described potential SLR of 212 feet, over many centuries.²¹ In a presentation to SMC officials, oceanographer John Englander said that a 10-foot rise over just 10-15 years is possible this century if two west Antarctic glaciers break loose into the ocean.²² This would be *in addition to* the SLR already projected by State agencies. This Grand Jury report looks at the local planning required for up to about 55 inches of SLR. At this level, SLR impacts SMC to a much greater extent than other Bay Area counties, and it makes sense to look at this county separately. However, SLR on the order of 15 feet or more would

¹⁸ Source: Interview.

¹⁹ CO-CAT, *Sea-Level Rise Guidance*, pp. 3-4.

²⁰ Source: Interview.

²¹ Tim Folger and George Steinmetz, “Rising Seas: How They Are Changing Our Coastlines,” *National Geographic*, September 2013.

²² John Englander, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise”; see also Will Travis (former Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” Travis noted that at some point higher levees may not be viable and suggested that we may need to look at the Dutch model of “living with water”; see also Larry Goldzband (Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” He noted the possibility of addressing SLR at the Golden Gate, rather than along the entire length of the bay shoreline.

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severely impact the entire Bay Area and planning may need to be addressed primarily at the regional level.

SLR Is a Countywide Issue

A key question is whether SLR should be viewed as a *countywide* threat or only as a risk to areas threatened with *actual inundation*. The answer to this question has important implications for how the problem is addressed—and who pays for it.

Currently, flood control, whether along creeks or shorelines, is the responsibility of each city, as cities have responsibility for public safety and for land use. In fact, exposure to SLR is partly the result of land use decisions by cities to develop tidal wetlands and other low-lying areas.

However, as detailed above, the impact of SLR will fall on *all* county residents. In particular, the exposure of wastewater treatment plants and the loss of countywide tax revenue are serious countywide threats.

Public Awareness of the Threat

Developing a plan to adapt to SLR will require broad support among elected officials and other government policymakers and, most importantly, the general public. This, in turn, requires greater public awareness of the issue.

Two forums on SLR sponsored by Congresswoman Jackie Speier, Assemblyman Rich Gordon, and Supervisor Dave Pine have served to educate many local elected officials and government staff.²³ However, as one city manager noted, continuing education is necessary as elected officials rotate off their councils.

Moreover, despite some press coverage of the two forums, it appears that the public at large is not well informed on the issue. At present, the Grand Jury is not aware of any on-going educational efforts by local governments to inform county residents about SLR, particularly as it may impact SMC.

Preparing for SLR

Existing Flood Protection in San Mateo County

Cities and two special local agencies are responsible for construction and maintenance of levees within their jurisdictions.²⁴ Often, they pay the entire cost of levee projects. They work closely

²³Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” College of San Mateo, December 9, 2013, and “Planning for Sea Level Rise in San Mateo County,” Foster City City Hall, June 27, 2014.

²⁴ The cities of East Palo Alto and Menlo Park, the San Mateo County Flood Control District, the city of Palo Alto and the Santa Clara Valley Water District have formed the San Francisquito Creek Joint Powers Authority to address flooding, enhanced

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with various regional, State, and federal permitting agencies to meet design standards, both for the structures themselves and the adjacent shoreline environment.²⁵

Presently, there is a chain of levees along the bay. Each link in the chain is the responsibility of a different city or special agency. However, flood risk is based on topography, not political boundaries. Thus, the safety of properties in any given city often depends on levee projects undertaken by its neighboring cities. The public is protected only so long as the “weakest link” in the chain of levees is able to meet the threat. Officials interviewed by the Grand Jury identified a number of existing “weak links.”

Currently, no countywide agency has oversight of the levees as a whole. No agency provides countywide planning, coordinates cities’ construction and maintenance efforts, or assists with grant applications related to *existing* flood problems, much less preparing for SLR. Cities do not contribute money to pay for projects outside their jurisdiction, even though their own residents may benefit.

The San Mateo County Flood Control District is “countywide” on paper but its tax base is limited by the California Water Code to certain “subzones,” which were specified prior to the voters’ adoption in 1978 of Proposition 13. The District’s revenue stream is small and limited to funding flood control along the Colma, San Bruno, and San Francisquito Creeks. The District has no staff of its own, contracting with the County’s Public Works Department on an as-needed basis for necessary staffing.

Current Efforts in San Mateo County to Plan for SLR²⁶

The County has taken the lead in trying to jump-start the process of planning for SLR. Along with working groups of elected officials, city staff, and special district personnel, the County has commenced (a) conducting a vulnerability assessment, (b) exploring options for a countywide governance organization to address flood control and SLR, and (c) identifying sources of funding. In January 2015, the County’s Office of Sustainability received a grant from the State

ecosystems and recreation along that creek in both San Mateo and Santa Clara Counties. The San Mateo County Flood Control District also has responsibility for flood control along Colma and San Bruno Creeks.

²⁵ Other agencies may be involved in particular situations. For instance, Caltrans is responsible for protecting State highways and airport owners may be responsible for protecting certain airports. (Source: Interviews.)

²⁶ Other important SLR-related efforts in SMC include the “SFO/San Bruno Creek/Colma Creek Resilience Study,” a joint effort of the airport, affected cities, and the County to assess SLR impacts in the vicinity of San Francisco International Airport (Brendan P. Bartholomew, “Peninsula Sea-Level Study to Focus on Flood Threats Surrounding SFO,” *San Francisco Examiner*, February 13, 2014). The San Francisquito Creek JPA is undertaking two SLR-related projects: the SAFER Bay project will protect property within the cities of East Palo Alto and Menlo Park from Bay 100-year tides with up to three feet of SLR and enhance and create Bay marshes; and the San Francisco Bay to Highway 101 project along San Francisquito Creek that will protect the tidally influenced areas of East Palo Alto and Palo Alto from a 100-year creek flow coincident with an extreme tide and 26 inches of SLR (<http://sfcjpa.org/projects>). In addition, the SCC is funding Local Coastal Plan updates for Half Moon Bay and Pacifica that will address adaptation to SLR (SCC, “San Mateo County Shoreline Vulnerability Assessment” RFP, February 18, 2015).

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Coastal Conservancy (SCC) to jointly manage an SLR vulnerability assessment for SMC. The study will cover the entire bayside and the coast from Half Moon Bay north.²⁷ While there is currently no guarantee, staff is confident that the Office of Sustainability will continue working on SLR beyond the period of the grant.

Characteristics of a Possible Organization to Address SLR Planning

Almost every local official interviewed by the Grand Jury acknowledged the need for greater coordination among jurisdictions to address SLR. Each person was asked about options for “getting organized” to address SLR. Some of the characteristics identified by many of those interviewed include:

- The organization should be countywide, including upland and coastal communities.
- The cities should participate in decision-making by the organization.
- The organization should have a *focus* on SLR and have a staff with expertise in the subject.
- The organization must be sustainably funded.

Interviewees also identified a number of existing needs related to planning for SLR that should be met:

- Identify consistent SLR-related projections and flood control project standards for all jurisdictions
- Help coordinate jurisdictions regarding SLR-related flood control projects and seek a commitment by jurisdictions to implement projects in a timely fashion
- Assist with grant applications (State and federal agencies prefer to provide grants to projects that demonstrate a multi-jurisdictional approach)
- Seek to broaden the revenue sources for SLR projects

However, several city managers and others questioned whether the cities are ready for a new organization to assume direct control of levees, since such an organization might impinge on city authority regarding public safety, land use, and use of eminent domain.

Organizational Options

²⁷ SCC, “San Mateo County Shoreline Vulnerability Assessment,” Staff Recommendation, January 29, 2015.

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The Grand Jury discussed the following organizational options for SLR planning with the interviewees:

- Expanding the role of the County Flood Control District (SMCFCD) and/or the County Office of Sustainability
- Creating a new independent special district with an elected board (such as the Santa Clara Valley Water District)
- Expanding the role of the City/County Association of Governments (C/CAG)
- Creating a new joint powers authority (JPA) with an appointed board of elected officials from the cities and County (and possibly relevant special agencies)

The County option (first bullet point) offers advantages. As an existing agency, the Flood Control District would not need to be created anew (although legislative action would be required to expand its role). Its existing jurisdiction extends countywide, at least on paper. County staff already has expertise in matters relating to flood control. Although separate, the SMC Office of Sustainability is also developing staff with knowledge about SLR. The relevant functions of the Office of Sustainability and County's Public Works Department (which staffs the County Flood Control District) could easily be coordinated or merged. Both the Flood Control District and the Office of Sustainability are responsible to the County Board of Supervisors. Therefore, a way would need to be found to ensure that cities may participate in decision-making. Given its other responsibilities, some interviewees were also concerned that the County Board of Supervisors might not be able to give SLR the focus it requires.

In the case of an independent special district with its own elected board (second bullet point), neither the cities nor the County Board of Supervisors would have decision-making authority. It is not a near-term option, since it would require voter approval, hiring of staff and acquisition of office space, among other things. The Grand Jury's investigation also suggests that the creation of a new district would be an expensive choice, particularly if the district's responsibilities are limited to SLR planning. An independent special district might be a more appropriate option if responsibilities included actual levee construction and maintenance.

The Grand Jury inquired as to whether C/CAG, which already has committees on several environmental subjects, could expand its role to include planning for SLR. However, local officials felt that C/CAG is strongly focused on congestion management and does not have expertise in SLR/flood control. C/CAG staff has not proposed to the agency's Board of Directors that the agency take on SLR.²⁸

Creating a new JPA (fourth bullet point) would allow the cities (and County) to have a voice. A JPA for SLR could hire staff with expertise in the field and, as a single-purpose agency, could

²⁸ Source: Interview.

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stay focused on SLR. One negative factor is the need to create a brand new governmental structure and the added expense to do so. However, it is possible that the JPA could contract for administrative services and staffing with another agency, such as the County. A second concern expressed by local officials is the need to structure the JPA so that a membership that includes the County, 20 cities, and possibly other relevant local agencies does not become unwieldy.

Based on this analysis, the Grand Jury concludes that, under current circumstances, there is no perfect choice for an organization to undertake countywide SLR planning. However, it appears that either enlarging the role of the County Flood Control District or creating a new JPA would be viable options. What is critical is that a coordinated countywide approach be agreed upon soon.

Funding of an Organization to Plan for SLR

The costs of an organization that only focuses on *planning-type* functions such as coordinating local jurisdictions, conducting studies, developing standards and timelines, and preparing grant applications would be much less than the cost of actual construction of levees. It could be funded by member contributions, grants, and contributions from industry and wastewater treatment agencies. This would be similar to the general fund revenues that C/CAG currently collects from member contributions and grants.

Funding of Projects to Protect against SLR

At the Grand Jury's first interview, a local official posed the following question regarding SLR: "how are we going to pay for it?" Levee construction is extremely expensive. Projects recently completed or proposed in the county, just to address existing needs, have run into the tens of millions of dollars.²⁹

Current Funding for Levee Protection in San Mateo County

Currently, funding for levee projects comes mainly from local general funds or capital improvement funds, plus, in some cases, an assessment on property owners who directly benefit from such projects. Where relatively few properties are involved, the assessment per parcel can be prohibitive.

The cost of flood insurance to property owners is also expensive. As a result, cities focus on projects that remove residents from FEMA flood zones (which determine the need for insurance). Savings on insurance helps offset the cost of a property assessment.

²⁹ For example, in 2012 the City of San Mateo completed \$22.7 million in levee improvements to protect 8,000 properties and faces raising another \$22.35 million for levee improvements to protect 1,500 properties that remain in FEMA flood insurance rate maps (Larry Patterson, Conference Speech at Speier, Gordon, and Pine, "Meeting the Challenge of Sea Level Rise"). The San Francisquito Creek JPA has secured State and local funding for its \$37.5 million project for the portion of that creek between the Bay and Highway 101 (Gennady Sheyner, "San Francisquito Creek Project Sees Breakthrough after Permit Stall," *Palo Alto Online*, November 3, 2014, and interview).

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Potential Countywide Sources of Funding for SLR Projects

City general funds and assessments on properties that directly benefit may also be used for SLR-related projects. However, since SLR has countywide impacts, spreading part of the cost countywide appears justified. Some potential sources of countywide revenue include:³⁰

- Wastewater agencies may impose fees on customers within their service area to help pay for levee projects that protect wastewater treatment plants and pumping stations threatened by SLR.
- Officials interviewed doubt that, at present, SLR levee projects could secure the 66.7% voter approval required under Proposition 218 for a special tax (i.e., a tax imposed to raise revenue for a specific purpose). However, this could be a source of funds in the future, when the threat of SLR becomes more evident.
- The County and cities may raise funds through general taxes, such as County Measure A (2012), which require approval of a simple majority of voters, and distribute a *portion* of such revenues to protect against SLR, so long as the measure does not include a specific commitment to fund SLR projects.
- C/CAG used the simple majority voter threshold to win approval for County Measure M (2010), a vehicle registration fee used for a variety of transportation projects and for mitigation of transportation-related stormwater pollution.³¹ Any organization, such as the County Flood Control District or a new JPA, that addresses SLR and other related issues such as groundwater management and water pollution, might be able to use a similar approach.
- State law (SB 628, 2014) allows for the formation of Enhanced Infrastructure Financing Districts within cities and counties with the authority to issue bonds, with 55% voter approval, for purposes such as “flood control levees and dams, retention basins, and drainage channels.”³² In certain circumstances, such districts may be formed within SMC jurisdictions to serve as a source of funding for SLR projects.
- Contributions may be solicited from business parks or agencies responsible for facilities such as airports or highways that are within SLR flood plains. For example, the Facebook headquarters campus in Menlo Park will benefit from the San Francisquito Creek JPA’s SAFER project, and the company has contributed \$275,000 toward its design and EIR.³³
- Mitigation fees may be imposed on new developments in areas subject to SLR.

³⁰ Source: Interview.

³¹ C/CAG, Funding-Local/Measure M. <http://ccag.ca.gov/funding/measure-m/>.

³² California Legislative Information, SB-678 Enhanced Infrastructure Financing Districts.

³³ Renee Batti, “Stemming the Tide,” *Almanac: The Hometown Newspaper for Menlo Park, Atherton, Portola Valley and Woodside*, March 10, 2014, and interview source.

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Potential Regional, State, and Federal Sources of Funding for SLR Projects

To date, local cities have received little federal or State funding for levee projects.³⁴ Several officials advised that granting agencies typically prefer projects that show multi-jurisdictional cooperation, placing the local government entities in San Mateo County at a significant competitive disadvantage in securing such funds. However, even for a multi-jurisdictional project, grants are highly competitive. SLR-related projects face a further difficulty if the granting agency does not yet recognize the risk of SLR. Finally, since SMC is by far the county most vulnerable to SLR, it may be difficult to find other counties with similar needs with which to collaborate on a regional basis. However, there is one new source of funding:

- The State of California’s Climate Resilience Account, created in 2014, is a source of grant funding directed specifically at SLR. Although only \$2.5 million has been allocated statewide in the first year, it may be enlarged in the future.

Reducing Costs by Integrating SLR-Related Projects with Other Levee Projects

Given that the amount and rate of SLR are uncertain, local officials may be reluctant to spend large amounts of money for projects that may never be needed. Possible cost-saving options that cities and relevant special agencies may examine on a case-by-case basis include:³⁵

- Integrating SLR-related protection with existing planned or proposed levee projects³⁶
- Developing SLR-related projects in stages, with specific “triggers” required before undertaking each stage of construction

In order to take advantage of these cost-saving options, however, SLR planning should begin now. For instance, a FEMA representative has advised county officials that new FEMA flood hazard maps will be forthcoming in the near future. These maps will reflect a new higher calculation of bay wave action during storms. This new calculation, which is independent of any SLR effect, may trigger the need for new levee projects to keep properties in SMC from being subject to flood insurance requirements. Incorporating consideration of future SLR in these new projects may result in cost-savings later.³⁷

SLR Is a Land Use Issue

Levee projects are a common solution to SLR. However, they may not be feasible everywhere, due to financial, environmental, or technical reasons. If the risk of flooding due to SLR cannot be

³⁴ Notably, San Francisquito Creek JPA has received an \$8 million State Water Resources Board grant for a multi-jurisdictional project. (Source: Interview.)

³⁵ Craig Conner, U.S. Army Corps of Engineers, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” These suggestions were supported by local officials interviewed by the Grand Jury.

³⁶ The San Francisquito Creek JPA’s San Francisco Bay to Highway 101 flood protection project will address, in combination, a 100-year creek flow coincident with an extreme tide and 26 inches of SLR. (Source: Interview.)

³⁷ Kathleen Schaefer, FEMA, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.”

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completely eliminated, the County and cities will need to examine land use measures to help mitigate the threat of SLR.³⁸ Possible land use measures include the following:

- Jurisdictions can include adaptation to SLR in the Safety Element of their General Plans. While not required by State Guidelines,³⁹ several cities in the county do mention SLR in their Safety Elements and/or Climate Action Plans.⁴⁰
- Jurisdictions may restrict new development or types of land use in areas subject to SLR.
- Jurisdictions may use building codes to mitigate SLR flood risk. For instance, they could require habitable areas and key building equipment be placed above flood level.
- Jurisdictions may identify areas suitable for environmental resource protection and habitat enhancement, in light of the threat of SLR.
- Jurisdictions may need to identify certain areas to be abandoned to SLR.
- Jurisdictions may impose SLR mitigation fees as a condition of approval on major residential or commercial projects in undeveloped areas subject to future SLR.
- Jurisdictions may use the CEQA environmental review process to ensure that exposure to SLR is considered, and mitigation measures identified, when major residential or commercial projects are proposed within a SLR flood plain.

Actions Needed at the Regional, State, and Federal Levels

While focused on SMC, this investigation points to the need for action on SLR at other levels of government. The County, cities, and relevant local special districts, through their representation at regional agencies, memberships in state associations, lobbyists, and elected State and federal legislators, could advocate on our behalf. Some examples include:

- Federal agencies, such as the U.S. Army Corps of Engineers, do not currently recognize SLR in their flood control mapping and/or funding.⁴¹

³⁸ Flood control levees themselves are local land uses, sometimes offering public trails, and vista points, and other recreational options.

³⁹ California Governor's Office of Planning and Research, *State of California General Plan Guidelines*, 2003.

⁴⁰ The City of Pacifica's draft Safety Element has a particularly comprehensive discussion related to SLR. However, the City will wait for "an adequate model with sufficient local detail" to project specific impacts of SLR (see Dyett & Bhatia, *City of Pacifica Draft General Plan*, March 2014, pp. 8-11 – 8-16). The City of San Carlos approved a *Climate Action Plan* (CAP) as a component of the City's General Plan update. The CAP includes a BCDC map of the city showing SLR of 16 and 55 inches. The City's approach to SLR is to cooperate with regional agencies, such as BCDC. (See City of San Carlos, *Climate Action Plan*, October 12, 2009, pp. 2, 87-91.) The City of San Mateo commissioned a report that includes a description of the potential effects of SLR on that city and has appended the report to the City's General Plan. However, the General Plan states that "considering that there is no definitive estimate and that sea level rise will occur slowly over time, the City will continue to address FEMA's current certification standards" (see *City of San Mateo 2030 General Plan*, 2010, pp. VII-6 and Appendix V, Schaaf & Wheeler, *Climate Change Impacts for San Mateo, California*).

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- Federal and State funding is extremely limited for all stages of adaptation to SLR: studies, planning, and actual levee projects.
- With just \$2.5 million in this year’s budget for statewide use, funding of the California Climate Resilience Account, dedicated to SLR, is inadequate.
- California General Plan Guidelines (2003), prepared by the Governor’s Office of Planning and Research, do not require that SLR be addressed in the Safety Element or elsewhere in local general plans.
- Regional agencies, such as BCDC, could provide a forum for discussing SLR, including alternatives for addressing catastrophic SLR greater than 10 feet.

While these and other actions at the regional, State, and federal levels are important, it must be emphasized that San Mateo County cannot afford to wait for planning and resources to appear from outside the county. They may never come.

FINDINGS

- F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.
- F2. SLR is a threat *countywide*, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.
- F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR’s potential impacts on this county.
- F4. Levees, including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).
- F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.
- F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for *existing* flood control projects. The same is true for future SLR-related projects.

⁴¹ This may change. “In accord with the Biggert-Water Flood Insurance Reform Act of 2012, FEMA is to establish a Technical Mapping Advisory Council that will provide recommendations to FEMA on flood hazard mapping guidelines— including . . . the impacts of sea level rise. . . . FEMA will be required to incorporate future risk assessment in accordance with the recommendations of the Council.” (See FEMA, <http://www.fema.gov/coastal-frequently-asked-questions#CoastalFloodHazardMappingQuestions>, pp. 10-11.)

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- F7. To the Grand Jury's knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes.⁴² No consistent SLR projection has been adopted countywide by the County and cities.
- F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.
- F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.
- F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.
- F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.
- F12. By acting *now*, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.

RECOMMENDATIONS

The Grand Jury recommends increased public education about SLR:

- R1. The County, each city in the county and relevant local special agencies⁴³ should conduct a public education effort to increase awareness of SLR and its potential effects on this county.

The Grand Jury recommends identifying a single organization to undertake SLR planning:

- R2. The County, each city in the county and relevant local special agencies⁴⁴ should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to ensure that:
- The organization is countywide in scope
 - The organization is able to *focus* on SLR
 - Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision-making⁴⁵

⁴² See discussion of SLR planning in several San Mateo County cities in footnote 39.

⁴³ San Mateo County Flood Control District and San Francisco Creek Joint Powers Authority.

⁴⁴ Ibid.

⁴⁵ The organization could also create a technical advisory committee with representatives of departments responsible for levee construction and management, as well as representatives of public facilities at risk, such as airports and wastewater treatment plants.

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- The organization is sustainably funded
- R3. The organization’s responsibilities should include:
- Adopt consistent SLR projections for use in levee planning countywide
 - Conduct and/or evaluate vulnerability assessments⁴⁶
 - Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
 - Undertake grant applications for SLR-related planning and projects
 - Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction
 - Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
 - Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
 - Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
 - Assist the County and cities in public awareness efforts, as described in R1
- R4. The County, cities and two relevant local special agencies⁴⁷ should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address *existing* flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs.
- The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.
- R5. The organization—its administration, staffing, and program expenses—should be funded on a sustainable basis by:
- Member contributions
 - Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities such as wastewater treatment plants

⁴⁶ A vulnerability assessment could (a) inventory areas at risk for SLR (commercial, residential, public facilities, and infrastructure), (b) determine the adequacy of existing levee protection, and (c) identify and prioritize the projects that will be needed to adapt to SLR.

⁴⁷ San Mateo County Flood Control District and San Francisquito Creek Joint Powers Authority.

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- Grants solicited from available potential sources such as the California Climate Resilience Account
- Reducing administrative costs by contracting for services with the County or another agency

The Grand Jury recommends that SLR be addressed in local land use planning:

R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element⁴⁸ should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment [R3]. Further, it should identify policies that apply to areas threatened by SLR.

The Grand Jury recommends that local governments champion SLR issues before regional, State, and federal governments and agencies:

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

⁴⁸ As an alternative, the City of San Carlos has addressed SLR in its Climate Action Plan (CAP). The City states that the CAP was developed as a “component of the 2009 General Plan update . . . a legally defensible approach to ensuring that the Climate Action Plan is implemented” (see City of San Carlos, *Climate Action Plan*, 2009, p. 2).

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REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury requests responses as follows:

From the following governing bodies:

Responses to recommendations R1, R2, R3, R4, R5, R6, and R7 are requested from:

- The County of San Mateo Board of Supervisors
- The City and Town Councils of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside

Responses to recommendations R1, R2, R3, R4, R5, and R7 are requested from:

- The Board of Directors of the San Francisquito Creek Joint Powers Authority

Response to recommendation R4 is requested from:

- The Board of Directors of the City/County Association of Governments of San Mateo County

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.

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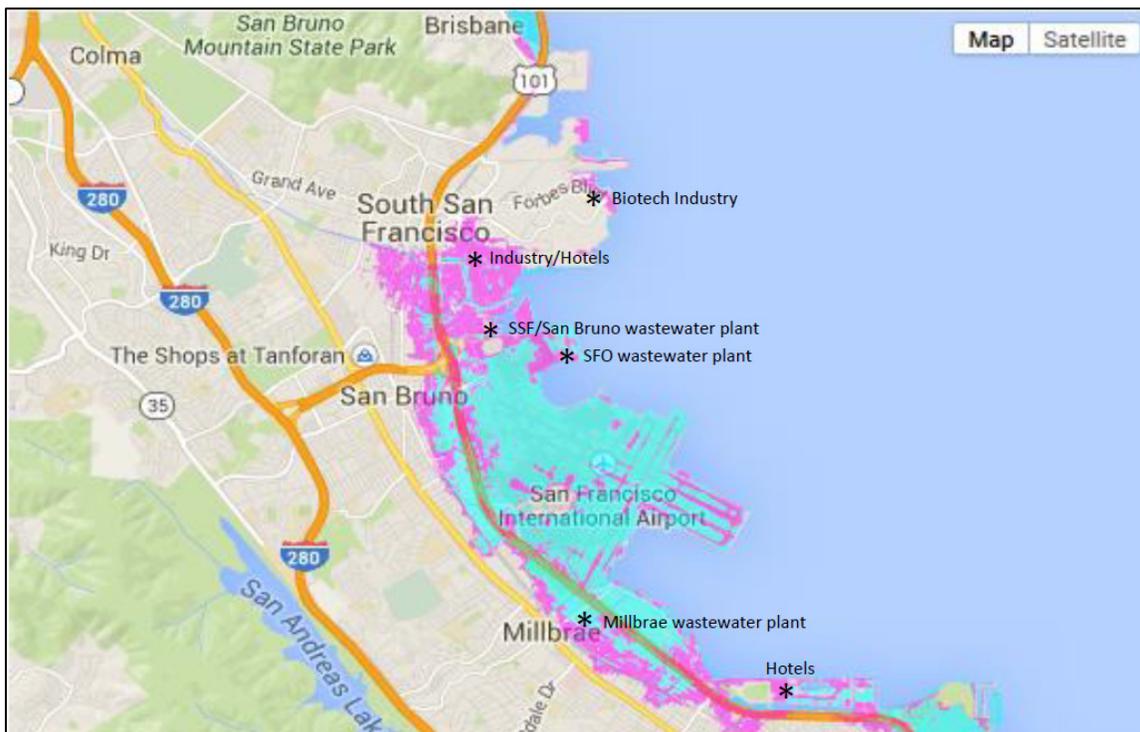
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APPENDIX

Sea level rise inundation maps for selected areas of San Mateo County are presented below. The turquoise-colored zones represent the “current area at risk” to flooding during a 100-year storm, without consideration of existing flood protection levees. The magenta-colored zones represent the area at risk during a 100-year storm with 1.4 meters of SLR (140 centimeters or about 55 inches). The green-colored zones represent areas at risk of erosion from 1.4 meters of SLR, but are not clearly distinguishable at the scale used in this Appendix. These maps were prepared by the Pacific Institute, with specific infrastructure and major government and commercial facilities identified by the Grand Jury with an * symbol.

SAN FRANCISCO INTERNATIONAL AIRPORT AND VICINITY



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
Modified by the Grand Jury to show facilities at risk

Area at risk from a 100-year coastal flood event

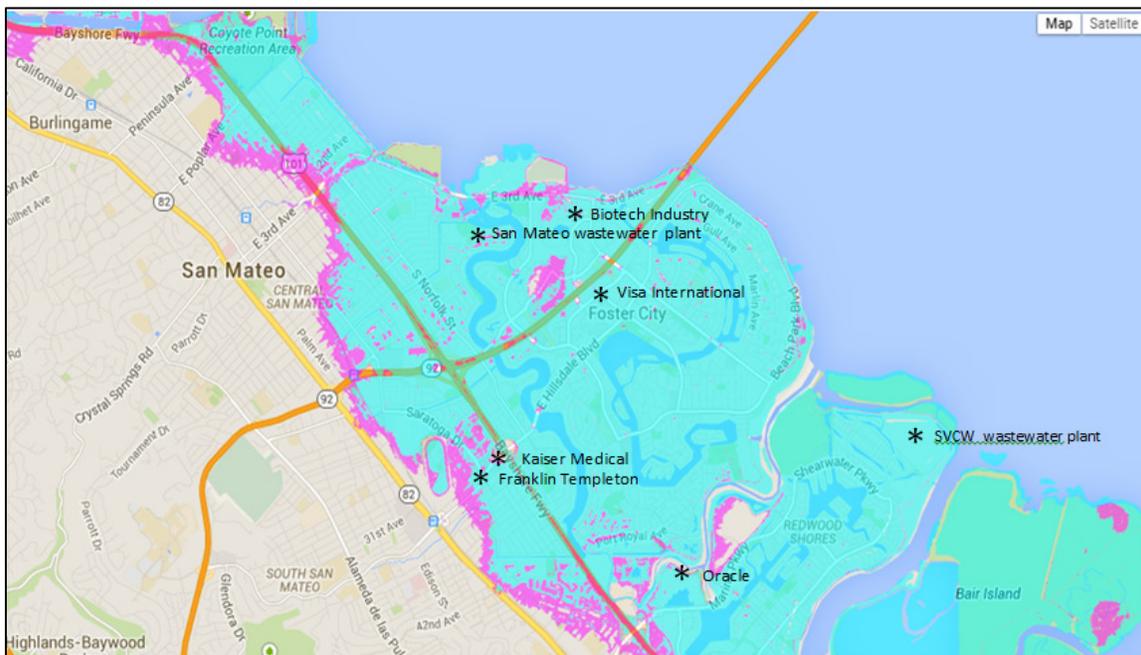
- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

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SAN MATEO AND VICINITY



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
 Modified by the Grand Jury to show facilities at risk

Area at risk from a 100-year coastal flood event

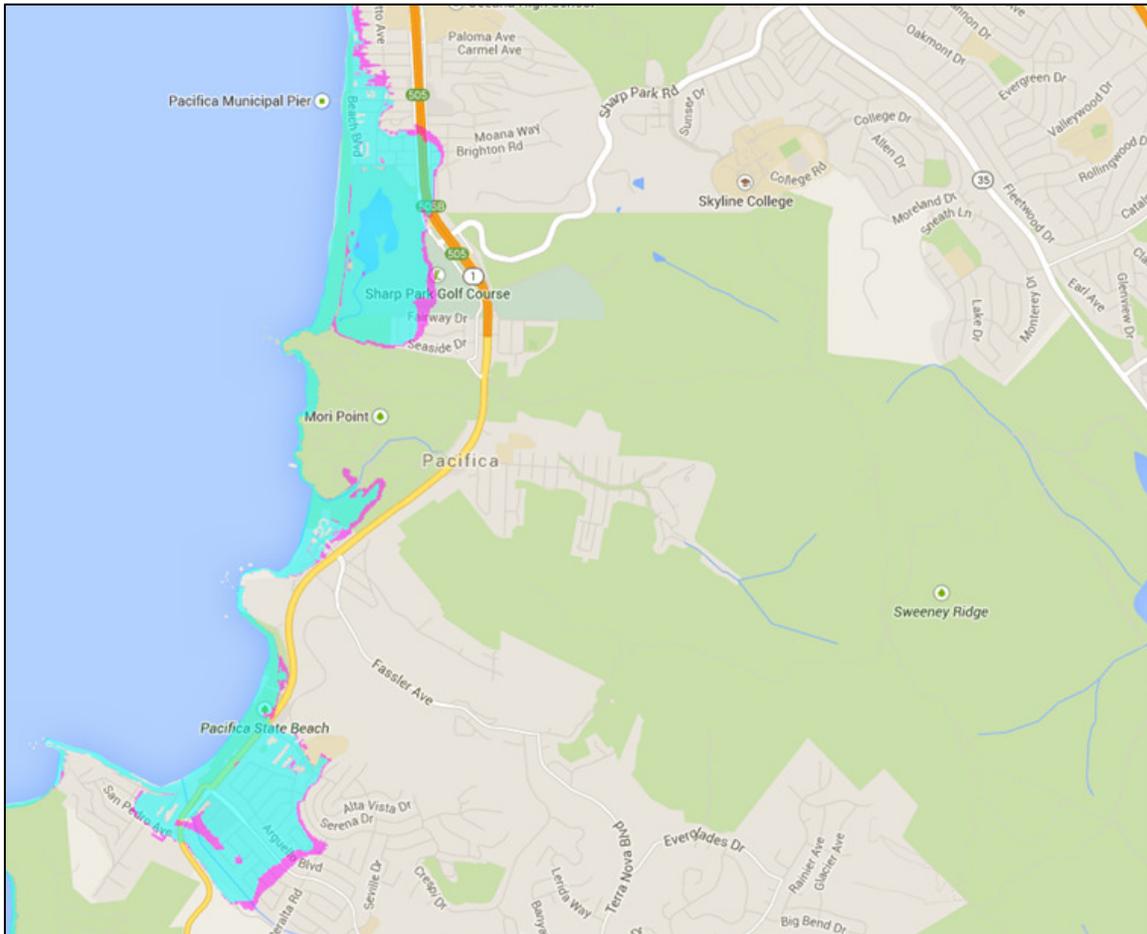
- Current area at risk
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- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

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PACIFICA



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"

Area at risk from a 100-year coastal flood event

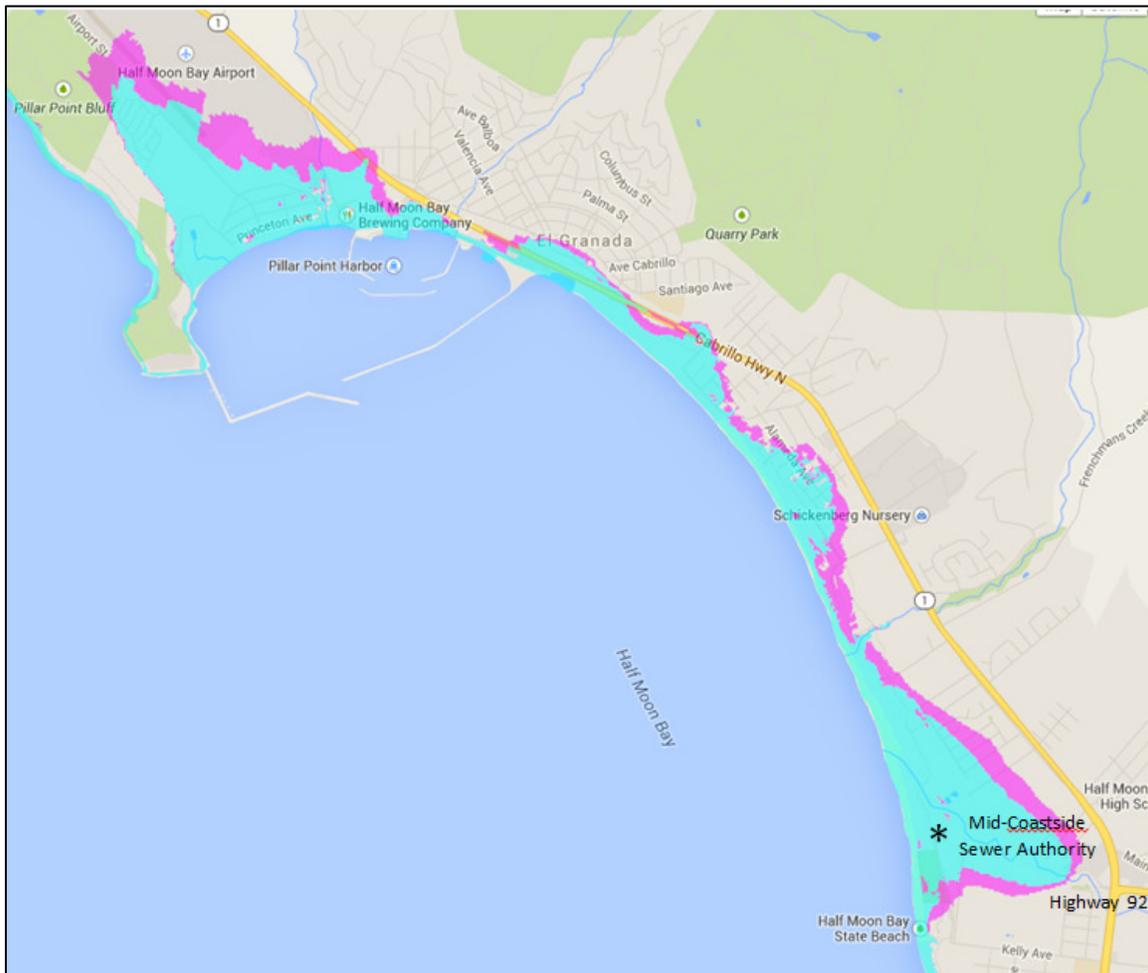
- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

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HALF MOON BAY



Maps from Pacific Institute at "http://www2.pacinst.org/reports/sea_level_rise/gmap.html"
 Modified by the Grand Jury to show facility at risk

Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

Sharon Hanlon

-----Original Message-----

From: Pamela D. Machado [<mailto:pmachado@smcgov.org>]

Sent: Wednesday, June 03, 2015 1:43 PM

To:

Subject: Onsite Wastewater Treatment System - Revised Ordinance Q & A

Good afternoon.

San Mateo County Environmental Health Services staff has been working on revisions to the current Onsite Wastewater Treatment System Ordinance to comply with AB 885, statewide septic system legislation that recently went into effect (overview of AB 885 follows).

The entire CA OWTS Policy: http://www.smchealth.org/sites/default/files/docs/EHS/State_OWTS_Policy.pdf

Representatives from the Regional Water Quality Control Boards, Local Agency Formation Commission, environmental groups, local septic industry, and planning officials were invited to participate on a Technical Advisory Committee and over the last couple of months helped to revise the ordinance to comply with state mandates.

As County Counsel performs a review of the revised ordinance, we welcome the opportunity to discuss the proposed changes with your council, commission, or agency to answer questions before finalizing the document. Please contact me in the next couple of weeks if you would like to be included in our July through August outreach efforts.

Thank you.

Pamela Machado
Health Services Manager
County of San Mateo
Health System - Environmental Health Services
650.573.3726

Overview

In response to the passage of statewide septic system legislation (AB 885), the State Water Resources Control Board recently issued new septic system requirements to local agencies. These requirements are designed to ensure surface waters and ground waters are not contaminated by septic systems.

Requirements of AB 885

1. Local agencies must modify their septic system programs to meet the standards outlined in the legislation.
2. Local agencies are required to establish septic system management protocols in areas known to have elevated bacterial pollutants. These include systems in proximity to San Gregorio Creek, Pomponio Creek, and San Vicente Creek.
3. The Regional Water Quality Control Board must approve the local agency's septic system program and the associated technical manual to ensure it adequately protects public health and the environment and complies with the tenets of the legislation.

How will the changes to County of San Mateo's ordinance and construction standards affect existing septic system owners?

Updates to the ordinance and the associated technical manual will only affect owners of new septic systems or existing systems needing major repair or replacement. Therefore, if the more than 8,000 existing septic systems in the County are in good operating condition, no changes will be required and no costs will be incurred. However, if an existing septic system fails and requires major repair or replacement, or if a property owner intends intensification of use, such as adding a bedroom to the structure served, the additions would need to comply with the revised County Septic System Ordinance and construction standards approved by the Regional Water Quality Control Board.

What is the time frame for implementation of the state-required mandates?

The Board of Supervisor approved Septic System Ordinance and the associated technical manual, must be submitted to the Regional Board for state approval by May 2016. Therefore, we anticipate presenting a proposed Septic System Ordinance to the Board of Supervisors in December 2015.

Sharon Hanlon

Date: May 31, 2015 at 11:57:20 PM PDT

Subject: Please submit your comments to Department of Justice before June 4, 2015 - 2nd request

From: Barry Chang <vicemayorchang@gmail.com>

To: jaalfs@portolavalley.net, mderwin@portolavalley.net, chughes@portolavalley.net,
jrichards@portolavalley.net, awengert@portolavalley.net

Honorable Mayor Aalfs, Vice Mayor Derwin and Council member Richards, Wengert and Hughes,

I would respectfully request again that you send a letter to the EPA and the Department of Justice in support of the recently announced consent decree against Lehigh Southwest Cement Co. and Hanson Permanente Cement, Inc., (CASE NO. 5:15CV01896), This is the perfect opportunity to weigh in on this issue to protect public health and the environment. Below is the link to the consent decree.

http://www.usdoj.gov/enrd/Consent_Decrees.html

Thirty day comment period will be ended by June 4, 2015. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and should refer to United States of America and People of the State of

California by and through the California Regional Water Quality Control

Board, San Francisco Bay Region v. Lehigh Southwest Cement Company and

Hanson Permanente Cement, Incorporated, D.J. Ref. No. 90-5-1-1-10741.

By email:

pubcomment-ees.enrd@usdoj.gov.

By mail:

Assistant Attorney General,

U.S. DOJ--ENRD, P.O. Box 7611,

Washington, DC 20044-7611

Attached, please find the comments from Bay Area for Clean Environment, City of Cupertino and Town of Los Altos Hills.

Should you have any question, please feel free to call me. Thank you very much for your help.

Barry Chang, Vice Mayor

City of Cupertino

[408-688-6398](tel:408-688-6398)



OFFICE OF THE CITY MANAGER

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366
davidb@cupertino.org

May 20, 2015

Assistant Attorney General
United States Department of Justice
Environment and Natural Resources Division
P.O. Box 7611
Washington, DC 20044-7611

E-mail: pubcomment-ees.enrd@usdoj.gov

Re: Consent Decree: *United States v. Lehigh Southwest Cement Co.*, Case No. 5:15-cv-01896, D.J. Ref. No. 90-5-1-1-10741

Dear Assistant Attorney General:

I am writing on behalf of the City of Cupertino to comment on the Consent Decree between U.S. Environmental Protection Agency (“EPA”) and the State of California and Lehigh Southwest Cement Company (“Lehigh”) in *United States v. Lehigh Southwest Cement Co.*, Case No. 5:15-cv-01896. After reviewing the settlement, the Cupertino City Council voted unanimously to support the Consent Decree.

The Lehigh quarry and cement plant (“Plant”) sits in unincorporated Cupertino at the headwaters of Permanente Creek, which runs through Midpeninsula Regional Open Space District parkland and through Cupertino and other South Bay cities into the San Francisco Bay. For years, the Plant dumped industrial wastewater containing thousands of pounds of pollutants—including selenium, mercury, hexavalent chromium, nickel, chloride, and thallium—into Permanente Creek, sending these toxic substances through the parks and cities downstream and into the Bay. Pollution from the Plant also regularly exceeded the standards for total suspended solids, total dissolved solids, turbidity, and pH. Discharges like these can threaten both wildlife and environmental health and public health.

The City of Cupertino’s residents value the high quality of life provided by the natural beauty of the area and the proximity of outdoor recreation on area parklands and on the Bay. Cupertino’s residents also desire clean water and clean air, both of which have been negatively impacted by the Plant’s operations. The City recognizes that the Plant is an important part of the area’s economy. However, the City believes that the Plant must operate in harmony with the natural environment and protect public health by using the latest and best technology to minimize its pollution.

The City believes the Consent Decree takes an important step toward achieving this by requiring the Plant to comply with its discharge permits and requiring the Plant to bring its wastewater treatment systems into the twenty-first century by constructing a state-of-the-art wastewater treatment facility. The Plant is already operating an interim wastewater treatment system required by the Consent Decree. By October 1, 2017, the Plant must have constructed and be operating a wastewater treatment plant that will use modern technology to minimize the pollution discharged into Permanente Creek.

The City also supports the Consent Decree's requirement that the Plant pay \$2.55 million in civil penalties. The Plant polluted Permanente Creek for years, exceeding its own permit levels and violating federal and state law while fouling the Bay and harming wildlife like the endangered California red-legged frog, which inhabits the creek. This should not go unpunished, and a substantial penalty will deter future illegal pollution by the Plant or other potential polluters.

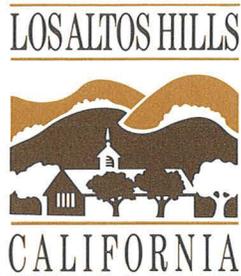
Because the Plant is located so close to important ecosystems like the Bay and to millions of people living in the South Bay Area, it must be held to the highest environmental standards. Accordingly, the City encourages EPA and the State continue to rigorously enforce the Clean Water Act and the terms of the Consent Decree, including levying the stipulated penalties against the Plant if it violates the Consent Decree's terms. The Consent Decree's monitoring and reporting requirements for the Plant should help prevent future illegal water pollution but are only effective if subject to the continued vigilance of the overseeing agencies. Further, EPA and the State must continue to enforce all environmental laws to which the Plant is subject, including laws regulating air pollution from the Plant's kilns, which emit dangerous pollutants like particulate matter and mercury.

The City of Cupertino and its City Council commend the efforts of EPA and the State of California in sanctioning the Plant's past illegal pollution and requiring the Plant to avoid such environmental harm going forward.

Very truly yours,



David Brandt
City Manager
City of Cupertino



May 29, 2015

Assistant Attorney General
United States Department of Justice
Environment and Natural Resources Division
P.O. Box 7611
Washington, DC 20044-7611
Via E-mail: pubcomment-ees.enrd@usdoj.gov

Re: Consent Decree: *United States v. Lehigh Southwest Cement Co.*, Case No. 5:15-cv-01896, D.J. Ref. No. 90-5-1-1-10741

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Assistant Attorney General
May 29, 2015
Page Two

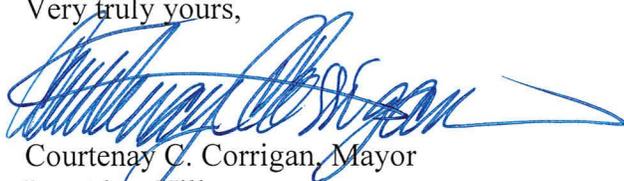
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The Town of Los Altos Hills and its City Council commend the efforts of EPA and the State of California in sanctioning the Plant's past illegal pollution and requiring the Plant to avoid such environmental harm going forward.

Very truly yours,



Courtenay C. Corrigan, Mayor
Los Altos Hills

June 1, 15

Assistant Attorney General
United States Department of Justice
Environment and Natural Resources Division
P.O. Box 7611
Washington, DC 20044-7611
e-mail: pubcomment-ees.enrd@usdoj.gov

RE: Proposed Consent Decree: United State v.
Lehigh Southwest Cement Co., Case #5:15-cv-
01896, D.J. Ref. No. 90-5-1-1-10741

To Whom It May Concern:

I am writing on behalf of Bay Area Clean Environment, Inc. (“BACE”), a California tax-exempt nonprofit organization concerned about protecting a healthy, safe, environment in the Bay Area, and particularly in the South Bay, which includes Cupertino and the surrounding area where Permanente Quarry and Permanente Creek are located. BACE has had concerns for a number of years over the operations of Lehigh Southwest Cement Company (“Lehigh”), the defendant in the above-referenced case, in the Permanente Quarry. These concerns involve both Lehigh’s limestone

mining operation and the operation of the adjoining cement plant.

As you know, these two operations are tightly linked, and the combined operation is one of the biggest polluters of water and air resources in the Bay Area. Lehigh is well aware of the pollution it causes, but has stubbornly refused to address these problems until it has been forced to by litigation or the threat of litigation.

BACE is pleased that the Department of Justice has initiated litigation against Lehigh over its long-standing and deliberate pollution of Permanente Creek, a natural creek that runs into San Francisco Bay and is home to populations of the federally listed California red-legged frog. Lehigh has pointedly ignored the creek and its wildlife in planning and operating its facilities. BACE is pleased that the proposed settlement will finally force Lehigh to confront and address its water-polluting operations and literally “clean up its act.” However, BACE remains concerned about the long-term impacts of Lehigh’s operation in Permanente Quarry. BACE is particularly concerned because Lehigh has repeatedly indicated that it intends to expand its limestone

mining operations to the area south of Permanente Creek, an area that has, up until now, been relatively untouched by Lehigh's industrialization of the area. Sadly, while Santa Clara County might theoretically have the authority to prevent future violations related to that expansion, it has proven itself unable or unwilling to take effective action. Consequently, this consent decree is perhaps the most important force available to influence Lehigh's future behavior.

BACE is concerned that while the consent decree addresses Lehigh's past water quality violations by requiring that they be halted, as currently proposed, it does little to provide effective deterrence to Lehigh, or other mining operations, from repeating bad behavior in the future. Given the nature of corporate governance, especially for a large multinational corporation like Heidelberg Cement, Lehigh's parent corporation, behavior is most strongly influenced by its effects on the corporate "bottom line." Lehigh can produce 1.6 million tons of clinker a year, a significant component of cement, which currently sells for as much as 10 cents a pound. At this price, Lehigh can produce well over \$160 million annually. A

\$2.55 million fine for a facility that has been ignoring the Clean Water Act since its inception seems more like the cost of doing business than a real penalty or deterrent. Furthermore, the penalty needs to provide for both a specific and general deterrent. The main message that the current proposed consent decree is likely to send to Lehigh and Heidelberg Cement is, “Don’t get caught.” Rather than indicating that crime does not pay, it instead indicates the opposite – that at worst violations of federal and state law will result in a “slap on the hand” and being forced to clean up some (although not all) of the damage that has been caused. An effective consent decree must also include a sufficient penalty to serve as a deterrent and influence Lehigh’s, and Heidelberg Cement’s, future behavior so that they do not simply repeat their past violations in a different context, e.g., in the context of their expected expanded mining operations in Permanente Quarry.

For the above reasons, and because of the large amount of damage that Lehigh, and its predecessors in interest, have done over the years to the Permanente Creek ecosystem, and San Francisco Bay, BACE supports including a

substantial civil penalty as part of the consent decree. BACE questions, however, whether the proposed \$2.55 million in civil penalties is sufficient to either substantially remediate past damage to the ecosystems that have been damaged by Lehigh's wrongdoing or to provide an effective economic deterrent to Lehigh and other mining operations against future violations.

Before the consent decree is finalized, the Department of Justice should release to the public the evidence and analysis (including the computerized BEN analysis and its results) that supports DOJ's choice of \$2.55 million as the appropriate amount for civil penalties. The public should then be allowed sufficient time (one month) to review and comment on that information before the court takes any action to approve the consent decree. If the EPA is not willing to disclose the documents supporting its penalty calculations to the public, we respectfully request that EPA's penalty documentation be provided to the court in camera so that the court may make an independent determination as to whether the penalty amount is consistent with the Clean Water Act and is in the public interest.

BACE's second major concern is that Lehigh may attempt to move forward with implementing the expansion of its mining operations before it has completed correcting its water quality violations. As noted, one would like to think that Santa Clara County would not allow this to occur, but as noted, Santa Clara County has proven itself an unreliable regulator, as evidenced by the fact that BACE and the Mid Peninsula Regional Open Space District has had to sue the County over its failure to properly regulate Lehigh's activities in the quarry. Consequently, BACE feels strongly that the consent decree should include a provision prohibiting Lehigh from expanding its operations by applying to the County for a permit for a new quarry pit until it has fully corrected its water quality violations and can show a five-year record with no further significant violations. BACE does believe that proposals intended to modernize Lehigh's operations *may* be permissible if their purpose is to improve environmental compliance rather than to expand operations, but BACE feels that the consent decree should require review and approval of any proposed permit applications by the plaintiffs in this action before their submittal to the permitting body.

Finally, BACE would note that water quality violations are not the only area where Lehigh has flouted state and federal law. Lehigh has been and continues to be a major emitter of mercury and other air pollutants. While Lehigh has recently taken steps to reduce its mercury emissions, both mercury and other air pollutants continue to be released by Lehigh's operations, and, unlike the Regional Water Quality Control Board, the Bay Area Air Quality Management District has not shown itself to be a vigilant guardian of regulatory standards. BACE believes that the consent decree should insist that Lehigh fully comply with all federal and state emission standards for both water *and* air quality. The consent decree should also provide for substantially increased penalties for any violations of either air or water quality standards over the term of the decree, and should provide for the automatic extension of the term of the decree to account for any periods when Lehigh is found to have been in violation of the terms of the decree.

BACE is reluctant to insist on including terms in the consent decree that it expects Lehigh will label as punitive. BACE is aware of the fact that Lehigh's operations provide an important source

of cement for Bay Area construction projects, and that Lehigh also provides jobs for some Bay Area workers. Nevertheless, these factors cannot serve to excuse Lehigh's malfeasance. Indeed, especially with the threat of global climate change hanging over us, it is imperative that operations like Lehigh's, which also emits major amounts of greenhouse gases, be modernized and rethought with an eye to reducing their environmental impacts beyond the minimum needed to comply with existing state and federal standards. An effective consent decree is needed to prod Lehigh, and Heidelberg Cement, to reevaluate the way they do business.

Most sincerely,

AGENDA
San Mateo County Sea Level Rise Vulnerability Assessment Kickoff Meeting

Location: Foster City, City Council Chambers
9.00 am – 12.00 noon
June 5, 2015

8:30 – 9:00 REGISTRATION

9:00 – 9:20 OPENING REMARKS

Dave Pine, San Mateo County Supervisor
Jackie Speier, US Congresswoman
Don Horsley, San Mateo County Supervisor
Nadine Peterson, California Coastal Conservancy

9:20 – 9:45 WHAT IS HAPPENING TODAY AND WHAT WE HAVE ACCOMPLISHED SO FAR

Overview by Dave Pine, San Mateo County Supervisor
Supported by Updates From:
 Joe Birrer, San Francisco International Airport
 Len Materman, SAFER Bay San Francisquito Creek JPA
 Dilip Trivedi, San Bruno Creek/Colma Creek Resiliency Study
 Jill Ekas, Half Moon Bay LCP

9:45 – 10:15 NEXT STEPS: COUNTY-WIDE VULNERABILITY ASSESSMENT

Project Overview by Peter Wijsman, ARCADIS
Stakeholder Participation by Dave Pine, San Mateo County Supervisor

10:15 – 10:30 BREAK

10:30 – 10:45 INPUT NEEDED FOR A SUCCESSFUL PROJECT

Introduction to the Mapping Exercise by Henry Pontarelli, LWA

10:45 – 11:20 INTERACTIVE MAPPING AND RISK CRITERIA EXERCISE

Open Coast Map Table
Bayshore North County Map Table
Bayshore Mid County Map Table
Bayshore South County Map Table
Evaluating Impacts From Flooding Posters (at each map table)

11:20 – 12:00 DISCUSSION AND Q&A

Map Table Summary Reports (Map Table Facilitators)
Discussion and Q&A (Facilitated by Henry Pontarelli, LWA)

12:00 CLOSING COMMENTS/ADJOURN

Dave Pine, San Mateo County Supervisor

Sharon Hanlon

From: Midpeninsula Regional Open Space District <web@openspace.org>

Date: June 5, 2015 at 8:01:34 AM PDT

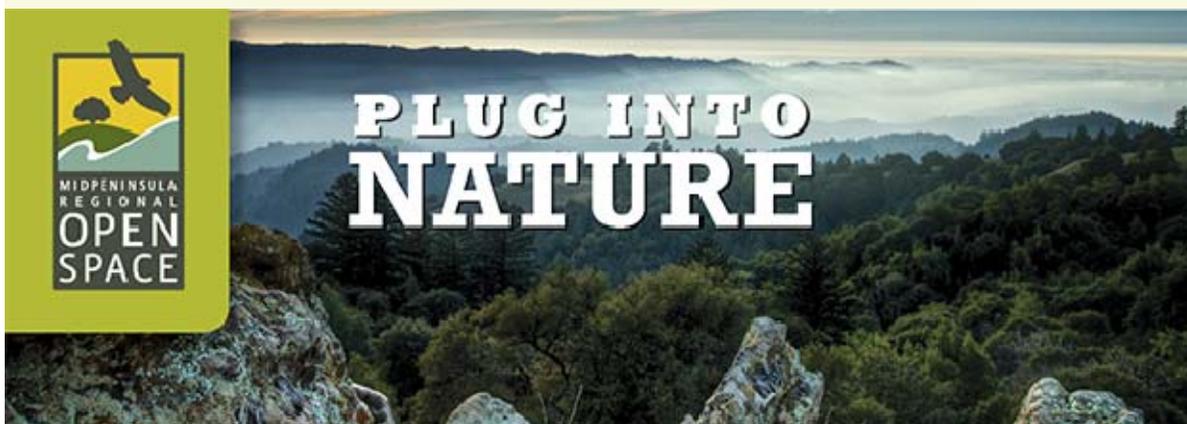
To: Nick Pegueros <npegueros@portolavalley.net>

Subject: Vision Plan released, explorations, adventures, and photo contest winners.

Reply-To: Midpeninsula Regional Open Space District <web@openspace.org>

Updates on Outdoor Activities, Preserves and the natural environment.

[View this email in your browser](#)



MONTHLY E-NEWSLETTER
JUNE 2015

A typical day in June has 14.75 hours of daylight! What are your plans for these long glorious days of summer?



The Vision Plan

The District is pleased to announce the release of its 2014 Vision Plan. This landmark open space planning guide is both a thorough technical analysis of the region's unique and diverse natural resources as well as a shared vision for open space. It includes the inputs of 2,200 people as well as resource assessments of our region's diverse habitats, conservation needs, recreation sites, and interpretation/education opportunities. To read more, visit: www.openspace.org/vision



Get out of the house and into nature!

Plan a free, local mini-getaway for the family. This month, we have 14 kid-friendly guided activities, from pond and insect explorations to a naturalist game of "hide and seek". Learn more at www.openspace.org/kidsactivities.



Stop in and explore

A perfect summer afternoon awaits you...bring family and friends to visit the Daniels Nature Center on Saturdays and Sundays, noon to 5:00 pm. Take an audio nature tour hike, view displays about natural communities and larger-than-life pond strata mobiles, or observe live aquatic organisms "borrowed" from Alpine Pond with the assistance of a docent. This a wonderful way to spend a summer afternoon – come and see!

www.openspace.org/naturecenter



Congratulations to our amazing Photo Contest Award winners!

We received over 350 wonderful photos in this year's contest. Check out the winners and finalists at

www.openspace.org/contest



Fill in the Blank

Tell us the name of this preserve under the rainbow and you will be entered into a drawing for a free eco-friendly tote bag. Email us your answer at info@openspace.org by June 15.



Take off on a new adventure

This month, we have some unique activities for you to enjoy. Examine the natural chaparral on **June 14**, search for late-blooming wildflowers at Coal Creek on **June 17** and explore Teague Hill, a little-known open space treasure, on **June 27**. There are hundreds of places and spaces for you to explore at Midpen.



Photo credits: Plug Into Nature: Charlie Theodorovich; Vision Plan: Deane Little; Kids Activities: Ellie Van Houtte; Daniels Nature Center: Jack Gescheidt; Photo Contest: Noah Suttman; Fill in the Blank: Jing Liu; Teague Hill: © Flickr: Airplane Journal

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Sharon Hanlon

3rd Annual San Mateo County LGBTQQI2S Pride Celebration

BEYOND THE BINARY

CELEBRATE THE DIVERSITY OF OUR COMMUNITY

SATURDAY, JUNE 13 • 11AM to 6PM
SAN MATEO CENTRAL PARK



Featuring Emcee Marga Gomez

- Family-Friendly Activities
- Resource Booths
- Food Trucks
- Comedy Performance
- Queer Fashion Show
- Hip Hop, Alternative Rock, Blue Grass, Rap, and Folk Music
- Reception with the San Mateo County LGBTQ Commission



For more information, visit www.smchealth.org/bhrs/ode/pride or <mailto:PRIDE@smchealth.org>

Honora R. Miller, MSW
Director, LGBTQ Commission
County of San Mateo
455 County Center, Fifth Floor
Redwood City, CA 94063
Ph: 650-363-4872
Fx: 650-363-4822
hmiller@smcgov.org



MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Mayor and Members of the Town Council
FROM: Nick Pegueros, Town Manager
DATE: June 5, 2015
RE: Weekly Update

The purpose of this report is to provide a summary update on items/projects of interest for the week ended June 5, 2015.

1. Zots to Tots & Town Picnic This Saturday – Don't forget that the fun run begins at 10:30AM with the picnic to follow.
2. SMC Sea Level Rise Vulnerability Assessment Kickoff Meeting – Staff attended the County's kickoff meeting to study the impacts of sea level rise both seaside and bayside. The meeting was well attended by over 100 local leaders include Member of Congress Jackie Speier who advocated that the County and Cities work in a unified voice to advocate its voice in Washington DC. The County's study will occur over the next twelve months with regular meetings, both policy and technical, on the study's progress.
3. RapidNotify (RN) Test in Los Trancos/Vista Verde – The Los Trancos CERPP division worked with the Fire District to run a rest of the RN system (similar to a reverse 9-1-1 service). As with all tests, the trial highlighted points of failure that can now be investigated further. The primary concern was some folks who voluntarily registered for RN did not receive a call when they should have. Of course others received unwanted calls which highlights that the system is reaching those who have not voluntarily registered and are AT&T customers. All AT&T customers are automatically loaded to the RN call lists.
4. CCA/CCP Assessment – Councilmember Hughes kicked off the CCA/CCP assessment process with the attached questions. The Mayor, Councilmember Hughes, Town Manager, Town Attorney, and Sustainability Manager are working through these and other questions. Regular updates will be provided to the Town Council through the weekly digest so that the item can be discussed at a Council meeting if the need arises. The report from the Town Attorney authorized at the Town Council's 5/27 meeting is tentatively scheduled for the second meeting in August.

Questions about CCA

After reading a huge amount of material about CCAs, I have some questions/thoughts, mostly around operational risks post-launch. I am quite comfortable with most of the process pre-launch.

Rate setting

- Do we need to mirror PG&E's rates?
- All of their rates? (including ones that no consumer in PV would hit?)
- Can we structure rates differently for policy purposes to encourage/discourage certain behaviors?
- How does the San Juan Capistrano recent court decision on Prop 218 affect our ability to set rates?

What are the most comparable POUs to a proposed PV CCA?

While some aspects of the Marin/Sonoma CCAs are similar to what PV would face, the relatively tiny scale of the PV CCA would cause some significant differences. Are there any small-town (say 2-8k residents) POUs in California, whether CCAs or not? I seem to find these using Google:

- Biggs, CA - population 1,702 [<http://www.biggs-ca.gov/utilities/electric.htm>]
- Gridley, CA - population 6,561 [<http://www.gridley.ca.us/city-departments/electric-department>]
- Lassen MUD - 10,500 meters but huge area [<http://www.lmud.org/>]
- Lathrop - 4,000 homes and some retail [<http://www.lathropirrigation.com/default.html>]
- Needles, CA - 4,926 population [<http://www.cityofneedles.com/pages/Departments-Services/Utilities/Utilities.html>]

Some of those might have useful/interesting lessons for providing power to small communities. Some may not be useful comparisons due to geographic size, having their own generation, etc. It would be worth looking into these (and any other comparables) to understand their issues.

Are there others in other states?

CCP as a public benefit corporation

- Who is the governing board of CCP?
- Who are the members of the corporation?
- What are the board & members looking for from CCP?

Is there any way to bypass PG&E's PCIA?

- Is the PCIA charged to new accounts, or only continuing accounts that depart from bundled service?
- Can all existing accounts be automatically closed and re-opened without impact or with minimal impact to consumers?
 - This could save a huge percentage on total electric bills!

How does unbundling affect things like Rule 20A funds

- PG&E has been working as hard as possible to reduce Rule 20A, etc. accumulations, with the result that PV has significant problems being able to pay for undergrounding we would like to do.
 - Do 20A funds come from the non-generation rates, or from generation, or both?
 - How will a CCA affect PV's ability to underground power lines over time?
 - Is there any way to use CCA formation to actually help with undergrounding?

Public Benefit Payments

Does Portola Valley have any interest in public benefit payments from CCP as part of the contract, or would we just prefer lower rates? For example, see undergrounding question above. Or perhaps Brandi has thoughts on programs we could potentially implement with any such payments. Though those programs would be at-risk should the CCA go away.

Portfolio blend options

Assuming Portola Valley would be primarily interested in the "most green" portfolio options we could procure, what would those be?

- In particular, there might be resistance in PV to hydro power; many of us in town are not big fans of the ecological impact of dams

CCP as only bidder

Are there any other providers who offer competitive products, even if not identical to what CCP is proposing? How much is PV obligated to look for alternative partners, and have we done what is required to find any such alternatives?

Importance of PV to CCP

- Will CCP provide adequate focus to Portola Valley, even though we will likely be its smallest partner by a large margin?
- Are there aspects of a Portola Valley partnership that would be attractive to CCP?
- Is there anything Portola Valley could do to make it more important to CCP?

Resource requirements from PV

What are the requirements from PV staff to:

- Establish the partnership with CCP, including contract negotiation, council/public education, involvement of any interested committees (sustainability cmttee?)
- Work with CCP to establish the CCA including formation, public interaction/education/etc., educating council about the process & issues, etc through CCA launch
- Post-launch requirements -- supervision of CCP; any CCA meetings/reports; inevitable front-line support for residents
- Any other areas that will require PV staff time?

Impact on Portola Valley if the CCA fails

There are many potential reasons that a CCA might fail (will discuss some below). Whatever mitigation is put in place, there will always be a risk of failure, however low. We

should fully understand what the impacts on Portola Valley would be if failure (and consequent reversion of customers to PG&E) happens over different timeframes:

- Short-term failure. If the CCA fails within the first 5 years:
 - The goal of PV being a visible leader in GHG emissions reduction will be severely damaged
 - PV residents (and others) would likely be a lot more wary of ever trying something like this in the future
 - GHG emissions from electrical usage in town would likely spike, based on PG&E having lower renewables mix than what CCA provided before failing; this could put a big hurt on our climate action plan.
- Mid-term failure. If the CCA fails between years 5-20
- Long-term failure. If the CCA fails after 20+ years

In addition, I have questions about how reversion to PG&E would work:

- I imagine that technical measures are in place to ensure uninterrupted power delivery to customers
- Would rates be affected by reversion?
 - If PG&E had not been expecting demand of the CCA's customers, it will not have purchased power to supply them, so how will it deliver power to them it wasn't anticipating that it would need, without having to buy power in the very short term?
 - What happens to any residual assets of the CCA under reversion, such as any power purchasing contracts?
 - Are those available to PG&E to mitigate the unanticipated spike in demand that it will see?
- Reversion would take care of things smoothly if the CCA's rate plans, etc are the same as PG&Es, but what happens if we move to rate plans that do not map to PG&E's?
- What happens to any other CCA activities other than supplying power to customers under reversion?
 - ie any incentive plans, etc that the CCA might set up

Threats to viability of CCA

Here are some potential threats to the CCA's viability that I can think of, or I've found in various documents. Mitigation (if any) against each of these should be understood:

- CCA could do a substantially worse job than PG&E of pricing contracts and becomes uncompetitive

- CCA could under-forecast/over-forecast demand and need to buy expensive power to cover the shortfall or be stuck with purchased excess energy that it can't sell
 - How does CCP structure its contracts to reduce the risks of mis-forecasting?
 - How does CCP model future energy demand, including elements like weather, technology changes, etc?
 - Is accurate forecasting harder because of the small size of the customer base over which any bumps/troughs in demand get smoothed?
- Un-anticipating market conditions put abrupt financial strain on CCA
 - What happens when the next Enron-like market spikes occur, whatever the cause?
 - What cash reserves does CCP hold to weather any short-term market liquidity/price problems?
 - Are any such reserves pooled across all CCP agreements, or would they be dedicated to the PV CCA?
- CCA supplier defaults on contracts, leaving CCA without the energy it needs for its customers.
 - This risk may be somewhat reduced for PV where we just don't use that much power in the scheme of things, so spot purchases wouldn't necessarily be too punitive
 - However, PV's risk is likely to be pooled with other larger users, and so we could suffer anyway.
- Cash flow disruptions of customer payments to the CCA could affect liquidity and lead to CCA being unable to satisfy its contracts, and suppliers in turn stop supplying power
 - How would the CCA deal with potential short term cash flow issues?
- PG&E could manipulate its rates/fees to decrease its generation costs and increase its delivery costs in order to bleed the CCA
 - How can CCA insulate itself against PG&E shenanigans? How closely with the CPUC or other oversight bodies be monitoring PG&E to ensure this won't happen?
- PG&E could reduce its margins to lower rates, or introduce predatory pricing, and make the CCA uncompetitive
 - PG&E rates vary by region, and they could target regions with CCAs for lower pricing while making it up in other districts

- CCP expansion risk -- What happens as CCP grows if it needs, and has trouble raising additional capital?
 - Are established CCAs insulated from CCP's expansion plans?
 - If CCP fails, will the CCA be able to continue, or does it depend on CCP's continuation?
- CCP successor entities/mergers.
 - It looks from glancing through CA corporation law on public benefit corporations, like a for-profit company could purchase CCP if approved by the Attorney General's office.
 - In any case, it can merge without specific permission "with another public benefit corporation or a religious corporation or a foreign nonprofit corporation or an unincorporated association the governing documents of which provide that its assets are irrevocably dedicated to charitable, religious, or public purposes"; however those charitable purposes need not be the same as CCP's purposes.
 - What happens if CCP is sold, etc? Does the continuing entity have to continue supporting the CCA?
- Change in CCP's business plan/goals
 - What happens if CCP no longer is interested in partnering with PV on the CCA?
- What if CCP enters Chapter 14 bankruptcy?
 - How would the CCA be affected?

Contract questions

- What are CAISO Congestion Revenue Rights (section 10.0)
- In what example circumstances might CCP want to assign the agreement to a parent/subsidiary, or to any other third party? (section 15.0)
- Lake County contract term is 10 years; there do not appear to be any provisions in the contract for termination by either party, even if both agree?
- Appendix A
 - Rates - need the discount rate be specified here?
 - I think PV's primary interest would be in ecological benefits; rate reduction would be secondary.

- Rates are tied to PG&E's winter rate plans? Or are they tied to the year-round rates in effect as of Jan 1st each year?
- Must/should rates be tied to PG&E rates? Are there alternatives that might go here?