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ADJOURNMENT: The meeting adjourned at 10:38 p.m.		339

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 p.m.

Present: Barton, Burt, Drekmeier, Espinosa, Kishimoto, Klein, Morton, Schmid, Yeh

Absent:

STUDY SESSION

1. Council Priorities Workplan

Staff presented the work plan for accomplishing the 2009 Council Priorities. The Council was presented with a software tool, SEE-IT, by Visible Strategies, to track progress against goals and allow that information to be easily accessible to the public. The Council reviewed the draft outline of strategies and actions that will be used as performance measures for the priorities and responded with comments and clarifying questions. Council will provide further feedback to the City Manager on the proposed outline.

Ray Bacchetti, 850 Webster Street #700, spoke regarding the Civic Engagement For The Common Good priority. He stated there was a shared interaction of the feel of downtown, the safety of the streets after dark, the way our children are looked after around town, and ways of respecting one another. He stated the e-mails between the City Manager and the Council should be available to the public.

Elaine Meyer, 609 Kingsley Avenue, stated civic engagement was the act of Council maintaining open communication with the community and she felt they had fallen out of touch with the community.

Sara Armstrong, 4118 Park, stated a decrease in the number of Closed Sessions (where the community was not allowed to be involved) would increase civic engagement.

Douglas Moran, 790 Matadero Avenue, stated there needed to be a diverse set of perspectives leading the effort with a greater focus on the community needs. He stated Palo Altans for Government Effectiveness (PAGE) did not listen to the community.

Carroll Harrington, 830 Melville Avenue, stated she supported civic engagement for current programs such as the Community Environmental Action Partnerships (CEAP) and encouraged Council to continue their support for such programs.

Shauna Mora stated a large portion of civic engagement was outreach and as a spokesperson for the Human Relations Commission (HRC) she offered their support.

Robert Moss, 4010 Orme Street, stated his concern for the process of civic engagement. He stated the public needed to be engaged in small increments, bring items to the community one at a time to receive feedback.

SPECIAL ORDERS OF THE DAY

2. Resolution 8914 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Sanford Forte for Outstanding Public Service as a Member of the Library Advisory Commission."

Council Member Klein read the Resolution for Sanford Forte in regards to his service as a Library Advisory Commission member.

MOTION: Council Member Klein moved, seconded by Council Member Morton to adopt the Resolution expressing appreciation to Sanford Forte for outstanding public service as a member of the Library Advisory Commission.

MOTION PASSED: 9-0

Council Member Barton spoke highly of Mr. Forte's efforts to maintain stability for the library community.

Sanford Forte thanked the Council, his peers, and the community for giving him the opportunity to serve on the Commission.

3. Selection of Candidates to be Interviewed for an Unexpired Term of Erik Bakke Ending April 30, 2011 and Three Three-Year Terms Ending April 30, 2012 for the Public Art Commission.

MOTION: Council Member Barton moved, seconded by Council Member Kishimoto to interview all candidates for the unexpired term of Erik Bakke ending April 30, 2011 and three three-year terms ending April 30, 2012 on the Public Art Commission.

Council Member Schmid asked with two separate terms available whether there would be two separate groupings for interviews.

City Clerk, Donna Grider stated all candidates would be interviewed during one session. Five votes were required for appointment. The three candidates receiving the top votes would get the full term positions and the fourth would get the short term position.

MOTION PASSED: 9-0

4. Selection of Candidate to be Interviewed for the Library Advisory Commission Unexpired Term of Robert Redfern-West.

MOTION: Vice Mayor Morton moved, seconded by Council Member Kishimoto to interview the one applicant for the unexpired term of Robert Redfern-West and to combine with the three previously approved applicants for interview from the vacancy of Sanford Forte in order to interview four applicants for the two vacancies.

City Clerk, Donna Grider stated Council had previously selected to interview for the vacancy of Forte and as she understood the Motion, Council was requesting to interview all four candidates for both vacancies.

Vice Mayor Morton stated yes.

Council Member Kishimoto asked whether candidates were being considered for a specific vacancy.

Ms. Grider stated there were four applicants who desired to serve on the Commission which had two vacancies. She requested Council's Motion be to interview all four applicants for both vacancies.

MOTION PASSED: 9-0

CITY MANAGER COMMENTS

City Manager James Keene spoke regarding the new service available through a co-op libraries system called LinkPlus. The purpose was to provide desired books not available through our library system by requesting them through the LinkPlus system. He stated the books would be delivered free of charge to the Main Library in approximately one week. He noted the Citizens Oversight Committee for Expenditure of Library Bond Funds was accepting applications. He stated the city utilities bonds rating for Storm Drain, the Water Quality Control Plant, and the Gas and Water had been upgraded.

ORAL COMMUNICATIONS

Lynn Krug, SEIU Chapter Chair, spoke regarding activities of SEIU volunteers and cost savings proposals.

CONSENT CALENDAR

MOTION: Vice Mayor Morton moved, seconded by Council Member Barton to approve Consent Calendar Item Nos. 5-9.

5. Approval of a Contract with Trugreen LandCare in an Amount Not to Exceed \$280,000 for the Fiscal Year 2008-2009 Tree Maintenance Project.
6. Approval of a Request for Proposals for Sale of Certified Development Rights from the Former Sea Scout Building, 2560 Embarcadero Road, and Ordinance entitled "Ordinance of the Council of the City of Palo Alto Amending Section 18.18.070(e) (Floor Area Bonuses) of Title 18 (Zoning) of the Palo Alto Municipal Code Regarding Protective Covenant in Favor of City."
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MOTION PASSED: 9-0

PUBLIC HEARINGS

10. Finance Committee Recommendation to Consider Midyear Changes to the 2008-09 Municipal Fee Schedule, Including Adoption of New Fees, and Increasing Existing Fees, Rates or Assessments; Adoption of: (1) Budget Amendment Ordinance 5036 Amending the Budget for the Fiscal Year 2009 to Adjust Budgeted Revenues and Expenditures in Accordance with the Recommendations in the Midyear Report and Amendment to the Municipal Fee Schedule; (2) Resolution 8915 Amending the Compensation Plan for Management and Professional Personnel and Council Appointees Adopted By Resolution No. 8844 to Change the Title of Three Classifications and One New Classification; and (3) Resolution 8916 Amending the Compensation Plan for the Service Employees International Union (SEIU) Adopted By Resolution No. 8658 to Change the Title of Two Classifications and Add Fourteen New Classification Titles to Reflect Status of Employees Reassigned to SEIU Unit by Resolution No. 8848.

Budget Manager, Sharon Bozman gave a brief presentation on the budget balancing actions taken.

Director of Administrative Services, Lalo Perez stated the revenue position had changed from previous conversations and would continue to change. He stated the County Tax Assessor announced the current decline in property values was the worse since the Depression, although Palo Alto's assessed values had held at 1.8 percent. He stated the revenue and hotel taxes were monitored frequently.

Public Hearing opened and closed without public speakers at 8:21 p.m.

Council Member Burt stated the adjustments brought forth had been described as bridging efforts with the coming year having significant challenges.

Vice Mayor Morton stated the public service needs were high although the need to evaluate their expenses in a balanced budget was higher.

Council Member Schmid asked on the sales tax report which quarters were compared to the fourth quarter.

Deputy Director of Administrative Services, Joseph Saccio stated the State Board of Equalization submitted the fourth quarter of fiscal year 2008 compared to the fourth quarter of fiscal year 2007. He stated Staff would be meeting with the Sales Tax consultant to review the weaker areas in need of adjustment.

Council Member Schmid asked when the results for the final sales tax results for fiscal year 2009 would be available.

Mr. Saccio stated a portion of the first quarter of fiscal year 2009 carried over into the next revenue year.

Council Member Schmid stated the fourth quarter revenues of a fiscal year flowed into the following fiscal year.

Mr. Saccio stated no, the fourth quarter of the fiscal year fell into the second quarter of the calendar year.

Council Member Schmid clarified the revenue numbers for fiscal year 2009 would not be available until after the budget for fiscal year 2010 had been passed.

Mr. Saccio stated that was correct.

Council Member Schmid asked how there could be a forecasted 2010 budget in a freefall situation.

Mr. Perez stated the sales tax revenues were being reviewed in sections in order to make adjustments. He stated the property tax revenues were being reviewed by using the County Assessors' reports.

Council Member Schmid stated a concern in forecasting the budget for the next two years with the escalating decline in current revenues.

City Manager, James Keene stated Staff had clearly noted in their first revenue estimates there would be a decline; the uncertainty was how fast the decline would take place. He stated there was a projected fiscal year 2010 budget deficit of ten million dollars.

Council Member Schmid asked whether there was an implied risk of Staff not having the two-year budget prepared.

Mr. Keene stated no, the two-year budget for fiscal year 2010-11 would be presented to Council.

Council Member Schmid stated there was a revised upward retiree medical allocation deferral and asked whether the budget indication meant the City was not making the payments.

Mr. Keene stated there would not be any additional payments to the future unfunded liability that had been generated by the actuary study completed.

Council Member Schmid asked whether the anticipated recovery was strong enough to meet the annual requirement and the deferred costs.

Mr. Perez stated there was a required contribution level for the pension whereas the retiree medical did not have a requirement.

Mr. Keene stated the budget plan was not to use existing reserves to balance the budget.

Council Member Kishimoto asked whether there had been research into minimum staffing requirements without sacrificing public safety service standards.

Mr. Keene stated Staff had met with the leadership in both public safety unions regarding contract cost saving options for the upcoming budget year.

Council Member Kishimoto asked whether there was a way to remove the formulaic approaches while continuing to provide public safety and performance standards.

Mr. Keene stated they would follow Council direction.

Council Member Kishimoto asked whether the funding for the Cogeneration Project would be used for Stanford Hospital.

Assistant Director of Utilities, Jane Ratchye stated with the company Roche leaving the City, the Cogeneration funding was available to fund any other eligible program.

Council Member Kishimoto inquired as to whether Staff had approached Stanford regarding the availability of the funding.

Ms. Ratchye stated Stanford had been approached and they did not appear to fit program requirements.

Council Member Kishimoto asked why the parkland dedication fee was being deleted from the budget.

Interim Director of Planning and Community Environment, Curtis Williams stated the fee had not been deleted, the fee schedule had been adopted by Council in the form of an Ordinance and therefore it was inappropriate to be included in the budget.

Council Member Klein stated the community had voted for mandatory arbitration in the public safety contracts which made negotiations very difficult since the outside official determined the salary for both units. He stated any budget cuts would impact services and employee compensation.

MOTION: Council Member Burt moved, seconded by Council Member Kishimoto to accept the Finance Committee recommendations to:

- 1) Adopt the Budget Amendment Ordinance which includes:
 - a) Proposed midyear adjustments to the Fiscal Year 2009 Budget for the General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and Capital Improvement Fund,
 - b) New or amended Fiscal Year 2009 Capital Improvement Program project descriptions,
 - c) Amendments to the Fiscal Year 2009 Adopted Municipal Fee Schedule,
 - d) Amendments to the Fiscal year 2009 Table of Organization.

2) Adopt Resolution amending the Fiscal year 2009 Management/ Professional Compensation Plan.

3) Adopt Resolution amending SEIU Compensation Plan.

Council Member Burt stated there were financial challenges ahead and he noted substantive concerns regarding the comparatively low reductions in costs shared by the Fire Department.

Council Member Yeh asked whether the Staff whose classification levels were reduced had accepted the level change.

Mr. Perez stated yes, the positions were filled at the time of reclassification. He stated the departments handled the restructure differently depending on their needs.

Council Member Yeh asked whether current employees had accepted reclassification as a cost saving measure.

Mr. Perez stated no.

Council Member Espinosa encouraged Staff to return to Council with significant and creative budget reductions in lieu of a percentage cut across the departments.

Vice Mayor Morton stated how important the Fire Department was to the community however, clarified the funding structure was archaic and in need of change.

Council Member Yeh stated support for the Motion and asked whether the budget process could be electronically accessible for the community.

Mr. Keene stated Staff would find a creative way to get the information to the community.

Council Member Schmid stated he supported the Motion and looked forward to reviewing the necessary structural issues in the upcoming 2010-11 budget.

Mayor Drekmeier supported the Motion and thanked Staff for their efforts and working together as a team to bring forth the proposed budget in these difficult times.

MOTION PASSED: 9-0

11. Consider the Approval of Water Supply Assessment to Stanford Medical Center Facilities Renewal and Replacement Project, and the Simon Properties' Stanford Shopping Center Expansion Projects.

Council Member Klein advised he would not be participating in Agenda Item Number 11 as his wife was on staff at Stanford University.

Council Member Barton advised that he would not be participating in Agenda Item Number 11 as he was on staff at Stanford University.

Interim Assistant City Manager, Steve Emslie stated the State of California had recently mandated that Council hold a Public Hearing prior to the approval of a major project to make a finding if there would be adequate water to support the project. He stated the current allocation from the Hetch Hetchy system was sufficient to support the project.

Assistant Director of Utilities, Jane Ratchye stated in a normal year, the water availability supplied to Palo Alto was adequate for the current uses, including the Stanford projects. She noted approval of the water supply assessment did not constitute approval of the Environmental Review or the projects. She noted the demand for water supply during a regular year for Palo Alto was 13 million gallons per day; the total demand with the Stanford projects was 13.22 million gallons per day. She noted in a drought year the allocation amount would drop to 12.12 million gallons per day; or 12.18 million gallons per day with the Stanford projects.

Public Hearing opened at 9:20 p.m.

Bill Phillips, Stanford University, complimented the Staff for the competent report. He stated it was conservative yet addressed the full measure of what a water assessment was required to do. He added the safety measure for utilization of groundwater was not necessary under the conservation measure the City had in place.

Robert Moss, 4010 Orme Street, spoke regarding the opportunity to improve the use of recycled water, groundwater, and requested to integrate the system to be more effective. He suggested having a cooperative arrangement with Stanford where they supplied well sites and capital for recycling water and in exchange the City would reduce their fee for water.

Herb Borock, P.O. Box 632, requested more information on the status of the water supply assurance and what that meant in the years when the supply from San Francisco was reduced.

Public Hearing closed at 9:26 p.m.

Council Member Schmid stated in a drought situation the actual gallons used were reduced and asked why.

Ms. Ratchye stated San Francisco was required to deliver 184 million gallons per day in perpetuity to the group of agencies who purchase water on a wholesale basis; Palo Alto's share was 17.07 million gallons per day, which was the assurance amount.

Council Member Schmid stated the actual amount of usage was 13 million gallons and the amount provided was 17 million gallons, he asked why the actual usage was reduced rather than the amount provided.

Ms. Ratchye stated the water share in a time of drought was broken into three elements; the assurance number which was a fixed number, a fixed time number which was determined three years prior to the plan adoption, and the last element was the average of the three years prior to the declaration of the drought.

Council Member Schmid stated in a drought, the demand reduction went up dramatically due to the projects.

Ms. Ratchye stated the projects added .22 million gallons per day with a total difference of .16 million gallons per day.

Council Member Schmid stated it appeared the City was responsible for three-quarters of the entire Stanford usage in a drought year.

Vice Mayor Morton asked how the projects used 220 million gallons on a regular year and dropped to 60 million gallons in a drought year. He asked who absorbed the difference.

Ms. Ratchye stated the total demand in 2030 for the entire system was presumed to be 265 million gallons per day, which was the interim water delivery limit from the environmental document which approved the large capital program to correct the system. She stated those calculations would remain the same whether the projects happened or not.

Council Member Schmid asked the impact if the assumed project usage numbers were higher in actuality.

Ms. Ratchye stated her uncertainty of the impact when any one user demanded more than their allotment.

Council Member Schmid asked whether there could be a clause implemented into the Development Agreement stating if the water usage grew beyond expectation there would be a penalty.

Mr. Emslie stated adding conditions into the project approval could be possible.

Council Member Schmid asked whether Stanford received their water supply from the San Francisco water project.

Ms. Ratchye stated they received water from multiple sources. She stated the bulk of the water was received by the San Francisco Public Utilities Commission, pumped groundwater through the Santa Clara Valley Water District, and local surface water collected through Felt Lake.

Council Member Yeh asked how the water supply assessment complied with the volume of water distribution agreed upon without knowing the amount of water being made available to non-San Francisco Public Utilities Commission agencies.

Ms. Ratchye stated the gallon ratio was split into two determinations of 184 million gallons per day. In the event a participant exceeded their volume there would be penalties.

Council Member Yeh asked whether the shopping center had a targeted goal of conservation measures.

Ms. Ratchye stated she had not seen a measurement quantification for the shopping center.

Senior Assistant City Attorney, Cara Silver stated Staff was reviewing the measures program supplied by the shopping center and would be able to quantify the measures with more detail at the Environmental Impact Review.

Council Member Yeh asked whether Phase II of the recycled water pipeline infrastructure extended to Stanford Shopping Center and Campus.

Ms. Ratchye stated no, Phase II was the pipeline to Mountain View. Phase III was the connection to the Stanford Research Park.

Council Member Yeh asked whether Stanford had noted interest in participating in the recycled water project.

Ms. Silver stated they had been approached.

Council Member Kishimoto asked the assumptions for the gross population and employment by 2030.

Ms. Ratchye stated by 2030 the population was projected to be 69,200 and employment was projected to be at 114,224.

Council Member Kishimoto stated she thought the population was projected to be 90,000.

Mr. Emslie stated the 2001 and the 2005 Association of Bay Area Government (ABAG) projection did not include the 2007 projections with the job multiplier which reflected a normalized growth pattern.

Council Member Kishimoto asked whether there was a supply assurance to the Stanford Hospital.

Ms. Ratchye stated the more conservation was implemented from the onset of a project the higher level of difficulty in reduction.

Council Member Kishimoto asked whether the City would be providing the supply assurance.

Ms. Ratchye stated no, the City did not provide a supply assurance to any of the water customers.

Council Member Kishimoto asked whether well sites were required on the Stanford project.

Ms. Ratchye stated no.

Council Member Burt stated the Executive Summary referred to the 2002 legislation which required suppliers to assess whether there was adequate water supply to serve certain large scale projects. He asked whether that was for both, normal and drought years.

Ms. Ratchye stated the requirement was for both types of years.

Council Member Burt stated the report showed in dry years the City did not have adequate water supply to maintain itself and less with the project. He asked for clarification on whether there was or was not adequate supply.

Ms. Ratchye stated there were plans in place in the Urban Water Management to adjust the supply as necessary.

Council Member Burt stated the legislation of 2002 clearly stated the requirement for adequate water supply during normal and dry years; Staff had shown in their report there was not adequate supply prior to the project and less with the completion of the project.

Mr. Emslie stated the legislation did allow the agency to factor in water conservation measures to meet the demand.

Council Member Burt stated there were different interpretations of the language and asked whether there was a trial court ruling to determine the interpretations.

Ms. Silver stated yes, there was a combination of legislation and published case law.

Council Member Burt stated with approval of the project exceeded the demand capacity. He asked how conservation measures, allowed a project to meet that demand.

Ms. Silver stated the Council was a Legislative Body and they had the ability to deem the level of conservation.

Council Member Burt asked whether the level of conservation could apply citywide or directed to a project.

Ms. Silver stated the Council determined the direction of the conservation and to what level.

Council Member Burt stated new projects had a higher level of opportunity to conserve water than existing ones. He stated the report referred to Stanford Medical Center water conservation measures and the Shopping Center having a program of conservation without quantification. He asked whether the conservation program included the retrofit of the existing shopping and new portions of the center.

Ms. Silver stated there was an outdoor irrigation component to the program which applied to the existing areas.

Council Member Burt asked why the shopping center was not required to implement comparable measures to the medical center.

Mr. Emslie stated the review of the shopping center was not complete and he could not say the measures would not be the same.

Council Member Burt asked why the process was before Council for approval when the project had not been reviewed with adequate data.

Mr. Emslie stated the process was a matter of legality, this process needed to be approved prior to the release of the EIR.

Council Member Burt asked whether the City's leverage would be reduced when trying to assertively encourage conservative measures once this portion of the project was approved.

Mr. Emslie stated no, the Applicant had been forthcoming in implementing aggressive measures.

Council Member Burt asked whether there was an estimated measure of gallon usage for the medical center's water usage.

Mr. Keene stated the information was not currently available, although Staff would provide it to Council on a later date.

Council Member Burt asked whether Staff could provide a comparison of reduced water usage.

PBS&J Consultant, Doug Gillingham stated the assumed usage numbers for the Stanford projects were developed by the Stanford team which was reviewed for accuracy before the completion of the Water Assessment Study. The determination of reasonable measures was square footage, facilities, landscaping, and other uses.

Council Member Burt asked the number of gallons per day the medical center was currently using and at what square footage, and the number of gallons and square footage projected.

Mr. Emslie stated they did not have the numbers readily available.

Vice Mayor Morton stated the medical center build-out and the shopping center expansion water usage numbers did not include the build-outs for the industrial park, housing on California Avenue or the academic building. He asked whether viewing the entire build-out would alter the perception of the amount of water usage.

Ms. Ratchye stated without the proposed build-out demands she was not able to adequately respond to the amount of water usage the completed projects would need.

Vice Mayor Morton stated the industrial park future build-out had been approved and the County had approved the academic build-out. The build-out for the entire project had been approved and there should be numbers available to create estimates of usage. He asked why only a small portion of the Stanford build-out was being considered.

Mr. Emslie stated when the projects were approved they were analyzed in the Mayfield EIR and found to have adequate water supply for the anticipated growth.

Vice Mayor Morton stated the projects figures were not included in the current usage numbers since they were not yet built-out.

Mr. Emslie stated the projects were included in the ABAG growth projection numbers.

Vice Mayor Morton asked whether those numbers included academic growth.

Mr. Emslie stated yes, the figures included growth in housing, academic, and employment.

Vice Mayor Morton asked whether there was adequate water supply to support the City and the entire Stanford project build-out at a third year drought level without difficulty.

Mr. Emslie stated yes.

Council Member Burt asked for the patient growth rate for the medical center expansion.

Mr. Emslie stated the children's hospital was adding approximately 104 beds and the adult hospital was licensed for up to 700 beds. He noted the adult hospital had not previously had the space to adequately support 700 beds.

Council Member Burt asked for a percentage increase between the two hospitals.

Mr. Emslie stated thirty-three percent at the main hospital and thirty-three percent at the children's hospital.

Council Member Yeh asked how the Green Building Ordinance compared to the Seattle Public Utilities Conservation from 2002 and the 1996 Urban Water Demand.

Mr. Emslie stated water conservation was a large part of the Ordinance and regulations.

Mayor Drekmeier asked why the Stanford Project water allocation figures were not added into the 2005 Water Management Plan.

Ms. Ratchye stated there was a growth potential included in the 2005 plan although these projects were unknown at that time.

Mayor Drekmeier stated when the report was done Staff was aware of the projects.

Ms. Ratchye stated the 2005 report was completed in 2004 and at the time the impending projects had not come to be.

Mayor Drekmeier clarified the figures given to the San Francisco Public Utilities Commission (SFPUC) did not include the projects usage numbers.

Ms. Ratchye stated that was correct.

Mayor Drekmeier asked whether the same assurances would be received upon the completion of the new contract between Bay Area Water Supply and Conservation Agency (BAWSCA) and the SFPUC.

Ms. Ratchye stated the supply assurance in perpetuity did not change in the contract.

Mayor Drekmeier asked whether the new contract would require payment to maintain the unused assurances.

Ms. Ratchye stated currently the payment was charged at a volumetric rate.

Mayor Drekmeier asked whether the groundwater pumped was potable.

Ms. Ratchye stated the City did not pump groundwater.

Mayor Drekmeier asked whether Stanford's groundwater pumping for irrigation was from the low level aquifer.

Ms. Ratchye stated yes.

Mayor Drekmeier asked why Phase III of the pipeline was routed up San Antonio Road.

Ms. Ratchye stated the transfer route from Highway 101 was near San Antonio Road and curved down Colorado Road. She stated the proposed route gave the ability to connect to multiple parks.

Mayor Drekmeier asked whether the City had previously identified the high water users either business or individual and strongly encouraged audits.

Ms. Ratchye stated she was unaware of an identification program.

Council Member Burt stated there had been a program a decade past on heavy water users via metal dischargers and noted the program resulted in large reductions of use.

Mayor Drekmeier stated if the City proactively informed the community of their individual water level usage, they would participate in reduction.

MOTION: Council Member Burt moved, seconded by Council Member Yeh to have Staff return to Council with a plan which shows significant water use reductions with no net increase from the projects as possible, using a unit of production or unit of use as a measure.

Council Member Burt stated the Stanford program appeared to have a conservative anticipated reductions and noted there were measures without adequate limits or outcomes defined to correlate to the measures.

Council Member Yeh stated the Staff report noted the expansion of the medical center triggered the requirement, although the project was going forward as a single EIR, it was important for Council to be fully informed of the conservation measures in place.

Mr. Emslie stated the EIR Draft was a device used to measure the potential impacts. The EIR was scheduled to be released in May of 2009.

Council Member Burt stated the intent of the Motion was to acknowledge and accept there would not be complete visibility of the entire project.

Mayor Drekmeier asked the number of votes required to move forward.

Ms. Silver stated five.

SUBSTITUTE MOTION: Vice Mayor Morton moved, seconded by Mayor Drekmeier to accept Staff recommendations that Council approve the Water Supply Assessment for the proposed Stanford University Medical Center Facilities Renewal and Replacement Project and the Simon Properties Stanford Shopping Center Expansion Project (collectively, the Stanford Projects) and request that the Development Agreement and/or Conditions of Approval of the project include language which recognizes and reinforces the conservation measures Stanford has proposed.

Council Member Burt stated the Motion was a request for Staff to return with a revised program to include a quantification of the allocation, that it be as low as possible, that it be as close to no net new increases, and that it reflect the measures that were currently in the program.

Council Member Schmid stated the reductions could range from ten percent to one-hundred percent.

Council Member Burt stated the direction would be to have a reduction below what was currently suggested.

Vice Mayor Morton stated the Substitute Motion was the Staff recommendation with language added to build in a Development Agreement or Condition of Approval reinforcing the conservation measures.

SUBSTITUTE MOTION FAILED: 4-3 Burt, Kishimoto, Yeh, no, Barton, Klein not participating.

MOTION PASSED: 6-1 Morton no, Barton, Klein not participating

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Burt reported that he attended the Caltrain Peninsula Joint Powers Board meeting last week and Caltrain agreed to remove reference to a specific number of tracks and alignment configuration. He further stated they did not address the topic of a Peninsula Coalition.

ADJOURNMENT: The meeting adjourned at 10:38 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the

meeting. The tapes are available for members of the public to listen to during regular office hours.