The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:02 P.M.

Present: Cormack, DuBois arrived at 6:15 P.M., Filseth, Kniss, Kou, Tanaka

Absent: Fine

Closed Session

1. CONFERENCE WITH CITY ATTORNEY-EXISTING LITIGATION
   Subject: Gustavo Alvarez v. City of Palo Alto, et al.
   United States District Court, Northern District of California,
   Case No. 5:19-cv-02328-NC
   Authority: Government Code Section 54956.9(d)(1).

   MOTION: Council Member Kniss moved, seconded by Council Member Cormack to go into Closed Session.

   MOTION PASSED: 5-0 DuBois, Fine absent

   Council went into Closed Session at 6:03 P.M.

   Council returned from Closed Session at 6:40 P.M.

   Mayor Filseth announced no reportable action.

   The Council observed a moment of silence in memory of Utilities employee Donatus Okhomina.

   Agenda Changes, Additions and Deletions

   Ed Shikada, City Manager, requested the Council continue Agenda Item Number 13 to December 2, 2019.

   MOTION: Council Member Kniss moved, seconded by Mayor Filseth to continue Agenda Item Number 13, “Approval of a Budget Amendment in the General Fund for Amendment Number 2 to Contract Number C18171717 With Perkins + Will …” to be heard December 2, 2019.
City Manager Comments

Ed Shikada, City Manager, reported City of Palo Alto Utilities employee Donatus Okhomina was injured in a work site incident on November 16, 2019, and passed away later that day at the hospital. A community meeting regarding tree work along the Arastradero Road bike path was scheduled for November 20. Project Safety Net's monthly community meeting was scheduled for November 20. The Annual Tree Lighting would occur at Lytton Plaza on November 22.

Oral Communications

Kathy Jordan referred to a Daily Post article regarding a City Budget surplus of $76 million and encouraged the Council to reduce the City's pension liability.

Simon Gleyzer on behalf of the San Alma Homeowners Association presented a petition for the Council to install signage and enforce no overnight parking on Alma, San Antonio, and Ponce.

At this time, the Council heard Agenda Item Number 2 and the Consent Calendar.

Thuy Tui Nguyen, Foothill College President, advised that 19 percent of Foothill College students had reported being homeless in the past year. She presented the Council with service leadership lunch containers representing homelessness and food insecurity. She invited the Council to join the community conversation regarding student homelessness and hunger.

Lorie Langdon shared residents' concerns about the RVs parking on the streets at the intersection of San Antonio and Alma Street. She requested the Council install no overnight parking signage or bike lanes to alleviate the situation. One RV had been parking on the streets for three years.

Council Member Kniss requested the location in question.

Ms. Langdon responded San Antonio, Alma, and Ponce near the Caltrain station.

Council Member Kniss asked if that area was part of the City.

Ms. Langdon replied yes.
Chaim Koritzinsky advised that the Congregation Etz Chayim was exploring the possibility of allowing vehicles to park overnight in its parking lot through the Lots of Love program. As a parent, he was concerned about allowing his young children to play outdoors with large vehicles parked on the streets.

Council Member Tanaka reported the Policy and Services Committee had discussed the Lots of Love program. He requested Rabbi Koritzinsky's opinion of combining enforcement of the City's three-day parking limit with the Lots of Love program.

Mr. Koritzinsky understood the Lots of Love program included vetting and monitoring of participants and enforcement of rules and regulations. The City's ordinance prohibiting parking for more than three days should be enforced.

Minutes Approval


MOTION: Mayor Filseth moved, seconded by Council Member Cormack to approve the Action Minutes for the October 28, 2019 Council Meeting.

MOTION PASSED: 6-0 Fine absent

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 11.

MOTION: Council Member DuBois moved, seconded by Council Member Kniss to approve Agenda Item Numbers 3-16.

3. Approval of Contract Number C20176139 With Precision Engineering, Inc. in the Amount of $2,040,841 for Wastewater Collection System Rehabilitation/Augmentation Project 29 (WC-16001) in the Charleston Meadows Neighborhood; and Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed $204,084, for a Total Not-to-Exceed Amount of $2,244,925.

4. Approval of Amendment Number 4 to Contract Number S17166441 With Page and Turnbull for Historic Planning On-call Services to Extend the Contract Term to October 2021 and Increase the Contract Limit by $50,000 for a Total Not-to-Exceed Amount of $134,500.

5. Approval of Amendment Number 3 to Contract Number C14152163 With Townsend Public Affairs for State Legislative Advocacy to Extend
the Term for two Additional Years and add $204,000 for a Total Not-to-Exceed Amount of $799,000.


7. Resolution 9870 Entitled, “Resolution of the Council of the City of Palo Alto Authorizing City Participation in the California Electric Vehicle Infrastructure Project (CALeVIP) to Obtain $1 Million in Grant Funding for Electric Vehicle Charger Rebates and to Provide $1 Million in Additional Matching Funds for Electric Vehicle Charger Rebates; and Authorizing the City Manager or City Manager Designee to Execute Implementing Agreements and Documents for Participation in the Project.

8. Approval of a Blanket Purchase Order with TMT Enterprises, Inc. for Construction Material/Debris Hauling and Disposal Services in a Not-to-Exceed Amount of $5,561,930 for a term up to Five Years.

9. Resolution 9867 Entitled, “Resolution of the Council of the City of Palo Alto to Execute Clean a Water State Revolving Fund (SRF) Financial Assistance Application and Agreement if Awarded;” and Resolution 9868 Entitled, “Resolution of the Council of the City of Palo Alto to Designate the Amount of Project Expenditures to be Reimbursed by SRF Proceeds for the Advanced Water Purification System, 1 MGD Project, at the Regional Water Quality Control Plant (WQ-19003).”


11. Approval of Modification to the 1050 Page Mill Road Mitigation Monitoring Program to Extend the Time for Completion of Traffic Mitigation Measures for Intersection Improvements on Page Mill Road at Hanover Street and Hansen Way to Allow Coordination with County Proposed Improvements.

12. Approval of Amendment Number 3 to Contract Number C19172281 With Municipal Resource Group (MRG) to Increase the Maximum Compensation by $50,000 for a Total Not-to-Exceed Amount of $250,000 for Transportation Support and Professional Development Services.
13. Approval of a Budget Amendment in the General Fund for Amendment Number 2 to Contract Number C18171717 With Perkins + Will to Provide Professional Services Related to the Preparation of the North Ventura Coordinated Area Plan (NVCAP).


Amending Title 16 to Adopt a New Chapter 16.18, International Swimming Pool and Spa Code, With Local Amendments.”

16. Selection of Applicants to Interview for the Historic Resources Board, the Parks and Recreation Commission, and the Planning and Transportation Commission.

MOTION PASSED FOR AGENDA ITEM NUMBERS 3-10, 12, 14-16: 6-0
Fine absent

MOTION PASSED FOR AGENDA ITEM NUMBER 11: 5-1 Kou no, Fine absent

Council Member Kou remarked that the community expected mitigation of traffic caused by the project at 1050 Page Mill Road, and any delay of the monitoring program should be discussed in a public hearing.

Beth Minor, City Clerk, announced Council interviews for Boards and Commissions were scheduled for December 4, 2019, at 5:00 PM.

Action Items

17. Approval of the Addendum to the 2015 Environmental Impact Report for the City of Palo Alto Recycled Water Program; and Approval of an Agreement Between the City of Palo Alto, the City of Mountain View, and the Santa Clara Valley Water District to Advance Resilient Water Reuse Programs in Santa Clara County, Including Funding for an Advanced Water Purification Facility in Palo Alto, a Long-term Transfer of Effluent from the Regional Water Quality Control Plant to Valley Water, and Related Commitments.

Karla Dailey, Utilities Senior Resource Planner, reported since September 23, 2019, Staff had hosted a public meeting to educate community members about the proposed partnership among the City, Mountain View, and Santa Clara Valley Water District (Valley Water). Staff had been working on water reuse in order to address a number of goals and implementation items contained in the Sustainability and Climate Action Plan (S/CAP). The Regional Water Quality Control Plant (RWQCP) treated wastewater from the six partner agencies. Under the proposed partnership, approximately 20 percent of treated wastewater would be transferred to a small salt removal facility to improve the quality of non-potable recycled water, 30 percent would be designated for environmental needs, and 50 percent would be transferred to Valley Water.
Phil Bobel, Public Works Assistant Director, advised that treated wastewater would be transferred to the salt removal facility located on the campus of the RWQCP. Following treatment at the facility, the water would be blended 50/50 with treated effluent to produce enhanced recycled water. Even though treated, the water would not be potable but could be utilized for irrigation, toilet flushing, and cooling towers. Valley Water may utilize 50 percent, approximately 9 million gallons per day (MGD), of treated wastewater from the RWQCP to supply a regional water reuse program. Under the terms of the proposed agreement, the salt removal facility would be owned and operated by the City, and Valley Water would contribute $16 million towards the $20 million total capital cost of the salt removal facility. If implemented, the regional water program would purify the 9 MGD of treated wastewater. Valley Water would pay $200,000 per year for a maximum of 13 years to preserve its right to utilize the 9 MGD of wastewater. If Valley Water utilized the 9 MGD of wastewater, then it would pay $1 million per year for the wastewater beginning with implementation of the regional water program. The City would have to complete construction of the salt removal facility within 13 years, and the facility would have to operate for at least 30 years. Valley Water would have to decide within 13 years whether to implement the regional water program and utilize the wastewater. Valley Water could pay the $1 million per year to utilize the wastewater but not utilize it for a maximum of ten years. At which time, the agreement would have been in effect for a maximum of 23 years, i.e., a maximum of 13 years for Valley Water to preserve its right to the wastewater and a maximum of 10 years for Valley Water to pay for but not utilize the wastewater. If Valley Water paid for and utilized the wastewater, the term of the agreement would be a maximum of 76 years. Due to concerns about the 76-year term of the proposed agreement, the partners had negotiated an alternative water supply. As early as one year following execution of the proposed agreement, the City could request Valley Water provide it with an alternative water supply. Upon the City’s request, Valley Water had to provide an alternative water supply at cost to the City. The proposed agreement would reduce countywide reliance on imported water; reduce the amount of Tuolumne River water used for irrigation; improve the quality of recycled water in Palo Alto and Mountain View; reduce the concentration of salt applied to the soil during irrigation; and reduce the RWQCP’s discharge to the San Francisco Bay.

Gary Kremen, Valley Water, added that monetary amounts in the proposed agreement would increase by the Consumer Price Index (CPI). Valley Water would pay the highest amount ever paid for effluent in the state of California.
Garth Hall, Valley Water, remarked that the partnership would be a long one compared to other partnerships Valley Water had negotiated. In negotiating the agreement over the past year, the staffs for the agencies had built a solid foundation of trust.

Dave Warner commented that effluent was a precious local source of sustainable, drought-resilient water. Direct potable reuse of water would make one-third to one-half of the City's water supply sustainable and drought-resilient and would reduce the future costs of water. The 1 MGD of non-potable water provided to the City would supply only a small number of users. The option for additional supply would likely be expensive.

Herb Borock indicated sea level rise would inundate significant parts of the project during the term of the proposed agreement. The Environmental Impact Report (EIR) should have addressed that. Apparently, Staff had not issued public notice of the EIR addendum.

Keith Bennett questioned the benefits the City would receive under the proposed agreement.

Council Member DuBois requested Staff comment regarding the need for a Supplemental EIR.

Karin North, Public Works Watershed Protection Manager, explained that the EIR addendum pertained to the salt removal facility only. A full EIR would be conducted for Valley Water's regional facility.

Council Member DuBois understood the City would pay maintenance costs for the salt removal facility and Valley Water would pay maintenance costs for the regional facility.

Mr. Bobel concurred.

Council Member DuBois remarked that the proposed agreement was a good deal for Palo Alto and a fair deal for all partners. Millions of dollars would be invested in Palo Alto, and the City would receive additional water supply. He hoped the regional water facility would be located in Palo Alto. While the City may want to implement a project for direct potable reuse of water, it could not afford the capital cost for a facility.

**MOTION:** Council Member DuBois moved, seconded by Council Member Cormack to:

A. Approve the Addendum, together with the 2015 Environmental Impact Report for the City of Palo Alto Recycled Water Program, certified and
adopted by the Council on September 28, 2015, as adequate and complete under the California Environmental Quality Act (CEQA) for the local salt removal plant; and

B. Approve and authorize the City Manager to execute the Agreement between and among Palo Alto, Mountain View, and the Santa Clara Valley Water District to Advance Resilient Water Reuse Programs in Santa Clara County subject to non-substantive changes approved by the City Manager and the City Attorney.

Council Member Cormack related the alternative water supply would provide the City with a bit of insurance. She inquired about the effluent being not salty enough for the Bay but too salty for redwood trees.

Mr. Bobel explained that the Bay's salinity level was approximately 20,000 parts per million (ppm) while the effluent's salinity level was approximately 1,000 ppm.

Council Member Cormack appreciated the additional terms negotiated since the Council's prior review of the proposed agreement.

Council Member Kniss asked if Tuolumne River water was essentially Hetch Hetchy water.

Mr. Bobel clarified that Hetch Hetchy referred to the water reservoir. The Tuolumne River flowed from the reservoir.

Council Member Kniss noted the proposed agreement would reduce the City's reliance on Hetch Hetchy water as well as Tuolumne River water.

Council Member Tanaka recalled the City's transfer of water rights to the City of East Palo Alto. He questioned the logic of giving away water and then initiating a project to increase the City's resilience to drought.

Ms. Dailey advised that the City provided East Palo Alto with the opportunity to purchase water from the San Francisco Public Utilities Commission (SFPUC) so that East Palo Alto could improve its economy. The City's water supply in a drought was based mainly on the amount of water the City had been using, not the amount of the City's water supply guaranty. The impact of the water transfer to East Palo Alto on the City's water supply during a drought would be negligible.

Council Member Tanaka supported the reuse of non-potable water. The City would pay approximately $1 million under the proposed agreement.
Mr. Bobel clarified that the City's portion of the $20 million capital cost for the salt removal facility would be approximately $1 million.

Council Member Tanaka added that the City would pay maintenance costs for the salt removal facility.

Mr. Bobel indicated a portion of Valley Water's $200,000 payment would be allocated to maintenance costs.

Ed Shikada, City Manager, reported maintenance costs would be allocated among the six partners of the RWQCP.

Council Member Tanaka asked if the City's portion of the $200,000 would offset the City's portion of maintenance costs.

Mr. Bobel advised that it would not cover all maintenance costs over the long term.

Council Member Tanaka asked if the payment would increase to $300,000.

Mr. Bobel replied no. The payment would increase to $1 million if Valley Water utilized treated wastewater.

Council Member Tanaka asked if the City's portion could increase to approximately $300,000.

Mr. Bobel indicated someone had estimated the City's portion at $300,000.

Council Member Tanaka asked if $300,000 would pay for all of the City's maintenance costs.

Mr. Bobel related that it would not cover the costs of rebuilding. The City would have to find a funding source for rebuilding facilities.

Council Member Tanaka asked if the City would seek a $22 million loan for the project.

Mr. Bobel clarified that the amount of a loan had not been determined, but $22 million would be the maximum loan amount.

Council Member Tanaka asked if the City alone or all partners would pledge security for the loan.

Mr. Bobel advised that the City and Mountain View would secure the loan.
Council Member Tanaka requested the split of the security between Palo Alto and Mountain View.

Mr. Bobel explained that the ratio would be negotiated. Because Mountain View would utilize about 75 percent and Palo Alto about 25 percent of the recycled water, costs would likely be split the same.

Council Member Tanaka asked which city would pay the interest on the loan.

Mr. Bobel indicated it would be split between Palo Alto and Mountain View.

Mr. Shikada advised that this information was speculative as neither city had discussed a loan or terms of a loan.

Council Member Tanaka requested the rationale for obtaining a loan when Valley Water would pay the City $16 million.

Mr. Bobel reiterated that the loan amount could range from $4 million to $22 million.

Council Member Tanaka asked why the City instead of Mountain View would obtain a loan.

Mr. Bobel reported the City as the owner/operator of the RWQCP would have to apply for the loan.

Council Member Tanaka inquired regarding the location of the salt removal facility.

Mr. Bobel explained that it would be located on the campus of the RWQCP.

Council Member Tanaka asked if the land had been factored into the City's share of the capital costs.

Mr. Bobel remarked that the land had been dedicated to the RWQCP.

Council Member Tanaka requested the square footage of the property.

Mr. Bobel answered approximately a quarter acre.

Council Member Tanaka estimated the cost of a quarter acre of real property at several million dollars. The City's contribution to the salt removal facility would be $1 million cash and real property valued at several million dollars.

Mr. Shikada suggested the value of the real property was speculative as it was part of a sewage treatment facility.
Council Member Tanaka advised that he was attempting to itemize the City's costs for the facility.

Mr. Shikada indicated the land was valuable for plant purposes only.

Council Member Tanaka inquired about additional City contributions to the project.

Mr. Bobel stated Council Member Tanaka seemed to have considered all costs.

Council Member Tanaka commented that the City would receive $200,000 to $300,000 per year, which would be applied to maintenance costs. The City would have the right to reuse the water at cost.

Mr. Bobel clarified that the City of Palo Alto in and of itself did not own all the water. Some of the partner agencies owned portions of the wastewater.

Council Member Tanaka asked if the City would have the right to utilize its portion of the treated wastewater at cost.

Mr. Bobel answered yes.

Council Member Tanaka suggested the City would probably lose money on the project, but the project would provide environmental benefits.

Mr. Bobel noted the reduction in use of Tuolumne River water would reduce the City's cost to purchase water.

Council Member Tanaka remarked that the environmental benefits would be shared among the six partners, but the City and Mountain View would pay the costs for providing those benefits.

Mr. Bobel reported Staff would negotiate smaller agreements with the remaining four partners. Therefore, their participation and costs were not known.

Council Member Tanaka believed the partners' participation and costs should be based on the amount of wastewater they contributed to the RWQCP. The City would contribute $1 million in cash, costs for long-term maintenance and debt service, and real property. In return, the City would receive the right to utilize its own wastewater and environmental benefits. He asked Mr. Kremen to explain why the deal would be good for Palo Alto.

Mr. Kremen noted Council Member Tanaka had forgotten Valley Water's payment of $16 million for the salt removal facility. Because Palo Alto and
Mountain View were the only cities utilizing recycled water, they would receive most of the benefits.

Council Member Tanaka asked if the City would be able to sell the salt removal facility in the future, if it chose to do so.

Mr. Kremen replied yes.

Mr. Bobel advised that the proposed agreement granted Valley Water the right of first refusal to purchase the entire plant.

Council Member Tanaka asked if a sale price had been determined.

Mr. Bobel indicated the sale price would have to be negotiated.

Council Member Tanaka asked if the City would hold full title to the salt removal facility.

Mr. Bobel replied yes.

Council Member Tanaka asked if the City could sell it or mortgage it.

Mr. Bobel suggested Valley Water may have some rights under the proposed agreement.

Mr. Kremen related that Valley Water did not own any wastewater plants and probably did not want to own wastewater plants. In addition, Valley Water was not licensed to operate wastewater treatment plants.

Council Member Tanaka felt the project would be a good deal for the City if the City held unrestricted rights and title to the salt removal facility. He asked if the City would hold full title and rights to the facility.

Mr. Bobel reported the proposed agreement stated the City owned the facility.

Council Member Kou asked if the proposed agreement contained a no-shop clause.

Ms. Dailey indicated the City had signed a Memorandum of Understanding (MOU) with Valley Water regarding a partnership to advance water reuse in Santa Clara County. The City had pledged to work with Valley Water to develop solutions for the County of Santa Clara (County).

Council Member Kou asked why Staff had not attempted to negotiate with Crystal Springs.
Ms. Dailey stated negotiating with Crystal Springs would not comply with the spirit of partnering with Valley Water. There was no proposed project to use Crystal Springs for water reuse.

Council Member Kou felt there should be some accountability for the transfer of water rights to East Palo Alto and for dewatering of construction sites.

Molly Stump, City Attorney, advised that the right of first refusal arguably would apply to a sale. In theory, the City could sell the facility subject to the right of first refusal.

Council Member Tanaka asked how the costs would be negotiated with the remaining partners if the City had committed to build the facility without the partners' agreement and participation.

Ms. Dailey clarified that almost all benefits of the salt removal facility would accrue to the City and Mountain View. The negotiations with the remaining partners would pertain to their contributions of wastewater to Valley Water in exchange for portions of the $200,000 and $1 million payments from Valley Water. Staff would negotiate long-term maintenance of the facility with Mountain View.

Council Member Tanaka did not understand how the salt removal plant could accept wastewater from the remaining partners when wastewater from Palo Alto and Mountain View would fill its capacity.

Ms. Dailey clarified that the remaining partners could contribute to the wastewater utilized by Valley Water. Wastewater from Palo Alto and Mountain View only would be provided to the salt removal facility.

Mr. Bobel explained that Palo Alto and Mountain View comprised approximately 80 percent of the total.

Mr. Kremen added that the remaining partners would not receive any benefit from the salt removal facility because they did not utilize recycled water.

**MOTION PASSED:** 6-0 Fine absent

Council took a break at 8:17 P.M. and returned at 8:30 P.M.

18. Approval of Construction Contract Number C20174550 With Granite Construction Company in the Amount of $13,844,921 for the Highway 101 Pedestrian/Bicycle Overpass Project, Capital Improvement Project (PE-11011); Approval of Contract Number C20185214 With Zoon Engineering in the Amount of $1,704,851 to Provide Construction Management Services; Approval of a Grant Agreement With the
Brad Eggleston, Public Works Director, noted the Highway 101 Bike Bridge would be the fourth project from the 2014 Infrastructure Plan to begin construction.

Holly Boyd, Public Works Engineering Assistant Director, reported the Bike Bridge would provide a year-round bicycle and pedestrian connection across Highway 101 and would complete the Adobe Creek Reach Trail. The Council approved a feasibility study in 2011, and design work had continued through 2014. In 2016, the Council awarded a design contract. In 2018, Caltrans approved a right-of-way certification and an encroachment permit and issued an authority to proceed to construction. With the Council's approval of the contracts, construction could begin in January 2020. The bridge design included a Baylands overlook and art elements. The project would include a new bridge over Adobe Creek and the Adobe Creek Trail path to East Meadow Drive. The construction cost of $16.9 million included the construction contract and fees for a 10-percent contingency, construction administration, construction management, and testing. Salary and benefits for City Staff totaled approximately $2.7 million. The project budget totaled $23.1 million. The City had received $9.35 million for the project. Staff had contacted the County of Santa Clara (County) and Google to request additional funding. She summarized elements of the Bike Bridge that made it more expensive than the East Palo Alto bridge project.

Council Member Kniss remarked that the design contest resulted in many infeasible bridge designs. The Bike Bridge would benefit commuters, hikers, and bicyclists. She requested the approximate date on which construction could begin.

Ms. Boyd indicated construction could begin as early as the end of January.

Council Member Kniss noted the City had received almost $10 million in outside funding for the project. She inquired about other projects that had received almost 40 percent of their budgets from outside sources.

Mr. Eggleston agreed that projects of this scale rarely received a large amount of grant funding.

Council Member Kniss inquired about funding sources for the project.

Mr. Eggleston advised that Staff was awaiting a response from the County and Google regarding additional funding for the project. The County had allocated $1.5 million for the Matadero Creek Trail project, but the project
probably would not proceed. Perhaps the County would reallocate funding from the Matadero Creek Trail project to the Bike Bridge project.

Ed Shikada, City Manager, added that should the County agree to an additional allocation, Staff may not have to return to the Council for additional funding.

Council Member DuBois related that construction costs had increased almost 23 percent over the last year. He requested the biggest factors in the cost difference.

Mr. Eggleston explained that the costs of the East Palo Alto bridge and the Bike Bridge were not directly comparable as Staff was not aware of East Palo Alto's staff oversight costs. The cost of the Bike Bridge project was approximately $7.5 million greater than the cost of the East Palo Alto bridge project.

Council Member DuBois noted the Bike Bridge was located in an environmentally sensitive area and would be nicer than East Palo Alto's bridge.

Mr. Eggleston indicated the length of the Bike Bridge, the delay in beginning construction, the design competition, the lengthy design process, Board and Commission reviews, and public outreach contributed to the higher cost.

Council Member DuBois inquired about the potential use of Measure B funding for the project.

Mr. Eggleston advised that the City's Measure B funding had been allocated to other projects in the Capital Budget, and he was not aware of discretionary funding for which the City could apply.

Council Member DuBois asked if Staff could continue to seek contributions if the Council funded the project in full.

Mr. Eggleston would have to seek the City Attorney's opinion regarding the City's ability to proceed with construction contracts if the Council did not fully fund the project.

Mr. Shikada reported the City could not execute the contracts if funds had not been allocated to fulfill the contracts.

Council Member DuBois requested details of Staff's conversation with Google.
Mr. Eggleston related that he had spoken with a Google executive several times over the past few months, and the executive had seemed open to presenting information and a request to more senior executives. In his last conversation with the executive, she revealed that the decision-makers were not available to provide a decision at that time.

Council Member Cormack concurred with public comments that the project had taken a very long time. She inquired whether the pre-bid inspections had been completed.

Mr. Eggleston responded no. Staff had hoped to retain a construction management firm prior to releasing the bid.

Council Member Cormack requested more information about inspections of the steel used in the bridge.

Megha Bansal, Public Works Senior Project Manager, advised that every welded piece of steel would be tested.

Council Member Cormack inquired about the intended use of the Infrastructure Reserve Fund.

Mr. Eggleston indicated the use of the Infrastructure Reserve Fund was intended for the current situation.

Council Member Cormack asked how the withdrawal would affect future infrastructure projects.

Mr. Eggleston understood the Infrastructure Reserve Fund balance was considerably higher than the minimum balance of $3 million. The withdrawal could impact the Fiscal Year 2020-2021 Capital Budget. The Finance Committee would consider a staff recommendation to transfer $3.5 million of excess funds from the Budget Stabilization Reserve Fund to the Infrastructure Reserve Fund.

Council Member Cormack asked if there would be any cash flow issues with the County reimbursing the City for construction expenses.

Mr. Eggleston replied no.

Council Member Tanaka requested the date East Palo Alto began planning and designing its bridge.

Ms. Boyd was not aware of the date.
Council Member Tanaka requested the date the City began planning the Bike Bridge.

Ms. Boyd answered early 2011.

Council Member Tanaka requested the anticipated construction completion date.

Ms. Boyd replied mid-2021.

Council Member Tanaka asked if a performance bond was required for the contractor.

Mr. Eggleston responded yes.

Council Member Tanaka asked if cost overruns would be covered by the performance bonds.

Mr. Eggleston explained that a performance bond insured the contractor or a substitute contractor completed the job. The construction cost should not change unless there were problems with the design or other unforeseen factors led to significant change orders.

Council Member Tanaka inquired about the purpose of the curve of the ramp over the Baylands.

Mr. Eggleston reported the design had to avoid a PG&E high-pressure gas line.

Council Member Tanaka inquired whether Staff explored placing advertising on the Bike Bridge.

Mr. Shikada answered no.

Council Member Tanaka suggested advertising could help offset the cost of the Bike Bridge.

Council Member Kou asked if the outside funding had been secured.

Mr. Eggleston reported execution of the funding agreement was needed to obtain the County funding, but the County had allocated the funds. Correspondence from Google had committed $1 million to the City for the Bike Bridge.

Mayor Filseth noted the County agreement would be revised to state at least $4 million.
Council Member Kou inquired whether the $4 million would include the potential for requesting another $4.5 million.

Mr. Eggleston replied yes.

Mr. Shikada clarified that Staff did not expect the County to add $4.5 million to the funding.

Council Member Kou requested the source of the remaining funding.

Mr. Eggleston explained that all required funding had been allocated for the project with the exception of $4.2 million, which would be allocated through the proposed Budget Amendment.

**MOTION:** Council Member Kniss moved, seconded by Council Member Cormack to:

A. Approve and authorize the City Manager or his designee to execute Construction Contract Number C20174550 with Granite Construction Company in an amount not-to-exceed $13,844,921 for the Highway 101 Pedestrian/Bicycle Overpass Project (Capital Improvement Program (CIP) Project PE-11011);

B. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the construction contract with Granite Construction Company for related additional but unforeseen work that may develop during the project, the total value of which shall not exceed $1,384,492;

C. Approve and authorize the City Manager or his designee to execute Contract Number C20175214 with Zoon Engineering to provide construction management services for the Highway 101 Pedestrian/Bicycle Overpass Project (CIP Project PE-11011) in an amount not-to-exceed $1,704,851, including $1,549,865 for basic services and $154,986 for additional services;

D. Approve and authorize the City Manager or his designee to execute the Project Grant Agreement with the County of Santa Clara for the provisions of grant funding for the project in the amount of $4 million or more; and

E. Amend the Fiscal Year 2020 Budget Appropriation for the Capital Improvement Fund by:

   i. Decreasing the Capital Fund Infrastructure Reserve by $4,200,000; and
ii. Increasing the Highway 101 Pedestrian/Bicycle Overcrossing Project (PE11011) appropriation by $4,200,000.

Council Member Kniss hoped Council Members would support the Motion as the Bike Bridge addressed climate concerns.

Mayor Filseth remarked that the Council had few choices because any delay would only increase the cost.

Council Member Tanaka requested Council Members comment on using advertising to offset costs.

Mr. Eggleston reported Caltrans would not allow the City to place advertising on a bridge over Caltrans' right-of-way.

Council Member Kniss preferred not to allow advertising on the Bike Bridge.

Council Member Tanaka concurred, but advertising would provide some funding.

Council Member Cormack was not interested in placing ads on the Bike Bridge.

**MOTION PASSED:** 6-0 Fine absent


Council Member Kniss recused herself from the item as she owned rental property in Palo Alto. She left the meeting at 9:15 P.M.

Mayor Filseth reported adoption of an Urgency Ordinance required six votes in support of a Motion to adopt. With Council Member Kniss recused and Vice Mayor Fine absent, only five Council Members were present.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kou to continue this item to December 2, 2019.

**MOTION PASSED:** 5-0 Kniss recused, Fine absent

Mayor Filseth announced the Council would receive public comment at the current time and on December 2.
Marcus Wood advised that no Hohbach Realty tenant who was current on his rent had ever been evicted or was under threat of eviction. The proposed Urgency Ordinance would not affect Hohbach Realty’s actions now or in the future. The Council's time would be better spent encouraging the development of residential properties.

Bob Moss suggested adoption of an Urgency Ordinance would be appropriate until Assembly Bill (AB) 1482 became effective on January 1.

Kelsey Banes related that she had received notice of an 18-percent rent increase and would have to move to a less expensive apartment.

Council Member DuBois reported the Colleagues' Memo focused on evictions. AB 1482 nullified rent increases implemented after March 15, 2019, allowed a 5 percent increase and an increase for inflation.

Council Member Kou remarked that the purpose of the Colleagues' Memo was to provide stability for renters and to ensure children remained in school. She encouraged tenants who had received eviction notices to learn their rights.

Council Member Questions, Comments and Announcements

Council Member Cormack reported she had attended the Homeless Services Committee meeting, where she learned 30 Palo Alto seniors were homeless. She requested an update from the Council Appointed Officers Committee regarding the City Auditor.

Council Member Kou inquired regarding the process for Council Members to inform the City Clerk of their anticipated absence from a Council meeting.

Beth Minor, City Clerk, advised that Council Members usually emailed her regarding their absence. Vice Mayor Fine had attempted to provide notice of his absence, but he had inadvertently emailed the wrong person.

Adjournment: The meeting was adjourned at 9:31 P.M. in memory of Palo Alto Utilities employee Donatus Okhomina who lost his life on November 16, 2019 in a work-site accident.