

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 918, SEPTEMBER 23, 2015

CALL TO ORDER AND ROLL CALL

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

Present: Councilmembers Craig Hughes, John Richards; Ann Wengert; Vice Mayor Maryann Moise Derwin, Mayor Jeff Aalfs.

Absent: None

Others: Debbie Pedro, Acting Town Manager
Leigh Prince, Town Attorney
Sharon Hanlon, Town Clerk
Brandi de Garmeaux, Sustainability and Special Projects Manager

ORAL COMMUNICATIONS – None

Caroline Vertongen made a presentation regarding the upcoming Freedom from Workplace Bullying Week (October 18-24, 2015) and asked the Town Council to sign a supportive proclamation. Mayor Aalfs will bring this topic to the consent agenda for October 28, 2015.

(1) ASCC Commissioner Interview and Appointment

(a) Al Sill called in from Switzerland and was interviewed by the Councilmembers.

In response to Councilmember Hughes' question, Mayor Aalfs clarified that this assignment is being made to fulfill the remainder of Commissioner Harrell's term, which will come up in January 2017.

Councilmember John Richards moved to appoint Al Sill as an ASCC Commissioner. Seconded by Councilmember Hughes.; the motion carried 5-0.

CONSENT AGENDA [7:07 p.m.]

(2) Approval of Minutes: Town Council Regular Meeting of September 9, 2015.

(3) Approval of Warrant List: September 23, 2015, in the amount of \$170,278.11.

(4) Recommendation by Interim Town Manager – Approval of an Agreement between the Town of Portola Valley and Richardson Consulting for Contract Planning Services. [*Pulled from Consent Agenda*]

Councilmember Richards moved to approve Items 2 and 3. Seconded by Vice Mayor Derwin, the motion carried 5-0 with a roll call vote.

(4) Recommendation by Interim Town Manager – Approval of an Agreement between the Town of Portola Valley and Richardson Consulting for Contract Planning Services.

Councilmember Wengert asked if the Town was stopping the search for a full-time permanent Town Planner. Ms. Pedro said a suitable candidate was not found in the recent recruitment effort and staff has opted to defer the filling of that vacancy for 12 months, using the services of Richardson Consulting as a contract planner to fill in as needed in the interim. Ms. Pedro said if the contract planner takes on a project, staff would prefer the contract planner see that project to the end. Ms. Pedro said recruitment

takes about three months and she would be willing to start the recruitment process again in about six months. Ms. Pedro explained that the contract can be terminated at any time with a 10-day written notice from either party. After some discussion, the Council was supportive of the contract, with the item to be revisited in the spring of 2016 and another recruitment process begun in six months.

Councilmember Hughes moved to approve Item 4 as amended. Seconded by Councilmember Wengert, the motion carried 5-0.

REGULAR AGENDA

(5) Presentations – None

COMMITTEE REPORTS & REQUESTS – None

STAFF REPORTS AND RECOMMENDATIONS [7:36 p.m.]

(6) Update on Drought Emergency

Sustainability and Special Projects Manager Brandi de Garmeaux presented the staff report regarding the drought emergency.

Ms. de Garmeaux reported that Town water use in August 2015 was down 38 percent compared with August 2013. She said the goal is a 36 percent cumulative reduction between June 2015 and February 2016 and the Town is presently at a 44 percent cumulative reduction. She said the goal is to sustain this reduction and encourage citizens to continue with their conservation efforts.

Ms. de Garmeaux said staff and the Water Conservation Committee continue the marketing of the H2Oknow tool and will launch Phase 2 in the next week or so with the lawn signs. She said they are also working out details with CalWater for a contest to be held in October for the largest water reducers.

Ms. de Garmeaux said the Town was granted the appeal for Ford Field. She said the appeal for domestic water use at the Town Center is still pending. She reported that the Town's usage for September, not including Ford Field, is 46 percent less than usage for September 2013. She said in August, the Town went over a bit on Ford Field, which may result in a surcharge, but was cumulatively 1% under the 36% target. She said they have applied to aggregate all of the Town's accounts that are subject to a water budget, which will allow for water banked at one account to be used at another account without incurring surcharges.

Ms. de Garmeaux said that BAWSCA has advised they will be coordinating a regional ordinance. She said Ms. Pedro will attend the first working group meeting in October. At that point, staff will decide whether to pursue adoption of the regional ordinance or the state ordinance. She said if the Town opts to adopt the regional ordinance, the deadline to adopt it would be pushed from December 1, 2015, to February 1, 2016.

(7) Discussion and Council Direction – Town Staff Visioning [7:42 p.m.]

Town Attorney, Leigh Prince, introduced Bobbie LaPorte and Cathy Light, from Leadership Balance, who led a visioning discussion regarding community goals, priorities, and values that guide the management and conduct of Town staff and shape the character of Town staff and the work environment at Town Hall.

Ms. Light reviewed the background of topics discussed in the one-on-one conversations with Councilmembers regarding evaluation of Town Council performance, vision for Portola Valley, processes to fulfill community demands, roles and responsibilities of Town staff, and requirements for a new Town Manager. She said that tonight's focus would be on how the Council wants to communicate the vision,

mission, and shared values of Portola Valley. She suggested calendaring time with the Council to map out current and future visions. Ms. Prince added that the goal for this evening was to give the Council an opportunity to begin the conversation and allow attending community members to speak. She suggested the next step would be the Council, in a free-form group setting, discussing changes in the community and how it impacts Town Hall, organizational structure, the mission statement, and the topics identified in the Leadership Balance report.

Mayor Aalfs called for comments from the Council.

Councilmember Richards asked for clarification regarding a statement in the report that said "PV should be run more as a business than as a family." He said that is the opposite of how he feels the Town has been run over the years and the opposite of the way he hopes they can continue in the future.

Ms. Light said this statement was in part generated from discussion with staff regarding their feeling that the Council was not aligned in their vision for the Town moving forward and how that operationally affects the way they do their jobs. In their conversations with the five Councilmembers, she said it was clear there was a difference of opinion among the Councilmembers regarding how to maintain the 1964 consensus and keep to those values. She said that while the staff runs the Town like a family with a very personal touch, at the same time the citizenry is asking for more information and technology. She said the challenge is in finding the balance between keeping that personal touch but also moving more toward specific processes and structure and running the Town more like a business. She said staff needs direction on how the Council wants them to operationalize the vision as it evolves and progresses, specifically in terms of how they do their jobs.

Ms. Light said she and Ms. LaPorte would like to see alignment within the Council on these very high-level positioning statements so they can help the Council communicate and operationalize that to the staff so that staff can execute them effectively.

Vice Mayor Derwin disagreed that the Council was not aligned.

Mayor Aalfs said the workload and the expectations have become more complicated and perhaps expecting staff to do more work while maintaining the family atmosphere is too difficult. Vice Mayor Derwin said she did not see staff falling down in their workload and did not see the community coming forth complaining about being treated badly by staff. She said that, quite the contrary, she felt the staff excelled in their service to the community.

Councilmember Hughes said the wording of the phrase also bothered him. He said he would like to see the friendliness and collegiality continue, but he also acknowledged that the work is getting more complicated. He said he did not think the answer was to make things run more like a business than as a family, but perhaps some systems and processes should be put in place to manage the increasing complexity. He said there were technological solutions available that don't make things become bureaucratic, and could help staff with the workload while remaining collegial and friendly.

Councilmember Richards expressed concern regarding the perception of a conflict between what staff is hearing versus what the Council is saying.

Councilmember Wengert said she thought the statement was referencing the prior Town Manager's visions of the Town becoming more professional and the issues that arose from that process. She said collegial is a better word than family. She said the Town staff is and always has been professional and collegial, and includes a great diversity of talent, some of which are more technologically oriented, some of which are more community oriented, outward facing, inward facing. She said the variety of personalities and skill sets in Town staff are very valuable. She was supportive of the efforts to modernize from the perspective of information technology. She said that modernization should make it better for everyone and is not counter to the collegial environment. She said there were not adequate processes or

internal support systems in place for the staff to be able to move forward when they felt like they didn't have direction from the Council to address any of the conflicts they were having internally. She said Council needs to make sure that processes are in place for staff if they have issues, disagreements, or dissatisfaction. She said there is no question that the demands on the staff are increasing, because the character of the community has changed since 1964 and will continue to change.

Ms. Light said the staff is also divided in terms of improving processes and becoming more technologically advanced. She said some of the staff would like to keep things as it is and others would like to become more current. She said it starts with the Council defining what they want the makeup of the staff to look like and what the operationalization of that would look like.

Councilmember Hughes said the way Town citizens interact and the way they want to communicate with the Town is changing, which is largely technology driven but is also because they're very busy people and don't necessarily have time to come into Town to pull a file to read the minutes from a committee meeting. He said the Town needed to modernize and apply some amount of technological information to provide easier access to our citizens. He said that should make it easier for staff to be able to manage and to interact with the citizens. He said we needed to pay attention to the pace of change and not expect people to be learning too many new systems too quickly, letting things settle before adding another technological change to the mix. He said if things are constantly changing and nobody can understand what's going on, things start falling apart. He said we can continue to manage the communications and interactions in a more efficient and effective way, while maintaining the collegial, friendly atmosphere that the Town is used to. He said if you're a citizen and go to a website and pull the minutes and you have a question, then you can email somebody and they will answer you, which can be a very collegial and friendly interaction even though it may not be face-to-face over the counter. He said the Council needs to figure out how to make those changes, how to become more efficient and serve the citizens better, while maintaining that friendliness and making sure it's done at a comfortable pace for the staff in terms of how they actually do their jobs. He said the jobs are basically the same, but using technology to help make the currently difficult tasks easier.

Ms. Light listed the next steps in terms of discussions. Number 1 – To meet with the Council and operationalize and discuss the vision, mission, and shared values, and then have Council work with staff on how that really comes alive. Number 2 – Come to an alignment within the Council as to how much interaction Council should have with staff. She said currently half the Council wants more interaction and half says it is not their role and they should be hands off. Number 3 – A recommendation to the Council to consider hiring a part-time HR person that is independent and can create a safe haven for the staff. Number 4 – Assist in the recruitment of the new Town Manager.

Ms. Prince summarized that the goal is a collegial but modern town staff that serves the community with processes in place to make that happen. She asked if there were any specific goals that the Town Council had regarding structure or Town staff in general or if there were any other topics that have occurred to them as they've been thinking through this process.

Councilmember Hughes said there should be a quick discussion amongst the Council regarding the question of whether Council should be interacting more or less with staff. He said that based on liaisons or projects, Councilmembers have more interaction with some staff members than others. He said there probably is some opportunity to have more open channels of communication so if there are issues they are noticed sooner rather than later. He said he also understands that the Town Manager needs to be able to direct staff and not have Councilmembers giving conflicting information. He said there should be a clear understanding that if Council is going to be interacting more with staff, what the content of that interaction is – what areas are okay to interact on and what areas should be referred to the Town Manager. He said it can be appropriate to have conversations and the goal is to make sure everybody is comfortable working together. However, he would not want that to evolve into where everybody feels they should come directly to the Council with little disagreements and said that boundaries should be set.

Councilmember Richards said there is a whole range of depth of interaction here and the Council should try to find a more reasonable level to settle into. He said the Town Council certainly should not be micromanaging the managers, but if the system is so rigid that there is no interaction with the staff, problems that are arising may be overlooked.

Mayor Aalfs said he was less concerned about the amount of interaction as he was about a small amount of a certain type of interaction. He suggested that a little bit of monitoring of management of the staff – not managing the manager, but just a little more opportunity to assess things, is a mechanism that might be helpful.

Vice Mayor Derwin said the Town used to have an annual lunch with the Mayor and the Vice Mayor and the staff but the last Town Manager did away with that. She said she thinks the annual lunch should be brought back. She suggested a 360 review of the Town Manager would also be helpful.

Councilmember Wengert also supported bringing back the annual lunch. She asked how much interaction with Council the staff wanted. She said the staff shouldn't feel that Council would interfere with their day-to-day operational issues. She said that if there are issues that don't fall in the normal pattern, staff should know exactly what they can do and not feel it's going to threaten or in any way jeopardize their future. She agreed that previous events that facilitated interaction, such as the annual lunch, were fun and should be brought back on a more systematic basis.

Ms. Light said the Town staff was wonderful, very collaborative, and very collegial. She said there should be a friendly relationship between the staff and the Councilmembers. She cautioned that backdoor conversations could lead to confusion to the staff and perhaps misinterpretation. She stressed the importance of, when having one-off conversations, speaking for the collective Council so it doesn't create confusion. She suggested there currently may be a heightened sensitivity given the last six months and that it will likely subside.

Vice Mayor Derwin said that former Mayor and Councilmember Steven Toben gave a most eloquent speech last year when the Planning Commission, the Town Council, and the ASCC came together to talk about the future. She said he talked about the durability of the 1964 consensus or General Plan. He said there were four factors that have enabled the 1964 consensus to endure. He said Number 1 was the quality of our Town leadership, because we've had fundamental support for the principles of the 1964 consensus, despite differences in personality, etc. He said #2 was the staff, who was responsible for putting into place the Town's cornerstone principles. He said everyone on the staff made it their business to show applicants ways they could solve problems that would eventually enable their project to be approved, which is a critical feature of customer-oriented purpose on the part of our Town staff. He said #3 was the nature of those cornerstone provisions in the Town's zoning and building regulations that have ensured the kind of built environment we see today, such as our sloped density rules. He said #4 was our high octane citizen engagement. He said we have exhaustive opportunities for public involvement, community input, and, where necessary, informal processes that go well beyond what the law requires to engage citizens in a conversation as to what makes our community best. Vice Mayor Derwin said the Town staff, which is extraordinary in her view, has the ability to work together as a team where they can almost figure out what the next one's going to be thinking. She said the staff is 10 right now and maybe can be increased to 14. She said they have to cover so much ground and they do it in a seamless fashion and without complaining. She said the Town staff is critical to our delivery of service and everything harkens back to the 1964 consensus and what we believe as a community, our values – what we believe as a community that knits us together and ties us to the natural world.

Mayor Aalfs called for public comment.

Steve Toben, Santa Maria Avenue, Portola Valley – Mr. Toben asked if this project envisions a survey going out to citizens to assist in defining this new conception. Ms. Prince said it is not part of the plan, but the Town Council could consider it. Mr. Toben said he has been outside of this body for four years and he

is struck at how relatively modest the profile of the Town Council and staff is when you're just a citizen living in this community, going about your business. He said he was not arguing for significant changes in the articulation of roles, either in the Council and staff, but it was very striking to him how little commentary circulates in the community about the work that staff is doing and the decisions that the Council is making. He said that at the Town Council's December 2013 meeting, when all of the 2014 activities were listed, he was blown away and had previously had no clue how busy the Council had been. He said it was a remarkable presentation of the labor that the Council and staff have invested and continues to invest in making this Town a very special place. He said, however, that if the community was polled today, he believes less than five percent of our citizenry could name the Mayor of Portola Valley. He said the Town might want to consider new media for giving greater visibility to what is going on at Town Hall and in this chamber. He said his concern was the absence of greater visibility, the absence of citizens understanding that if they have a noise problem with the neighbors, they don't complain in the PV Forum, they can call Town Hall. As an example of the need for greater visibility, he said that when the Town had a significant wildfire, there was a need to know who was in charge. He said if the Town and staff had been living in high definition in the minds of the residents, they would be more likely to fall into line when it comes to taking direction in a time of crisis, where the chain of command becomes very important. He pointed out that Ms. Hanlon posted the invitation to tonight's meeting on the PV Forum and six residents attended out of a town of 4,500.

Vice Mayor Derwin asked Mr. Toben if he thought Council meetings should be filmed and streamed. Mr. Toben said he thought that new pulses of energy needed to be projected into the community. He suggested perhaps a social media platform. He said, for example, he knew Ms. de Garneau because he gets notices about the Farmer's Market, but that doesn't really tell him much about the functions of Town government, which he thinks are important but undervalued by a great many residents.

Councilmember Hughes said Mr. Toben's comments brings to mind that having goodwill banked when we need to call on it is one thing, but we need to call on it continuously, because we need volunteers to work on our committees, work on the Council, work on whatever the project of the day is in Town for which we need volunteers. He said that making people more aware and more engaged is a big part of getting them involved.

Ms. Light said one of the outcomes of the discussions with both the staff and Town Council was to incorporate some form of social media coverage.

Paige Bishop, of the Portola Valley Summer Concert Series, said the Summer Concert Series would be one great opportunity to address the Town, where there is the biggest consistent group of people throughout the summer. She said she had suggested repeatedly that instead of her addressing the Townspeople, it should be the Town Manager or the Mayor or a Councilmember – just to say hello. She said they put out a survey and are finding out some of the top things that bring people together and that people would like to have in Town. She said their goal is to change it up and make things more interactive, bring more people onto the committee, and make it friendly and fun and familiar.

Alex Von Feldt, Creek Park Drive. Ms. Von Feldt said she wanted to voice support tonight for a Town Hall organizational culture that is both nurturing and supportive and most importantly makes people want to stay. She said she's been on Conservation and ASCC and Planning Commission for many years and values the staff that's been around throughout the years. She said the history that long-term staff members know is invaluable when it comes to the land use planning. She said the Town is what it is because of our commitment to our values, but it takes a while to really get enmeshed in those values. She said long-term staff members understand that culture. She said when she hears complaints about the Town it is usually about the committees, commissions, and council – not the Town staff. She said the feedback she hears about the Town staff is positive, that they are professional and responsive. She said she thinks Portola Valley is doing a good job with technology and is more advanced than some other bigger cities. She said she hears other professionals, such as architects, saying that they really enjoy working with our staff as compared to staffs in other cities. She said she is hopeful that the Town keeps

the culture we currently have. She thinks the current issues are reactions to this most recent problem and hopes that a lot of time and resources are not spent on it. She said she hopes the Town finds a good leader that can get the Town back to this culture that was created with the current staff and, most importantly, keeps them around.

Marge DeStaebler, Santa Maria. Ms. DeStaebler agreed that the historical knowledge is very important and she values the longevity of the staff. She said the Town staff are people that she feels she can come to anytime and she's always greeted warmly and everyone is helpful. She said the Town values are invaluable.

With no further questions, Mayor Aalfs brought the discussion back to the Council. Mayor Aalfs asked for comments regarding the recommendation for an HR Specialist.

Vice Mayor Derwin was not supportive of an HR Specialist for a staff of only 10 people.

Councilmember Wengert said an HR Specialist may be an appropriate objective third party, perhaps as a standby. She said she wants the staff to have a very clear and safe place to go with problems. She suggested possibly it be one designated Councilmember for each year.

Ms. Prince said the personnel policy manual currently has in place a process for complaints wherein a person first goes to their supervisor in their department. If the complaint relates to a supervisor, they can go to the Town Manager. If it relates to the Town Manager, the complaint goes to the Mayor and the Town Attorney. She said tonight's discussion, however, is less about a complaint-driven issue and more about having a check-in person, someone safe to talk to, so that before it becomes a complaint, a process can be in place to create that feedback loop so that issues can be caught before they rise to the complaint level.

Brandi de Garmaux, Sustainability and Special Projects Manager, was in favor of a separate entity, not just for complaints, but also for questions about benefits, paychecks, and other personnel issues. She said that because staff is so small, it may be difficult to share issues with someone that you also have to work with. She said that if a person has to take an issue to the Town Attorney or Mayor that is a huge escalation.

Councilmember Wengert agreed with Ms. de Garmaux and added that it needs to be a place that's easy, consistent, and comfortable, and where you don't have to worry about a colleague being offended by your having used that resource or even be aware of it.

Ms. Light said hiring an outside person was the feedback they received from the staff collectively. She said in San Mateo County there are resources such as floating HR people who are specialists in employee relations and compliance, which may be a cost effective alternative for the Town.

Councilmember Wengert said the benefits questions are getting increasingly complex and there is no one on staff who is really an expert in that arena. She said an HR Specialist would be a good benefit for the staff to have, perhaps on an on-call basis.

Councilmember Hughes said it would be worth investigating what the options are, seeing how other towns this size handle it. He said it should be someone who is not only familiar with HR issues generally, but government employees in particular, and the intricacies of pensions interacting with healthcare and whatever else comes up. He said if there was somebody who could come in for an hour or two a week or be on-call as needed, the Town may be able to set up an arrangement like that and would certainly be worth considering.

Mayor Aalfs said that he and Councilmember Wengert would continue to explore the options of an HR Specialist and see how other towns of similar size are handling it.

Mayor Aalfs asked if private session Council meetings regarding any of the items were appropriate. Ms. Prince said that would be dependent on exactly what the Council discusses. She said, for example, if they were discussing a new mission statement, it could be a more focused open session. If the discussion was about specific things Council is looking for in the next Town Manager, they'd have to take a look at whether that needed to be a closed session because it relates too much to personnel versus a more general vision for the staff.

Councilmember Hughes asked regarding Recommendation #1, discussing defining and operationalizing of vision, mission, and shared values with staff members, what that session would be like and what results were expected.

Ms. Light said it would be a working session and the outcome would be consensus. She said it would be defining the expectations, and then being able to have what they call a Town Hall, with Town staff and Town Council talking through it. She said it would be beneficial to the staff to be able to have their opinions aired and to have an open, collaborative discussion around that.

Vice Mayor Derwin asked if that would have to be a public meeting since the entire Council would be gathered. Ms. Light said they would first meet with the Council to come to some agreement and alignment, and then bring in staff, and then present to the community.

Councilmember Wengert suggested that given the Town is about to embark on recruitment for the Town Manager, Recommendations #1 and #3 might be processes that would be more beneficial when that individual is named. She said Recommendation #2 is probably the top priority now, given it's been articulated by the staff that there's a desire to have something in place as soon as possible. Ms. Light agreed.

Mayor Aalfs said they can continue with the focus on Recommendation #2. He said that upon the hiring of a new Town Manager, Recommendations #1 and #3 can be brought back to the Council for discussion.

Ms. Prince asked if there was any interest in looking at revising the mission statement. The Council agreed to put that off until they've got a new Town Manager.

- (8) Recommendation by Administrative Services Manager – Adoption of a Resolution Approving Amendments to the Town's Employee Compensation Plan.
 - (a) Resolution of the Town Council of the Town of Portola Valley Amending the Employee Compensation Plan and Authorizing Out of Classification Pay for the Interim Town Manager (Resolution 2676-2015)

Ms. Pedro presented the proposed amendments to the Town's Employee Compensation Plan and to authorize out-of-classification pay for the Interim Town Manager.

In response to Councilmember Hughes' question, Ms. Prince explained that the out-of-classification pay would begin after the fifth day of working out of classification. Ms. Pedro said the determinations are made at the discretion of the supervisor. She said typically out-of-classification pay is for when a person is doing a job out of classification for a longer period of time. She said, for example, someone who was filling in for a seven-day vacation would not likely get two days of out-of-classification pay. Ms. Pedro and Mr. Young would make the determination for the Maintenance Worker II who is working out of classification and the Town Council would make the determination regarding the Acting Town Manager position.

With no questions and no public comment, Mayor Aalfs called for comments from the Councilmembers.

Councilmember Wengert moved to approve the Resolution Approving Amendments to the Town's Employee Compensation Plan and Authorizing Out-of-Classification Pay for the Interim Town Manager. Seconded by Councilmember Richards; the motion carried 5-0.

(9) Report from Mayor Aalfs – Update from CCE “Community Choice Energy” Subcommittee. [8:49 p.m.]

Mayor Aalfs provided an update on the County's effort to form a Community Choice Energy (CCE) program. He said the County released the technical study on Friday, September 18, and he provided a summary of that study. He said that he would be attending a study session at the next Advisory Committee meeting on Thursday, September 24.

Mayor Aalfs reported that the CCE has been available for 10 years wherein a government entity can create an alternative organization to PG&E, or any investor-owned utility, as an electricity generator, thus becoming basically its own procurer of electricity, which brings about the possibility of lowering rates and reducing greenhouse gases, as well as providing local government control. He said there were currently three JPAs – Marin Clean Energy (MCE) has been operating nearly 10 years; Sonoma Clean Power (SCP) is in its third year; and Lancaster Choice Energy which just started earlier this year.

He said the JPA that is being pushed forward by the County Board of Supervisors would include the County, the unincorporated County, and some or all of the 20 cities and towns. He said that if everyone joined, San Mateo County's JPA would comprise approximately 800,000 rate payers, approximately four times the size of MCE or SCP. He said the County is paying the start-up costs (mostly administrative), estimated at \$2.7 million, to get to the point where they start running the business.

Mayor Aalfs said that procurement is a risk, for both a CCA and PG&E, with prices going up or down. He said both organizations deal with it largely the same way – with large procurement and risk management departments. He said it's important to have enough working capital on hand to cover the period from when the power is purchased from a wholesaler to when bills are paid by the ratepayers.

He said that the existing JPAs experience an approximate range of 10 to 20 percent opt-outs, with ratepayers going back to PG&E.

In response to Councilmember Wengert's question, Mayor Aalfs said San Mateo County's Sustainability Office has been doing most of the staff work. He said the Board of Supervisors is the governing body and the advisory committee members will all be entities when they join the JPA. He said Lean Energy, a company run by Shawn Marshall, who used to be on the Mill Valley City Council, is consulting on the JPA formation side. He said the technical study was prepared by Pacific Energy Advisors (PCA).

Mayor Aalfs said there would be a possibility of a forced transition back to PG&E. The CCA has to post a \$100,000 bond to cover that possibility. Councilmember Hughes expressed concern that if there is a big transition back to PG&E, PG&E will charge recovery costs. Mayor Aalfs said the power charge indifference adjustment (PCIA) is for outgoing customers and there's a separate category for people coming back in. He said the idea is that the JPA becomes the entity that signs all the contracts, vouches for its credit, and is basically the firewall between our assets and any future creditors.

Mayor Aalfs said the JPA documents are still not available, but are expected to be introduced on October 6, at which time there will be a study session with the Board of Supervisors. He expects them to be similar or some combination of the JPAs of MCE and SCP.

Councilmember Hughes asked Ms. Prince if she had looked at the liability limitations with JPAs. Ms. Prince said it had been a while since she looked in detail at the risk buffer that a JPA creates, but her general understanding was that once the JPA is formed, the Town is insulated. She said she would research that further.

Mayor Aalfs said the committee looked at three scenarios:

1. Start at 35% renewables and ramp up to about 50% in 10 years, which is what is now mandated by SB350. He said that PGE is also required to get to that level, and right now they are at about 22%.
2. Start at 50% renewables and ramp up to about 65% with the goal of slightly beating PGE rates.
3. Start at 100% all bundled renewables throughout the length of the contract. In this scenario, every source contracted with would be a renewable source and the certificates would be bought along with the power in all cases.

Mayor Aalfs showed the sample residential bill that the technical study looked at using each of the three scenarios. Option #1 beat PG&E by about 1¢ per kilowatt hour and about 5% on a monthly bill. Option #2 beat it by a little less. Option #3 was about 5% more than PG&E's expected costs over that time.

With regard to greenhouse gas (GNG) savings, Mayor Aalfs pointed out that Option #1 was actually plus 111% over PG&E. He said the main reason for that is that PG&E gets about 20% of its power from San Onofre, which is nuclear and considered GNG-free. He said it doesn't count in PG&E's renewable portfolio, but it is carbon free. He said one of the goals of the CCA is to stimulate the production of new renewable sources, which is a worthwhile goal, and new sources would come online as a result of contracting for as much energy as needed to fulfill even the lowest level. Option #2, which is a modest reach beyond the current portfolio standard, saved 34% in GNG. Option #3 eliminated GNG completely, at a higher cost.

Mayor Aalfs said an initial goal of this was to save greenhouse gases and do it cost effectively. He said the County is pushing to have the JPA documents signed by the end of February.

Mayor Aalfs asked the Council if they had any questions they'd like him to ask at the study session.

Vice Mayor Derwin asked about community outreach. Mayor Aalfs suggested community Town Hall events. He said he could do presentations and schedule a few meetings around Town.

Councilmember Wengert asked about the Town's due diligence on the economic side. Mayor Aalfs suggested a Town Council study session. He said there would need to be two ordinance readings and a study session should occur prior to that.

In response to Councilmember Wengert's question, Mayor Aalfs said the County wants to have the utility up and running next August in time for the summer rate schedule as opposed to a typical winter rate schedule. Councilmember Hughes said the implication to the Town is that if the Town wants to move more slowly, and decides to join later, the County may charge a fee or it may be harder and the Town may have less favorable treatment.

Councilmember Hughes asked Mayor Aalfs to get clarification on if the County's scenario selection would be the default plan Countywide or if it would be possible or feasible for the Town as a whole to choose one of the other scenarios as their default plan.

In response to Vice Mayor Derwin's question, Mayor Aalfs said he did not recall seeing any PG&E representatives at their committee meetings. He said representatives from IBEW Local 1245 attend the meetings and are clearly skeptical.

Councilmember Richards asked if the three scenarios would be offered simultaneously or if every town would be able to select one of the three options. Mayor Aalfs said that in Marin, everybody joins at something similar to Scenario 1 and can then opt up to Scenario 3.

In response to Vice Mayor Derwin's question regarding the makeup of the renewable sources, Mayor Aalfs said the 100 percent renewable mix was mostly solar, some hydro, and one other.

Ms. de Garneau asked if the default scenario was, say Option #2 or #3, could people opt down?

Councilmember Hughes said that if the Town was allowed to have Scenario #3 as the default, assuming Portola Valley could generate enough megawatts to satisfy the demand, it would result in much better greenhouse gas reduction and residents would be less likely to opt down. He asked Ms. de Garneau if she knew what percentage of Portola Valley currently has solar. Ms. de Garneau said she could get that information.

Councilmember Wengert said the savings residents are already experiencing by virtue of their own direct efforts is a big factor.

In response to Councilmember Wengert's question regarding the costs associated with the JPA, Mayor Aalfs said he doubted that would be included in the study session. Councilmember Hughes said the County is planning to run this utility profitably, so the costs would be covered out of the revenues generated. He said his bigger financial question was regarding the trading and the long-term contracts. Mayor Aalfs said they would likely follow Marin's lead. He said Marin hired a procurement company and started with one provider and then started contracting and diversifying as they got up and running. He said that MCE ramped up over several years, and started out with only a fraction of Marin County on their system.

Mayor Aalfs said the technical study indicates that half the total load will come on the first year and the other half will come on the second year, which he agreed sounded very fast and aggressive.

Councilmember Wengert expressed surprise that the rate differences were not very significant. Councilmember Hughes said the goal was to have the rates be about the same with more focus on reducing the emissions.

The Council discussed conducting a study session to review the economics of the CCE in greater detail.

(10) Discussion and Council Direction – Discussion and Approval of Preparation of Community Meeting Minutes. [9:21 p.m.]

Sharon Hanlon presented the staff report and recommendation that the Town Council discuss options as provided in the staff report for the preparation and website publishing of committee meeting minutes. It was additionally recommended that Council's decision apply to all committees or none.

She explained that although the Council unanimously approved the preparation of action minutes, some committees expressed concern regarding format and that valuable historical information and discussion would be lost in the absence of summary minutes.

Option 1: No change to the current practice of committees' preparation of summary minutes. The final approved summary minutes would be saved to both the committees' electronic and hard copy files at Town Hall and would not be posted to the Town's website.

Option 2: Committees use a uniform template when preparing their summary minutes for use on the Town's website. Committee Chairs would be responsible to notify the clerk when the agenda minutes are final and ready for posting to the Town's website.

Vice Mayor Derwin said that Option 2 seemed to require a lot of work initially between the committee representative and a staff member and possibly Ms. Prince. Ms. Hanlon said the posting to the website is

not substantially time consuming; however, following up with the committees to get the minutes and making sure she has the correct minutes may be.

In response to Vice Mayor Derwin's question, Ms. Prince said the committee minutes are already public record and this recommendation is to produce the minutes in a more uniform template and posting them to the website.

Councilmember Hughes, who attended three different committee meetings where this topic was discussed, said that having a structured template will be helpful to whoever is putting together the minutes as well as make it more readable to members of the public. He said all three committees stressed their reliance on the detail in their minutes and being able to review minutes on the website will be very helpful.

Ms. Prince said if there was concern about committees discussing things off topic or not on the agenda, it may be worth having a refresher course for committee members regarding appropriate meeting discussion items.

Vice Mayor Derwin agreed with more public access and more open government, but questioned the timing due to the amount of work that will be required of staff at a time when they're short staffed and trying to recruit a new Town Manager.

Councilmember Richards said all of the committees he currently works with are supportive of publishing summary minutes online, with the exception of Cultural Arts that doesn't want to do minutes at all. He said the responsibility has to fall to the committee to do it correctly and he is supportive of the template.

Commissioner Wengert asked Ms. Hanlon if she had a preference on the options. Ms. Hanlon said it is valuable for the committees to have a record and easy access.

In response to Vice Mayor Derwin's question, Ms. Hanlon said the committees were supportive of the template.

Councilmember Hughes said that to help make it easier on staff, the Councilmembers, as liaisons, should provide a brief explanation of the new minutes template and the process.

Vice Mayor Derwin is supportive of the recommendation since the committees and Ms. Hanlon are supportive.

Councilmember Wengert moved to approve the adoption of Option #2 and the incorporation of a meeting minute template for the committees. Councilmember Hughes seconded; the motion carried 5-0.

(11) Council Liaison Committee and Regional Agencies Reports [9:32 p.m.]

Councilmember Wengert – She and Councilmember Hughes attended the Finance Committee meeting on September 15, where they discussed the new format for preparing meeting minutes, a proposal to invest a portion of the Town's cash reserves in a fixed income portfolio, and continued dialogue concerning the Utility Users' Tax (UUT). She said the committee would create a recommended portfolio construction that they will provide to the Council for review. Councilmembers Wengert and Hughes also attended the Ad-Hoc Town Center Master Plan Committee meeting where they discussed membership, priorities/scope of work, and a proposed charter. She said the team would include nine members. Councilmember Hughes said they will set up a series of meetings with all interested committees to make sure they are involved, but in the interest of being able to meet quorums for meetings, the committee is limited to nine members. The committee's membership and charter will be brought to Council at its October 28th meeting.

Councilmember Richards – Attended the Emergency Preparedness Committee meeting where they discussed CERPP training and a revised charter. They also discussed sharing more work with the Town of Woodside's Emergency Preparedness Committee. He attended the Cultural Arts Committee which has a new member. They are planning a lecture series and are in the market for a new outdoor sound system. He attended the Conservation Committee meeting, where they discussed distributing a letter to targeted homeowners requesting they remove invasives. He said it is the Open Space Committee's responsibility to conduct reviews of open space easements and during their review it was learned that the Chaputs' have an easement that nobody knew about, and they have applied for one of the backyard habitat awards. There was a review of a new house at 30 Zapata where they discovered a large number of trees were removed. They were advised to bring it to the attention of staff.

Councilmember Hughes – Attended the Cable and Utilities Undergrounding Committee meeting where they continued discussion of Alpine and Portola Roads and the issues with PG&E and available work credits and Rule 20A funds. He met with Bill Chang after the meeting to discuss the Town's relationship with PG&E. He attended the Open Space Acquisition Committee meeting where they discussed the Chaputs' open space easement and other easements that are supposed to be inspected annually. Presently, however, as there is no baseline, they are trying to identify and visit all of the open space easements in Town and document their current conditions with photographs and summary descriptions. He said there was discussion of the Town Center Master Plan process, as regards to the land in front of Spring Down.

Vice Mayor Derwin – Attended the Planning Commission meeting where they reviewed and approved a site development permit on a new home with a second unit and pool. They discussed a public study session regarding HOAs and their relationships with the ASCC. She attended the C/CAG meeting where there were two presentations – one from joint work program of C/CAG and the Department of Housing and one from the commute.org program regarding the reduction of single occupancy vehicles traveling to, through, or from San Mateo County. She said Energy Watch provided an update and discussion of the Beacon Award program. She said they presented the list of projects to be submitted to the MTC for the update of the Regional Transportation Plan/Sustainable Communities Strategy. There was also a presentation on the Countywide Water Pollution Prevention Program and information on the new Municipal Regional Permit. They also discussed Smart Corridors. She said the Library JPA is applying for a \$500,000 Google grant for two mobile learning vehicles. They are also working on a new strategic plan. She said they are getting opposition to the building of a new library in Half Moon Bay and are requesting people attend their outreach meetings. She attended the Resource Management and Climate Protection Committee meeting, where there was a presentation by the California Independent System Operator regarding the ISO; an update on the Energy Watch Program and the Net Zero Energy Strategic Planning; and a presentation on the State Energy Efficiency Collaborative Forum. She said that BAWSCA reported that the Tuolumne Water System is 50 percent full and tracking above average for the system. She said the conservation efforts have been so successful that the demands are the lowest since 1977; however, the last three-year period was the driest and hottest on record. She said that based on tree ring data, it's been the driest four-year stretch in 1,000 years. She attended three Ad-Hoc Water Committee meetings where they looked at sea level rise and will propose a new C/CAG standing committee, focused on water. She said the new HEART Board is doing well. She said they had an introductory meeting with Housing Trust of Silicon Valley who to date have invested approximately \$100 million in affordable housing. They have expressed interest in working with HEART and are interested in their JPA structure.

Mayor Aalfs – Mayor Aalfs, Vice Mayor Derwin, and Interim Town Manager Pedro enjoyed lunch at the Sequoias with Executive Director, Steve Fishler, and toured two of the long-term care facilities.

WRITTEN COMMUNICATIONS [10:17 p.m.]

- (12) Town Council Digest – September 11, 2015
- (13) Town Council Digest – September 18, 2015

ADJOURNMENT [10:18 p.m.]

Mayor Aalfs adjourned the meeting.

Mayor

Town Clerk