

"The City With a Heart"



Jim Ruane, Mayor
Ken Ibarra, Vice Mayor
Rico E. Medina, Councilmember
Irene O'Connell, Councilmember
Michael Salazar, Councilmember

MINUTES SAN BRUNO CITY COUNCIL March 13, 2012 7:00 p.m.

1. CALL TO ORDER: THIS IS TO CERTIFY THAT the San Bruno City Council met on March 13, 2012 at the San Bruno Senior Center, 1555 Crystal Springs Rd., San Bruno, CA. The meeting was called to order at 7:00 p.m.

Mayor Ruane thanked the San Bruno Garden Club for the beautiful floral arrangement.

2. ROLL CALL/PLEDGE OF ALLEGIANCE: Presiding was Mayor Ruane, Vice Mayor Ibarra, Council Members Medina, O'Connell and Salazar. Recording by Clerk Bonner. **City Attorney Zafferano** led the Pledge of Allegiance.

3. ANNOUNCEMENTS:

Mayor Ruane announced the Annual Pancake Breakfast and Easter Egg Hunt would be held March 31, 9:00 to 11:00 a.m. at San Bruno City Park. He also said the opening of Pee Wee's will take place at Diamond #2 at 11:00 a.m.

Mayor Ruane said the Library has opened a Homework Center, free of charge, open to students K through 8 in the lower level of the library. Those interested can call 616-7078 and there are fliers at the entrance for those interested.

Mayor Ruane announced PG&E and the City of San Bruno reached an agreement on community restitution yesterday to address the impacts from the September 9, 2010 fire and pipeline explosion. PG&E has agreed to pay \$70 million (to be paid by mid-April) to the City of San Bruno to be used for the benefit of all citizens and to help the community get beyond the tragedy. The payment is in addition to the fund established to pay for the replacement and repair of the City's infrastructure and other costs related to the accident and restoration of the neighborhood. He said over the next few months the City would be seeking input from residents. He asked citizens watch the City's website and future issues of FOCUS newsletters.

4. PRESENTATIONS:

Mayor Ruane Presented a Proclamation to the Bay Area Chapter Volunteers of the American Red Cross Recognizing American Red Cross Month 2012. **Amy Lang**, San Mateo County Chair of the Bay Area Chapter thanked the Mayor and acknowledged her co-workers who joined her and talked about an upcoming event, Save a Life Saturday, Saturday, April 14 taking place at the Martin Luther King Jr. Center in San Mateo as well as East Palo Alto Boys and Girls Club. A train-the-trainer session will take place next week on March 21; more information and sign ups can be done at redcrossbayarea.org. There will also be The Heroes Breakfast, Thursday, September 13 and invitations will be sent during the summer. They are looking for nominations and information can be found at redcrossbayarea.org.

Vice Mayor Ibarra and **Mayor Ruane** thanked them for all they have done.

Mayor Ruane said they would Receive a Presentation from Alan Johanson, Regional Construction Manager and Nicole Ziman, Peninsula Region Public Outreach Consultant on the San Francisco Public Utilities Commission Harry Tracy Water Treatment Plant Improvements Project.

Maureen Barry (in place of Nicole Ziman), PUC, who oversees the communications for the water system improvement program talked about the Harry Tracy Water Treatment Plant. She talked about public outreach the PUC has done before and since the award of the contract in the early part of 2011. She said they are planning an open house in San Bruno on April 23rd. She addressed the aging infrastructure and the need for repairing it before there is another earthquake.

Alan Johanson, PUC, Regional Construction Manager gave a project overview of the improvements being done to the plant. He talked about what is being done at the present time and the anticipated activity that will take place until the final completion scheduled for February of 2015.

Mayor Ruane asked how the concrete was transported? **Johanson** said in trucks. **Mayor Ruane** asked accommodations be made to repair the streets to the condition they were before the work was started. **Johanson** concurred.

Vice Mayor Ibarra said in this community, the area is just a driveway and a sign and the majority of the community does not know how big a facility is at the plant. He said the complaints have come from the citizens about how the trucks handle the windy/steep and narrow roads. **Johanson** said they have confirmed with the contractor that the pile vehicles maintain the speed to keep the trucks down below 25 mph.

Johanson, in response to a question from the Mayor, said the water comes from San Andreas Reservoir, there are two sections from the lake that pipe into the Harry Tracy, then there is a lower pump station that pumps it up the hill and it is treated from there. Once it is treated, it is gravity fed.

Mayor Ruane asked how it is treated? **Johanson** said it is treated with chloramine, fluoride, ozone process, and other chemicals used for treatment. **Mayor Ruane** said he sees a lot of work going on in the reservoir itself, and **Johanson** said that is part of this program.

Councilmember O'Connell asked about the pile driving. **Johanson** said eight piles have already been driven last summer, with no complaints and the hours of operation are 9 to 4 and not on weekends.

Councilmember Medina said since there is only a driveway and sign, it is the unknown. He said there should be a number people can call with a live person to answer their questions. He said outreach is critical. **Mayor Ruane** said it is important to keep our staff informed also.

Berry said there would be an open house on April 23rd and **Johanson** said this would be off-site, possibly at the Senior Center, not at the facility. Everyone is welcome to come. They offered to take Council and Senior staff on a tour one of the Saturdays.

5. REVIEW OF AGENDA: No changes.

6. APPROVAL OF MINUTES: Regular Council Meeting of February 28, 2012 and Special Closed Session Council Meeting of March 3, 2012.

Alan Lubke, Fleetwood Dr. had a question on Page 4 of the minutes, but the clerk stated the section referenced was done verbatim the discussion. He also noted the headers were not changed on two of the staff reports in the packet.

M/S Ibarra/O'Connell to approve the minutes and passed with all ayes.

7. CONSENT CALENDAR:

- a. **Approve:** Accounts Payable of February 21 and 27, 2012.
- b. **Approve:** Payroll of February 26, 2012.
- c. **Waive:** Second Reading and Adopt Ordinance Repealing and Reenacting Chapter 10.12 of the San Bruno Municipal Code Relating to Wastewater Quality Control.
- d. **Accept:** Housing Element Annual Progress Report for Calendar Year 2011 and Direct Staff to Forward to the California State Office of Planning and Research and the California Department of Housing and Community Development.
- e. **Adopt:** Resolution Amending San Bruno's Local Hazard Mitigation Plan to Include the 2012 Annex.
- f. **Adopt:** Resolution Adopting the San Mateo Countywide Water Pollution Prevention Program Model Integrated Pest Management (IPM) Policy.

M/S Medina/Ibarra to approve the Consent Calendar and passed with all ayes.

8. PUBLIC HEARINGS: None.

9. PUBLIC COMMENT ON ITEMS NOT ON AGENDA:

Alan Lubke, Fleetwood Dr. referenced Item 10.b. being identical to the same Item 10.b. presented at the February 28, 2012 meeting. He asked why there isn't a new agenda item wording regarding the garbage increase since it was approved last week. He asked why it was not given a descriptive term to inform the members of the public what the discussion will be about.

10. CONDUCT OF BUSINESS:

- a. Adopt Resolution Approving Property Owner Notice and Protest Process for Water and Wastewater Rate Increases for 2012-13 through 2016-17.

Public Services Director Fabry gave a powerpoint overview of part of the staff report and **Management Analyst Shannon** continued the overview with **Fabry** concluding with an outline of next steps and she asked for questions.

Vice Mayor Ibarra said he understands what is needed in this City to catch up and repair what needs repair. He said aiming for a steady gradual annual rate increase to the extent possible to help minimize the impact on customers; this plan is over 100% increase in the next ten years. Is there a formula as to what is comfortable for an average resident?

Mayor Ruane said this is a long-term project and we have the opportunity to scale it back. He asked if Council will get updates?

City Manager Jackson said the process of setting rates is a function of evaluating at the minimal effective level. Operating/maintaining/rehabilitating and otherwise sustaining the reliability of the utility system is driven by a revenue requirement. She said it is always the objective to minimize impact on individual ratepayers and she knows this is a significant increase for all customers.

Vice Mayor Ibarra asked if there was a minimum increase in mind? **City Manager Jackson** said in order to sustain operations at the current levels and to provide the necessary improvements to assure long-term reliability of the system, she said the answer is yes. She said they have the ability in any year, to decrease expenditures, defer capital projects, reduce operations and thereby decrease the revenue requirement.

Councilmember O’Connell emphasized no one likes to pay increased rates. She said, for the most part, the increase would be going for capital improvements. She reminded everyone there is a 25% discount for low-income families.

Councilmember Medina said the slide showed ten years; however, he understood the increase to be for five years. **Fabry** said the study was done for ten years and this rate increase is for the next five years.

Councilmember Medina said the slide stated this is for operation and maintenance costs, which he felt indicated not only vehicles, staffing, and other things that come along, labor, parts, etc. to operate the systems. With staffing, it calls for an additional headcount to the department, which he would like to better understand. He also noted two weeks ago an acquisition of a vector, the third within a year and asked if the second was is here yet? **Fabry** said not yet. **Councilmember Medina** questioned the need for a third vector, thus additional staffing? **Fabry** said this ten-year projection does not include anything discussed and approved by Council previously. She said the third vector is included in our existing improvement program. **City Manager Jackson** said she believed the vector acquisition was for the current year and it is possible it has not yet been approved. She said they would check on it.

Councilmember Medina talked about South San Francisco being lower because of their large amount of commercial, on the other hand, San Carlos is low also without the commercial and he felt it would help him to know something different to quantify to the citizens the reasons. **Fabry** said depending if the systems are maintaining or deferring their maintenance. **Councilmember Medina** asked if there was a difference because they operate under California Water? **Fabry** said size makes a difference. **City Manager Jackson** said an analysis could be done and brought back to Council.

Alan Lubke, Fleetwood Dr. asked what portion of the fee or assessment is proposed to be placed on the assessment tax role? What does that amount to for an individual on their monthly statement? **City Manager Jackson** said the wastewater charges proposed to be collected on the property tax bill beginning July 2013, it would be precisely the same amount. **Lubke** asked for the percentage increases, are they from the base year or previous year? **City Manager Jackson** said each case would be from the previous year. **Lubke** asked what would be the total cost for the City for picking up the tab for the public, for the first year, based on the windfall of \$70 million dollars? **Shannon** said for water it would be \$10.8 million and sewer it would be \$11.9.

Paul Bellanca, Cypress Ave. said on the water bill there is a service charge for water and a service charge for sewer. One is approximately \$25, the other \$18. and when he asked about the service charge a few years ago, he was told it was a study. But it adds to the bill. **Shannon** said he understood the question to be how the fixed charge is treated in respect to the variable charge? He said in the proposed five-year rates there are proportionate increases both to the monthly fee as well as the variable rate increase charge.

Vice Mayor Ibarra asked what is the service charge? **Shannon** said the service charge is the proportion of charge allocated to the fixed costs. **Vice Mayor Ibarra** asked if that is the cost that goes into the capital improvement? **Shannon** said that amount is separated on a year-to-year basis and it would vary depending on how many improvements are done during a particular year.

City Manager Jackson said she believed they were asking whether the fixed charge based on meter size is segregated in some way and dedicated to capital? **Vice Mayor Ibarra** believed the resident asked what those service charges go toward? **City Manager Jackson** said it pays for all

the operating costs including staff equipment, contractually obligated costs for operation of the South San Francisco/San Bruno Wastewater Treatment Plant and for capital improvements to maintain the system.

Mayor Ruane said there is a gallon of water in a bucket but we have to pay someone to take the water to use it and if there is a gallon of waste, we have to pay someone to throw it away and dispose of it properly, he said that is the difference between the fixed cost and the other.

City Manager Jackson said the theory behind rate setting is the system has to be ready to deliver the first drop of water or first bucket of wastewater, which is necessary in order to operate the system. She said then there is the revenue requirement associated with treating or delivering a little bit or a lot. It is a means of capturing in the rate structure the best possible means of accounting for the customer's demand and utilization of the system. That is how rates are set.

Councilmember Salazar said the questions are valid and it is not a simple process. He said he was on the subcommittee and had asked what would happen if we went to a flat rate on the sewer side? He found out it would make it dramatically more expensive for our biggest usage base. He said once they found the target, it was just a matter of slicing it up in different ways.

Councilmember Medina asked about the new resolution that wasn't in the packet that referenced ten years? **City Manager Jackson** said the intent was to outline the process that got you to the conclusion; i.e., the action embodied in the resolution.

Councilmember O'Connell responding to Councilmember Medina's question regarding ten years said the study looked at the types of things that needed to be done within a ten-year time frame and how much do we need to do each year to meet that.

Councilmember Salazar said part of what the consultants brought to the table was they were able to model this and do sensitivity studies if certain variables were to change and there was very little variability on the proposed rate.

Councilmember Medina clarified this action tonight is to allow Prop 218 to go forward to the residents for their 45 day of protest and feedback and bring it back to Council for Public Hearing. **Fabry** concurred.

Councilmember Salazar asked, during the 45-day period, staff to investigate what the impact would look like if the sewer bills go on the tax rolls instead of the 25% discount the City now gives low-income families? **Fabry** said she would get that information.

Councilmember O'Connell Introduced the resolution for adoption and passed with a unanimous vote.

b. Adopt Resolution Approving Property Owner Notice and Protest Process for 2012-13 Garbage Rate Increase Proposed by Recology San Bruno.

Finance Director Juran gave an overview of the staff report, as well as referencing action taken at the February 28 meeting. Since that time, it was discovered Recology is not equipped to roll out the program for approximately nine months. Recology provided a revised proposal with an increase of 4.69%. Before Council this evening are two options available, one for 7.14%, which includes the interim adjustment of 2.341% as well as the organics program to begin on January 1, 2013. The second option is to proceed with notifying property owners of the interim-year increase of 2.341% only and direct staff to work with Recology on a future implementation of the organics program. She said another strategy is a citywide rollout to residential and commercial customers at the same time with education and public outreach to better inform the customer-base.

Vice Mayor Ibarra asked if the rate increase for organics was included in commercial and multi-residential? **Juran** concurred. **Vice Mayor Ibarra** asked why they get the option and residents don't? **Juran** said this proposal does mandate the program in that the rate increase is applied across the board to both commercial and residential rates. She said for commercial customers there is an additional rate structure to participate in the organics program.

Councilmember O'Connell asked if citywide meant government, city offices and schools. **Juran** said everyone who is charged as a commercial customer. **Councilmember O'Connell** asked if the schools will have a special encouragement or be directed to do this? **Juran** said that is a policy decision and a rate structure could be adopted, but it is not included tonight. **Councilmember O'Connell** said if the goal is to reduce our landfill and even though we increase the rates, if we don't require those who produce a lot compostable material, nothing much may happen.

Kirsten Pinochi, Recology said there is a lot that Recology can do within public outreach to educate. She said they can't make them do it, but waste audits can be conducted.

Councilmember Salazar suggested the organics program be deferred until more research is done. He suggested we find out the interest of the residents. There is a cost and a negative environmental impact.

Jacqueline McDroy, Student, Skyline College said she is taking an Environmental Science Learning Service class and they are studying how to improve our community and our school and she is focusing on composting and stressed its importance.

Mayor Ruane asked Recology about the rollout of organics in other communities and asked if they had numbers regarding carbon infiltration vs. methane gas and those types of things in other cities? **Pinochi** said she did not.

Mayor Ruane said he would like to see research done before this organic composting goes forward.

Councilmember Medina said he voted no at the last meeting because of the economic concern. He said he saw the importance of the program. He opted for the 2.341% increase.

Councilmember O'Connell asked if a pilot program could be started with the schools? She stressed the need for a public outreach.

Vice Mayor Ibarra said the community needs to get involved and educated

Juran said there would be changes to the resolution, the initiation of the organics program and the new rate structure would be removed from the resolution as well as the Council's interest at the 28th of February meeting would be added for the record.

Councilmember Salazar introduced the resolution increasing the rate by 2.341% and passed with a unanimous vote.

c. Receive Report on Production of Video Documentary on the September 9, 2010 Explosion and the Continuing Recovery of the San Bruno Community and Adopt Resolution Authorizing Production Costs to be Covered through the City Trust Fund.

City Manager Jackson gave an informational oral report. A group called the Peninsula Coalition will be honoring the Mayor, as a representative of the City Council and the City of San

Bruno, for demonstrating exceptional leadership. In conjunction with that program, the current president of the Peninsula Coalition is a documentary videographer and typically produces a short fifteen-minute video as part of the awards ceremony about the awardee. She said while in discussion about this event, an opportunity was identified to continue our efforts to commemorate and to document and to provide an opportunity for others to learn about and through the experience in the wake of the disaster by producing a full-length documentary in a high quality manner. She *said that she had made a commitment to fund \$20,000 to create a short video as a first step to allow the City to consider a larger documentary project at a cost of approximately \$250,000, which she said could come from PG&E's trust fund.* She asked for Council's authority to proceed with discussion with the videographer and bring back a more detailed budget at a later time.

Vice Mayor Ibarra asked if the awardee always pays for the video? **City Manager Jackson** said the videographer does fundraising in order to produce the video *for the award dinner.* **Vice Mayor Ibarra** asked if we would get a flavor of what this videographer does? **City Manager Jackson** said the videographer's dedication to the production of the short will give us an opportunity to take a look to see how and if we want to proceed.

Councilmember Salazar said there are guidelines on the trust fund and is this appropriate? **City Manager Jackson** said they are working on providing a bigger picture perspective *on use of trust funds.* *The Mayor asked if the City Council concurred with the approach outlined.* All of Council concurred.

11. REPORT OF COMMISSIONS, BOARDS, & COMMITTEES:

12. COMMENTS FROM COUNCIL MEMBERS:

13. CLOSED SESSION:

Mayor Ruane said they would not be having a closed session this evening.

Public Employee Performance Evaluation Pursuant to Government Code Section 54957:
City Attorney.

14. ADJOURNMENT:

Mayor Ruane closed the meeting with a moment of silence in memory of Arthur Lepore of Millbrae. Art was a World War II Vet, a retired Capuchino High School teacher, served 17 years on the Millbrae City Council, 12 years on the Millbrae School Board and made many other contributions to the community before dying on March 14, 2012. The next regular City Council Meeting will be held on March 27, 2012 at 7:00 p.m. at the Senior Center, 1555 Crystal Springs Road, San Bruno.

Respectfully submitted for approval
at the regular City Council Meeting of
March 27, 2012

Carol Bonner, City Clerk

Jim Ruane, Mayor