



**REGULAR MEETING MINUTES**

**Date:** 3/9/2021  
**Time:** 5:00 p.m.  
**Location:** Zoom

**Regular Session**

**A. Call To Order**

Mayor Combs called the meeting to order at 5:03 p.m.

**B. Roll Call**

Present: Combs, Mueller, Nash, Taylor, Wolosin  
Absent: None  
Staff: City Manager Starla Jerome-Robinson, City Attorney Nira F. Doherty, City Clerk Judi A. Herren

**C. Report from Closed Session**

Vice Mayor Nash reported out on item C5., Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code §54956.9: One case, on March 1, 2021, that the City Council will consider risks and agendize an open session discussion on this matter to obtain public comment, after newly appointed Police Chief David Norris arrives to advise on potential reallocation of police services.

**D. Public Comment**

- Elliot Krane spoke in support of adding quiet zones to the priorities list.
- Coralin Feierbach spoke in opposition of State control over local zoning control.
- Alison M. spoke in opposition to the city attorney appointment of the Burke, Williams & Sorensen, LLP firm.
- Nathan Reticker-Flynn spoke in support of adding quiet zones to the priorities list.
- Carrie A. Snyder spoke in support of adding quiet zones to the priorities list.
- David Wuertele spoke in support of adding quiet zones to the priorities list.

Mayor Combs advised public commenters speaking on quiet zones that their comment will be considered under agenda item G3.

**E. Presentations and Proclamations**

~~E1. Proclamation: Recognizing Kevin Murray (Attachment)~~

**F. Consent Calendar**

The City Council pulled items F2. and F3.

F1. Accept the City Council meeting minutes for February 12 and February 23, 2021 (Attachment)

**ACTION:** Motion and second (Mueller/ Combs), to accept the City Council meeting minutes for February 12 and February 23, 2021, with edits provided by City Councilmember Taylor, passed unanimously.

F2. Quarterly personnel report as of March 1 (Attachment)

The City Council received clarification on provisional appointments. The City Council discussed the community development department's headcount needs and traffic enforcement.

F3. Approve payment of \$99,652 to the county of San Mateo for participation in the fiscal year 2020-21 Office of Emergency Services joint powers agreement (Staff Report #21-052-CC)

Web form public comment received on item F3. (Attachment).

The City Council discussed a potential study session on emergency services and preparedness.

**ACTION:** Motion and second (Nash/ Taylor), to approve payment of \$99,652 to the county of San Mateo for participation in the fiscal year 2020-21 Office of Emergency Services joint powers agreement, passed unanimously.

**G. Regular Business**

G3. 2021 City Council priorities and work plan adoption (Staff Report #21-046-CC)

**Public comment on item G3., will be limited to 1-minute per speaker.**

Web form public comment received on item G3. (Attachment).

Assistant City Manager Nick Pegueros made the presentation (Attachment).

- Sue Connelly spoke in support of adding quiet zones to the priorities list.
  - Scott Barnum spoke in support of adding quiet zones to the priorities list.
  - Ed Farrell spoke in support of adding quiet zones to the priorities list.
  - JoAnne spoke in support of adding quiet zones to the priorities list.
  - Karen Grove spoke in support of retaining the Housing Element on the priorities list.
  - Miles Kersten spoke in support of adding quiet zones to the priorities list.
  - Matthew Norington spoke in support of adding quiet zones to the priorities list.
  - Susannah Ragab spoke in support of adding quiet zones to the priorities list.
  - Jenny Michel spoke in opposition of adding quiet zones to the priorities list and in support of affordable housing.
  - Josie Gaillard spoke in support of climate action being prioritized.
  - Tom Kabat spoke in support of climate action being prioritized.
  - Marcy Abramowitz spoke in support of adding quiet zones to the priorities list.
  - Lauren Bigelow spoke in support of affordable housing being prioritized.
  - Danial and Alice Hom spoke in support of adding traffic calming initiatives on Willow Road to the priorities list.
  - Pam Jones spoke in support of restoring library and community services staff and services.
- Note - Comments received under agenda item D. regarding quiet zones added to City Council consideration of this agenda item.

The City Council took a recess at 6:14 p.m.

The City Council reconvened at 6:21 p.m.

The City Council received clarification on the Menlo Park SAFER Bay project in relation to bundling with the climate action plan, prioritizing the Climate Action Plan (CAP) Nos. 1, 3, 5, and 6 and related staff capacity and CARES Act (Coronavirus Aid, Relief, and Economic) funding. The City Council received updates on the short-term rental ordinance, accessory dwelling unit ordinance update, Santa Cruz Avenue closure and economic development initiatives and the racial equity baseline project (Givens). The City Council discussed the Menlo Park Community Campus (MPCC) resourcing and implementation of community taskforce or working group, transportation management association (TMA), and traffic calming as a comprehensive complete streets project Citywide.

The City Council directed staff to:

- Add Menlo Park SAFER Bay to CAP No. 6 on the priority list
- Retain 2022 Housing Element and related zoning code updates
- Retain MPCC
- Add the TMA association to CAP No. 4 on the priority list
- Retain Middle Avenue pedestrian and bicycle crossing
- Return as consent item the short-term rental ordinance and remove from the priority list
- Remove accessory dwelling unit ordinance update from the priority list but staff to fulfill obligations as time allows
- Retain ConnectMenlo community amenities list update
- Remove ECR/Downtown Specific Plan area housing development initiatives from the priority list and add it to the Housing Element
- Remove Development and environmental review process education series from the priorities list and add it to the Housing Element
- Retain Santa Cruz Avenue closure and economic development initiatives
- Add Middle Avenue traffic calming project as a complete street project and add to the undercrossing project
- Retain NLC Race, Equity, And Leadership program
- Retain CAP Nos. 1, 2, 3, 4, 5, and 6
- Remove "Ravenswood" from Caltrain grade separation study title

The City Council discussed the following potential priorities:

- Racial equity baseline project (Givens)
- Redistricting
- Directing the gas leaf blower ordinance to the Environmental Quality Commission
- Public Safety Commission (create and appoint)
- Hiring an independent engineer for the potential quiet zone
- Willow Road traffic calming
- Combining all COVID-19 items and create a dedicated staff position
- Illegal dumping
- Downzoning commercial density in District 1
- Citywide traffic calming

The City Council directed City Manager Starla Jerome-Robinson to send a letter to the State Director of Health advocating for the Belle Haven neighborhood to be included in the 40 percent vaccine allocation.

## **Recess**

The City Council took a recess at 7:28 p.m.

The City Council reconvened at 7:56 p.m.

## **G. Regular Business – continued**

- G1. Authorize initiation of a Proposition 218 notification process in preparation to adopt maximum rate increases for the next five years (fiscal years 2022 to 2026) at a public hearing on May 11 (Staff Report #21-056-CC) (Presentation)

Assistant Public Works Director Chris Lamm and Manager Alberto Morales of Black and Veatch Management Consulting, LLC made the presentation (Attachment).

The City Council received clarification on staff's recommendation, inclusion of future debt utilization for large capital improvements, interest rate type, pass through rate structure, and the tier impacts to residential and commercial users.

**ACTION:** Motion and second (Taylor/ Wolosin), to authorize initiation of a Proposition 218 notification process in preparation to adopt the three tier and surcharge transparency for the next five years (fiscal years 2022 to 2026) at a public hearing on May 11, passed unanimously.

- G2. Approve the Complete Streets Commission 2020-2021 work plan (Staff Report #21-054-CC)

The City Council continued item G2. to the March 23, 2021 meeting.

- G4. Direction on cost recovery policy (City Council Procedure #CC-10-001), library overdue fines and recreation user fees (Staff Report #21-050-CC) (Presentation)

The City Council continued item G4. to the March 23, 2021 meeting.

## **H. Informational Items**

- H1. City Council agenda topics: March – April 2021 (Staff Report #21-049-CC)

- H2. Upcoming City Council consideration of objective criteria to guide facility reopening, service restoration, and reactivation of programs and events (Staff Report #21-051-CC)

City Councilmember Wolosin agreed to ask questions offline.

- H3. Temporary outdoor dining grant program update (Staff Report #21-053-CC)

Vice Mayor Nash noted communication with staff and city manager.

- H4. Belle Haven Neighborhood traffic management plan update and next steps (Staff Report #21-055-CC)

City Councilmember Taylor agreed to ask questions offline.

**I. City Manager's Report**

City Manager Starla Jerome-Robinson reported out on upcoming \$6.5 million stimulus package.

**J. City Councilmember Reports**

None.

**K. Adjournment**

Mayor Combs adjourned the meeting at 11 p.m.

Judi A. Herren, City Clerk

These minutes were approved at the City Council meeting of March 23, 2021.

## NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Submit a written comment online up to 1-hour before the meeting start time:  
[menlopark.org/publiccommentMarch9](https://menlopark.org/publiccommentMarch9) \*
  - Access the meeting real-time online at:  
[Zoom.us/join](https://zoom.us/join) – Meeting ID 996 4500 2449
  - Access the meeting real-time via telephone at:  
(669) 900-6833  
Meeting ID 996 4500 2449  
Press \*9 to raise hand to speak

\*Written and recorded public comments are accepted up to 1-hour before the meeting start time. Written and recorded messages are provided to the City Council at the appropriate time in their meeting. Recorded messages may be transcribed using a voice-to-text tool.

- Watch meeting:
  - Cable television subscriber in Menlo Park, East Palo Alto, Atherton, and Palo Alto:  
Channel 26
  - Online:  
[menlopark.org/streaming](https://menlopark.org/streaming)

Note: City Council closed sessions are not broadcast online or on television and public participation is limited to the beginning of closed session.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website [www.menlopark.org](http://www.menlopark.org). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.org/agenda](https://menlopark.org/agenda)).

According to City Council policy, all meetings of the City Council are to end by midnight unless there is a super majority vote taken by 11:00 p.m. to extend the meeting and identify the items to be considered after 11:00 p.m.

Agenda item D  
S C, Resident

Hi. I couldn't find the "Agenda Item" for Quiet Zone discussion, so I'm leaving my comment here under "Public Comment". I'm writing in favor of having Quiet Zones in Menlo Park. We recently moved into a brand new home in Menlo Park. We built the home with special soundproofing insulation and drywall, knowing that we weren't too far away from the train. Having moved in recently, we can still hear the blaring of the train horns, and it's incredibly frustrating because my kids and wife have a difficult time sleeping through it, and end up waking early because of it. We did all that we could do, and still it's not good enough. We feel strongly that having Quiet Zones will improve the quality of living here in Menlo Park by those of us who are affected by it.

Agenda item D  
Elizabeth Day, Resident

I am writing to confirm my 100 % support for the creation of a Quiet Zone in Menlo Park. I have lived my entire life in Menlo Park (50+ years) and the creation of a Quiet Zone is a must for improving the quality of life in Menlo Park. While we live in a beautiful place filled with wonderful people, listening to a train horn throughout the night is disruptive and unnecessary. Please vote in favor of creating a Quiet Zone and making Menlo Park an even more wonderful place to live. You will be making thousands of residents happy if you do.

Thank you for your attention to this matter.



## Agenda item D Steve Walter, Resident

I support Council's consideration to install 4-quadrant gates at the city's four Caltrain interesections. Here is my argument:

The residents of Menlo Park who would benefit the most from elimination of the Caltrain horns are those living along the Caltrain corridor between Laurel St. and El Camino Real. This comprises a mix of hundreds of single-family homes, apartment buildings and condos. During the day add in hundreds of workers and customers in the office buildings and retails shops that line the corridor. In total I would estimate that this totals easily several thousand people, a number that will increase significantly when the homes & offices in the new Station 1300 and Stanford Developments come online this year and next.

These residents experience the loud noise of Caltrain horns each time a train passes through one of four intersections (Ravenswood, Oak Grove, Glennwood and Encinal). There are currently 68 Caltrain (north & south) that run each weekday starting at 5:15AM and ending at 1:00AM. Add in roughly half dozen freight trains and we're looking at 72 trains per day or 288 crossings that necessitate engineers to blow their horns, with each crossing requiring 3 or 4 blasts of the horn. Worse, electrification of the train is nearing completion and with it, the number of trains is expected to more than double with as many as 168 trains passing through each intersection each weekday and slightly fewer on weekends. The trains will pass through more quickly, thanks to electrification, but unless the 4-quadrant gates are installed, the horns will be just as loud and more than double in frequency.

For years I lived on Arbor Road and the sound of the trains coming & going was distant and almost enjoyable. But for the past 20 years I've lived on Mills Ct. with only one other property separating ours from the train tracks. In all that time, I've not been able to say the sound of the train horns has ever been enjoyable. It's tolerable at best and very annoying at worst, especially when it's a freight train that hasn't been fitted with noise limiters that are standard on Caltrain engines. The early trains wake me up too early in the morning and the later trains interfere with my getting to sleep at night. If I'm on the phone when a train goes by I have to pause the conversation until the horns pass. Similarly with ZOOM calls – I'm forever having to mute my audio and then remember to unmute after.

So it's annoying. No surprise there. But is it really that loud? The answer is that yes it is. As the following table shows, the horns on the Caltrains have to emit a blast of at least 96 db and no more than 110 db. That range encompasses the sound, for comparison, of a motorcycle passing nearby all the way up to just below that of a jackhammer. These noise levels would be enough to cause hearing impairment if they continued for any length of time but, since they only last for 5 or 10 seconds at each crossing, they aren't considered unsafe - officially. Still, they can't be doing anyone's hearing any good and eliminating them will only improve the stress levels, quality of life & health of residents & workers along the corridor.

As for the cost to the city of installing 4-quadrant gates at the four intersections, please do consider the property and sales taxes that residents and businesses along the Caltrain corridor pay to the county and to the city of Menlo Park. These taxes have amounted over the years to millions of dollars that have been distributed to needs of residents of many neighborhoods in the city but very little has been devoted to specific needs of these residents. Eliminating the noise from train horns would probably be the most significant benefit the city & county could provide residents along the Caltrain corridor and I encourage you to seriously consider that the time has come to make this significant improvement to their quality of life.

How loud is too loud? (according to the National Institute of Occupations Health & Safety)

- Continued exposure to noise above 85 dBA (adjusted decibels) over time will cause hearing loss.
- The maximum exposure time at 85 dBA is eight hours.
- The maximum exposure time at 110 dBA is one minute and 29 seconds.
- Noise levels above 140dBA can cause damage to hearing after just one exposure.

Where Caltrain horns fall in the measured range of Noise (in dBA):

- 40db - quiet residential area
- 60 – 85 vacuum cleaner
- 70 – 80 coffee grinder
- 85 heavy traffic, noisy restaurant
- 90 truck, shouted conversation
- 95 electric drill
- 95 - garbage disposal
- 95 – 110 motorcycle
- 96 Minimum Allowed Caltrain Horn Level
- 100 snowmobile
- 100 factory machinery
- 100 woodworking class
- 105 snow blower
- 110 power saw
- 110 leafblower
- 110 car horn
- 110 Maximum allowed Caltrain Horn Level
- 120 pneumatic drills, heavy machine
- 120 jet plane (at ramp)
- 120 ambulance siren
- 125 chain saw
- 125 auto stereo (factory installed)
- 130 stock car races
- 140 prop airplane taking off
- 150 jet airplane taking off
- 150 firecracker
- 162 fireworks (at 3 feet)
- 163 rifle
- 166 handgun
- 170 shotgun

## Agenda item D Resident

please approve a quiet zone to eliminate invasive horn noises at the train tracks

## Agenda item D Susannah Ragab, Resident

I would like to voice support to the implementation of the Quiet Zones between Ravenswood and Encinal. I have been a long time resident of Menlo Park, starting as a renter in apartments on Ravenswood and Noel and now a homeowner on Mills Court. The need for Quiet Zones goes beyond reducing a mere nuisance; it goes to dramatically improving the quality of life and safety of the residents. While we normally think of the train horns as being a safety mechanism, the benefit of they provide is dramatically outweighed by their harm on the health, well-being and safety of the community. As one example where safety is concerned, I lived in the Noel Court apartments when the Caltrain robbery and murder occurred. Because almost all of the residents in that area, including myself, slept with earplugs to mitigate the noise, there were few if any witnesses to assist in the investigation. This is just one example of how the burdens outweigh the benefits. I understand that Atherton has implemented the use of Quiet Zones with success and very much hope that the City of Menlo Park will do the same for its residents.

## Agenda item D Alison Madden, Resident

I posted this on the Almanac Town Hall today: (First good on you for the affordable housing apartment purchase/conversion!):

This was a big mistake. This Burke law firm is statist & bureaucratic. Not progressive or moderate at all. They do not even have a Peninsula office. They are a big driver of the "California League of Cities", a statist, bureaucratic organization that is against, and does not serve, the voters & taxpayers, it's basically the ALEC of statist, authoritarianist modern government, an anti-progressive entity vs today's progressive struggle for government "of the people, by the people and for the people" (Lincoln, of course, Gettysburg Address).

Burke also represents Redwood City (RWC) (still) in its shameful farce of the set-up at Docktown Marina, that has cost the City already \$20 million +. Burke is conducting scorched earth, intrusive discovery into residents who remain, who are entitled to stay under State Lands Commission (SLC) policies that allow a % of slips in a marina for residential use as safety & security.

RWC, under Burke's advice, took the damaging position the voters of a city, in adopting a charter, may not vote to have an independent Port. In an unpublished opinion, the appellate court adopted this cynical, wrong & result-oriented stance. We now have to fix that & have spoken to the SLC & Lt. Gov. (Kounalakis who used to sit on the also-independent SF Port commission (all Ports are independent by charter in Cal.)) and have started this effort with our reps & senators. It has created literally a constitutional crisis in RWC and statewide.

Burke caused this crisis when Burke partner Kenyon gaslit the public by sitting as City Attorney in Dec. 2016, advising RWC to adopt the Docktown Plan and pay \$3 million (lol). It likely will reach over \$30 million. This firm also brought "paper UD's" (evictions without due diligence) and sued dead people and "gone" people who complied with the Plan by signing over title and giving keys. And Burke defended UD's instead of revising complaints, setting up a potentially negative UD opinion statewide against tenants.

## Agenda item D Resident

Dear Menlo Park City Counsel,

I hope you will make the elimination of train horn noise your absolute TOP priority, as this factor alone will do more to significantly improve the lives of most everyone living in Menlo Park than anything else.

The constant, endless, extremely-loud and invasive train noise in Menlo Park is a terrible detriment to our way of life. It pervades every aspect of living in Menlo Park and there has been no abatement or escape: it halts conversations inside and outside the home, disrupts and postpones sleep, and generally contributes toward anxiety and detracts from what otherwise could be a peaceful life.

Eliminating this strident, shrill, pervasive and very loud noise intrusion into every aspect of living will greatly enhance the peace-of-mind and quality-of-life Menlo Park can offer to all residents and visitors. I hope you will work hard towards this goal during your tenure on the City Counsel and make a life-changing impact for our community.

## Agenda item F3 Lynne Bramlett, Resident

would approve the annual payment. However, at a future suitable point, please clarify governance issues and responsibilities for some key items in this report.

As background:

- Ryan Zolicoffer, a Menlo Park Fire District employee, is Menlo Park's designated Emergency Manager to the County of San Mateo.
- The San Mateo County Emergency Managers Association (EMA) drives the Annual Member Preparedness Survey (Attachment A: Supplemental Contract.) The completed Annual Report goes to the SMC OES JPA.
- The Member Agency reports get compiled into an overall report and reviewed with the JPA Governing Body.
- The Member Agency Preparedness Reports have also been the source for the 2016 Local Hazard Mitigation Plan Annual Progress Reports. I'm told that the last Progress Report was in 2017.

The JPA Contract includes an a-g list of services: Emergency Response, Plans and Operations, Communications, Public Education and Outreach, Training and Exercise, Grant Program Administration and General Administration. I ask Council to review the Fire District's role in the operational aspect of the a-g items.

For example, I think it's important to find out Ryan Zolicoffer's role in obtaining grants on behalf of Menlo Park. We know that MP is missing out on available grant money. One recent example is the multiple versions of the CAL OES-driven grants for Community Power Resiliency related projects. The Fire District applied for the Special District version (which it did not get) and Council Member Taylor and I both attended the Fire Board meeting where it was reviewed. At that meeting, there was no mention of a parallel grant available to cities. It was not until yesterday that I learned there was one.

I will now switch to the mention of the Member Agency Preparedness Survey detailed in Attachment A: Supplemental Information.

This survey is driven by the SMA Emergency Managers Association (EMA). I have joined the EMA and I asked who was completing this survey for Menlo Park. I did not get a definite answer.

Ryan Zolicoffer completed the 2019 Survey on behalf of Menlo Park. I got a copy, reviewed it, and I have concerns about the accuracy of some of the answers.

Please find out who is completing the 2020 Menlo Park Preparedness Survey and its review process. Once completed, I urge Council to institute an annual tradition of a public review. That would supply more transparency for Menlo Park's preparedness progress which would benefit Council, Staff, advisory commission members and stakeholders.

Finally, at least two City employees have some type of role related to disaster preparedness and response. I think you should know who these people are, and their specific responsibilities, before your upcoming meeting with the Fire Board. That's because it would better help Council to have all relevant facts for your decision-making process.



# PROPOSED MUNICIPAL WATER RATES

March 9, 2021 – Chris Lamm





## AGENDA

- Menlo Park Municipal Water
- Water Fund
- Rate study objectives
- Rate study process and steps
- Key considerations
- Rate scenarios
- Scenarios 1 & 2, and bill comparisons
- Rate survey
- Proposition 218 requirements and notice
- Schedule





## REQUESTED DIRECTION

- Authorize initiation of the Proposition 218 notification process in preparation to adopt maximum rate increases for the next five years
  - Confirm preferred rate scenario
  - Confirm preferred capital facility surcharge option

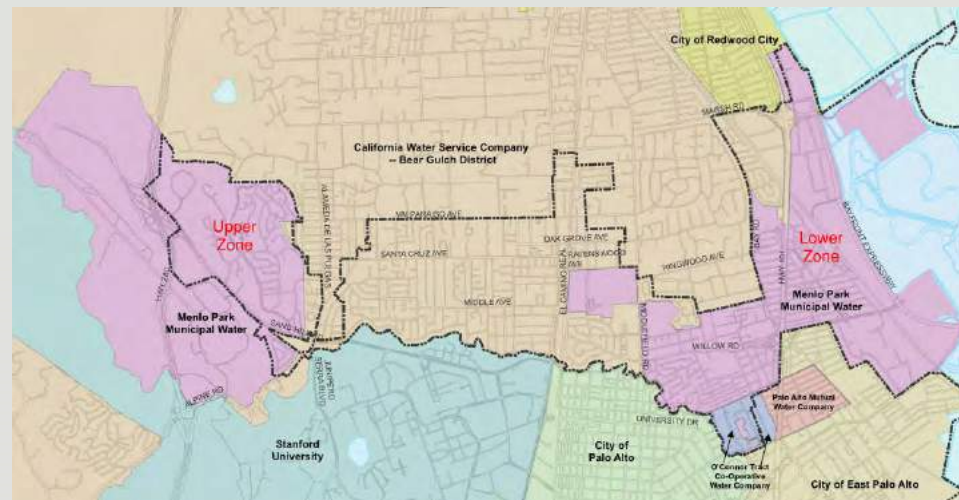




# MENLO PARK MUNICIPAL WATER



- 100% supply purchased from San Francisco Public Utilities Commission (SFPUC)
- Approx. 4,400 service connections
- Water service for half of the city
- SFPUC supply guarantee 4.456 MGD for non-drought fiscal years
  - A future study session is planned to discuss the Urban Water Management Plan update (long term supply/use) and Water Shortage Contingency Plan (drought planning)





## WATER FUND



- Self-supporting enterprise fund
- Water sale revenues pay for all water system expenditures, both operating and capital
  - Annual transfers to General Fund for shared expenses (Human Resources, Finance, City Attorney, etc.) \$500,000 for fiscal year 2020-21
  - Pays fair share of insurance premiums and settlements arising from claims
- \$12 million operating and capital budget this fiscal year
- Net position per 2019-20 CAFR totals \$28.5M
  - Available cash \$2.4M
  - Assigned to capital projects \$14.6M
  - Investment in capital assets \$21.5M



## RATE STUDY OBJECTIVES



- Develop a five-year funding strategy to fund operations and capital expenditures
- Perform a cost of service analysis that meets Prop. 218 requirements and follows industry standards
  - Allocates costs to customer classes
  - Rate revenue cannot exceed funds require to provide the service
  - Rate revenue cannot be used for any purpose other than for which it is imposed
- Recommend a rate structure and rates for the next five years
  - Implement new rates starting July 1, 2021
- Update water capacity charges to meet AB 1600 requirements



# RATE STUDY PROCESS

**Objectives, policies and rate setting principles**



**Financial plan**



**Cost of service analysis**



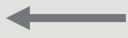
**Rate design**



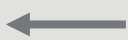
What do we intend to accomplish and how?



How much money is needed?



From whom should the money be collected from?



How should the services be priced?



## RATE STUDY STEPS



- Step 1: Financial plan
  - Fund balances
  - Revenues (water sales, other operating income)
  - Expenses (operating and maintenance costs, SFPUC wholesale water, capital projects)
  - Reserves (operating – 120 days of O&M; capital – \$1M)
- Step 2: Cost of service analysis
  - Allocate functional costs to cost components (average day and peak day demands, meter maintenance, customer billing and fire protection)
  - Develop unit costs for the water system
  - Distribute the costs to customer classes



## RATE STUDY STEPS

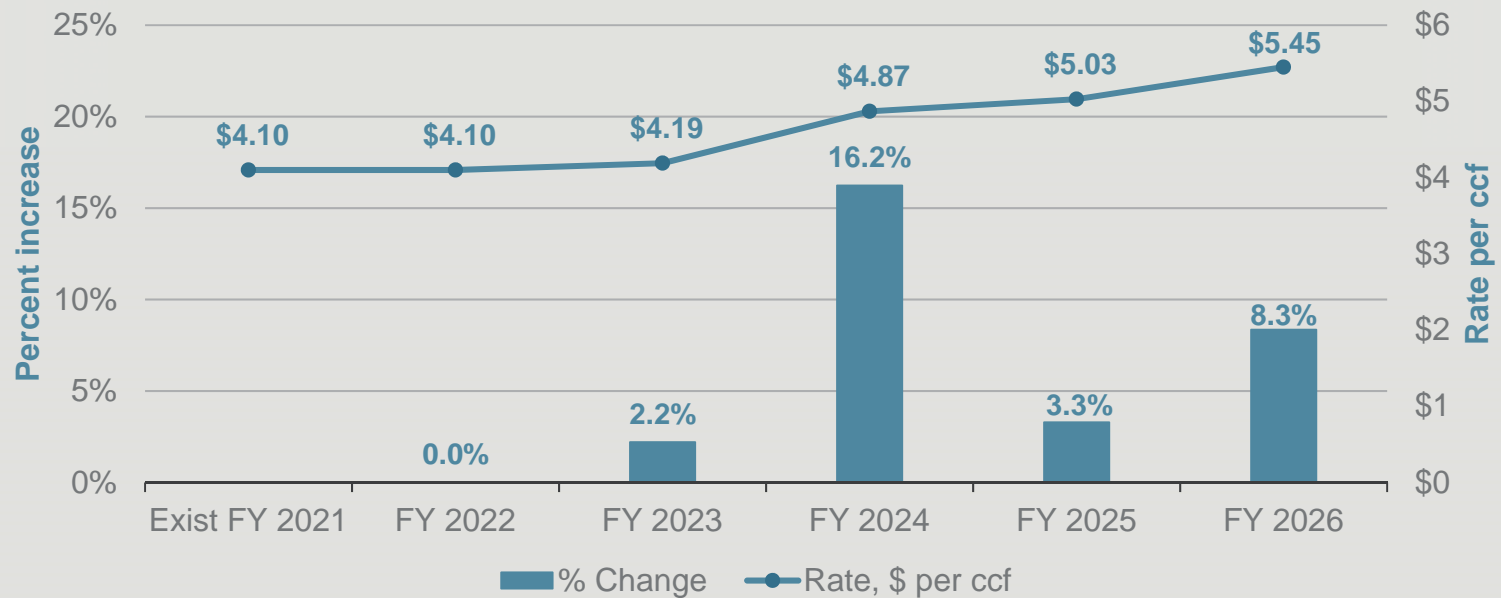


- Step 3: Rate design
  - Rate structure that recovers the cost to provide service
  - Meter charge, consumption charge, capital facility surcharge, drought surcharge



# RATE STUDY – KEY CONSIDERATIONS

- SFPUC projects wholesale rate increases for the next five years



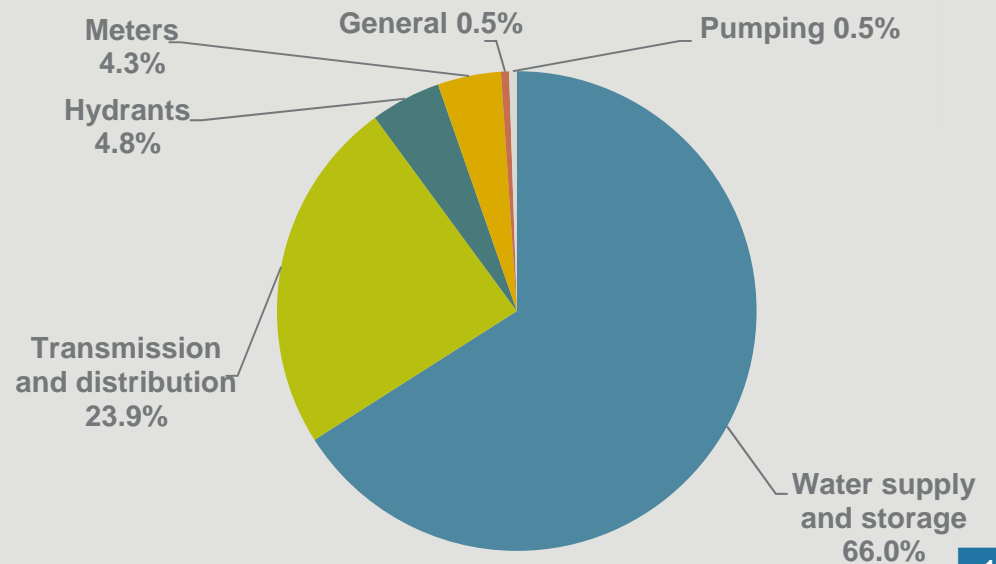




# RATE STUDY – KEY CONSIDERATIONS

- Proposed \$60 million capital projects over the next five years

Fiscal year	Total cost (\$)
FY 2021-22	\$5,334,527
FY 2022-23	\$7,385,000
FY 2023-24	\$8,119,500
FY 2024-25	\$8,465,100
FY 2025-26	\$31,110,400
<b>Total</b>	<b>\$60,414,527</b>





## RATE STUDY – KEY CONSIDERATIONS



- Rate structure design elements

Rate element	Description
Customer class	Based on type: One class or separate classes
Meter charge	Based on meter size
Consumption charge	Based on water use: Two tiers or three tiers
Capital surcharge	Based on water use: Independent or consolidate
Drought surcharge	Based on water use (if drought declared): Six stages
Capacity charges	One-time for new/upgraded connections to the system



## RATE STUDY – SCENARIOS



- All scenarios result in a \$6.8M reserve balance in year 5 (target \$5.3M)

Scenario	Consumption charge	Revenues	Capital surcharge	Long-term debt
1	2-tiers	5.0% all years	Option A: Combine with consumption charge	\$23M year 5
2	3-tiers	5.0% all years		\$23M year 5
3	2-tiers	12.2% all years	Option B: Keep to partially fund annual capital projects	None
4	3-tiers	12.2% all years		None



# RATE STUDY – SCENARIOS 1 AND 2



	FY 2020-21 (Existing)*	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Monthly meter charge (\$/month)</b>						
¾" (and below)	28.21	27.58	28.96	30.41	31.93	33.53
1"	28.21	27.58	28.96	30.41	31.93	33.53
1-1/2"	47.03	45.97	48.27	50.68	53.21	55.87
2"	94.05	91.95	96.55	101.38	106.45	111.77
3"	150.46	147.12	154.48	162.20	170.31	178.83
4"	282.14	294.24	308.95	324.40	340.62	357.65
6"	471.15	459.75	482.74	506.88	532.22	558.83
8"	940.45	919.50	965.48	1,013.75	1,064.44	1,117.66
10"	1,504.70	1,471.20	1,544.76	1,622.00	1,703.10	1,788.26



# RATE STUDY – SCENARIOS 1 AND 2

	FY 2020-21 (Existing)*	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Consumption charge (\$/ccf) – Scenario 1, Option A</b>						
Tier 1: 0-6 ccf	7.07	6.85	7.19	7.55	7.93	8.33
Tier 2: Over 6 ccf	9.48	10.00	10.50	11.03	11.58	12.16
*Existing rates have an additional capital facility surcharge of \$1.50 per ccf						
<b>Consumption charge (\$/ccf) – Scenario 2, Option A</b>						
Tier 1: 0-6 ccf		6.67	7.00	7.35	7.72	8.11
Tier 2: 7-12 ccf		8.40	8.82	9.26	9.72	10.21
Tier 3: Over 12 ccf		10.27	10.78	11.32	11.89	12.48



## RATE SCENARIOS 1 AND 2 CAPITAL SURCHARGE



- Two tiers
  - Tier 1: 6 ccf threshold represents efficient indoor household water use
  - Tier 2: Represents excess indoor + outdoor water use
- Three tiers
  - Tier 1: same as above
  - Tier 2: Represents excess indoor + some outdoor water use
  - Tier 3: Represents remaining outdoor water use

Note: Water use is almost evenly split between the three tiers.

### Scenario 1 (Two tiers)

Tier 1: 0-6 ccf	\$6.85 per ccf
Tier 2: Above 6 ccf	\$10.00 per ccf

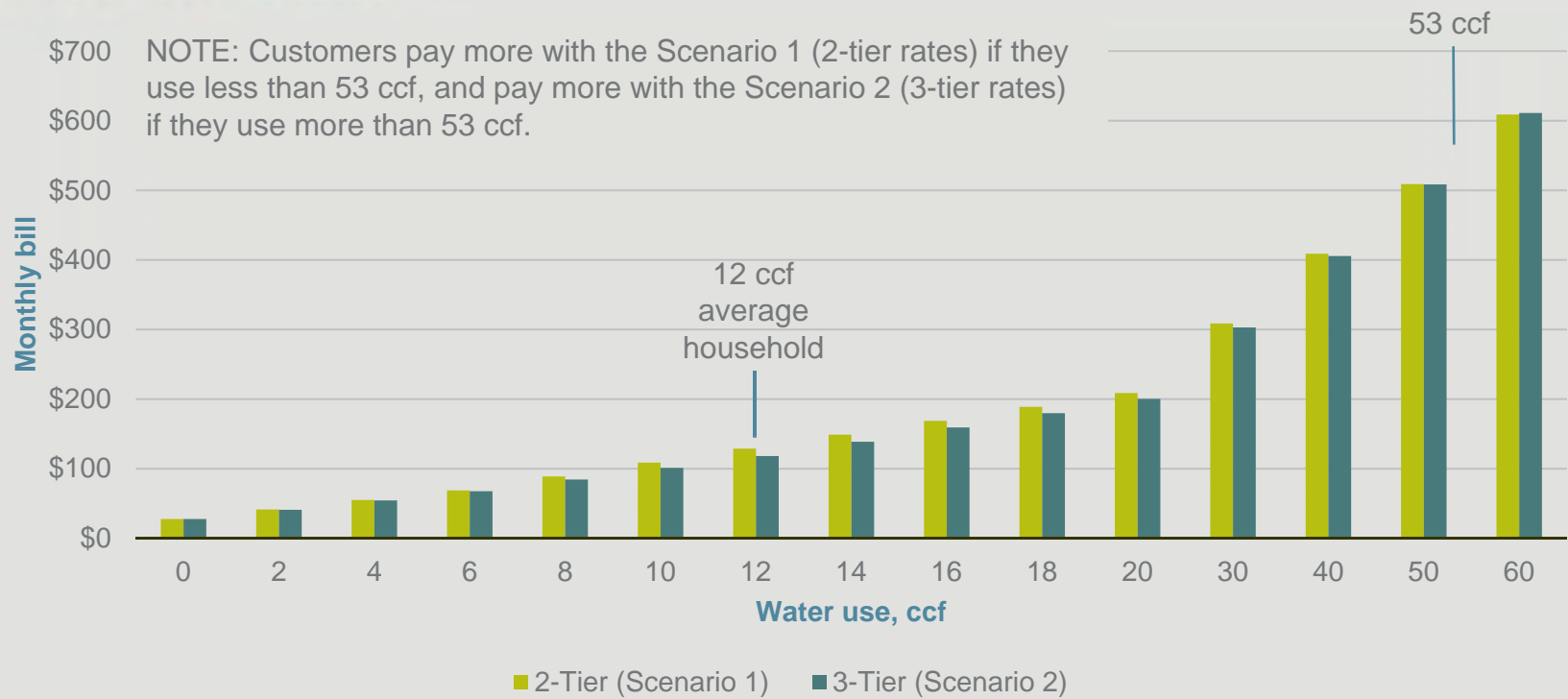
### Scenario 2 (Three tiers)

Tier 1: 0-6 ccf	\$6.67 per ccf
Tier 2: 7-12 ccf	\$8.40 per ccf
Tier 3: Above 12 ccf	\$10.27 per ccf

The capital surcharge (\$1.58 per ccf) is included in the consumption charges above. If elected, it can be separated out, thus reducing the consumption charges shown.

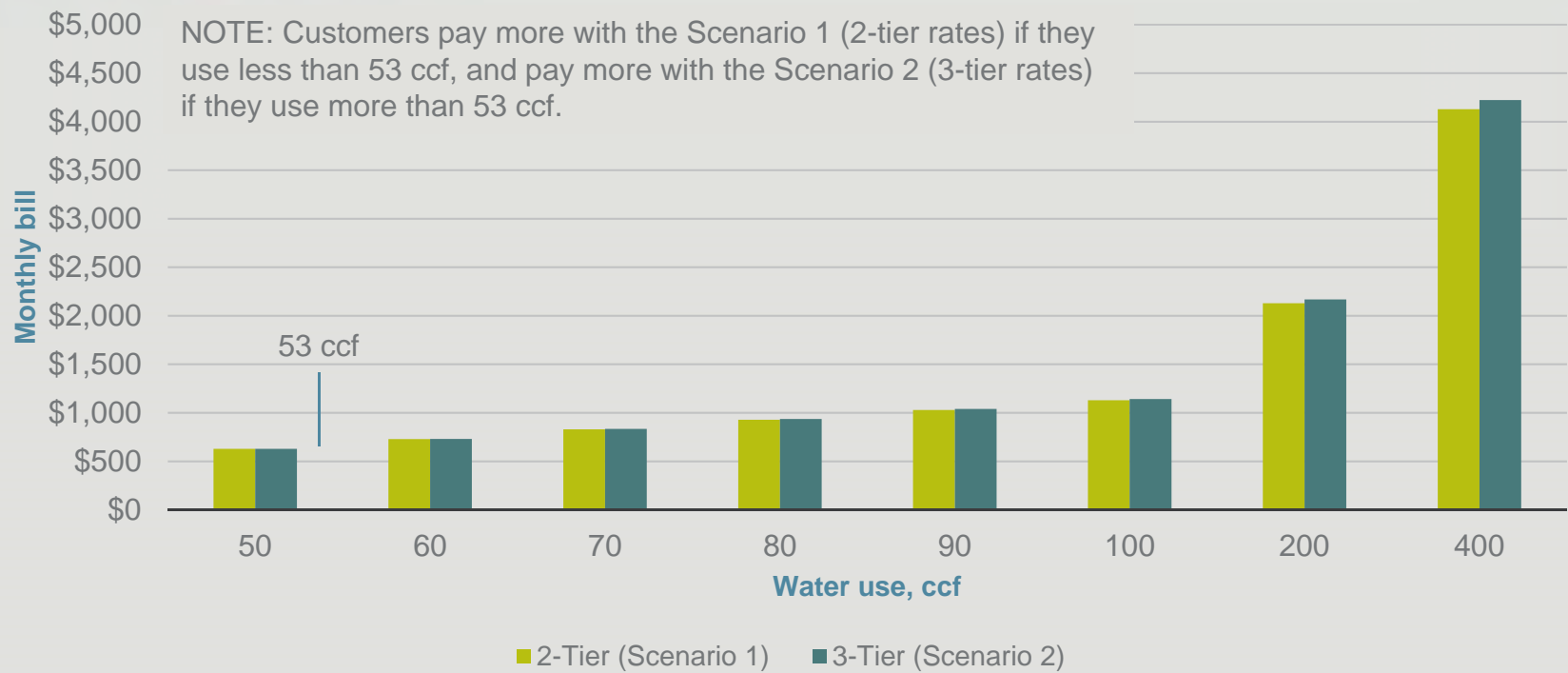


## SCENARIOS 1 AND 2 NON-RES. BILL COMPARISON





## SCENARIOS 1 AND 2 NON-RES. BILL COMPARISON

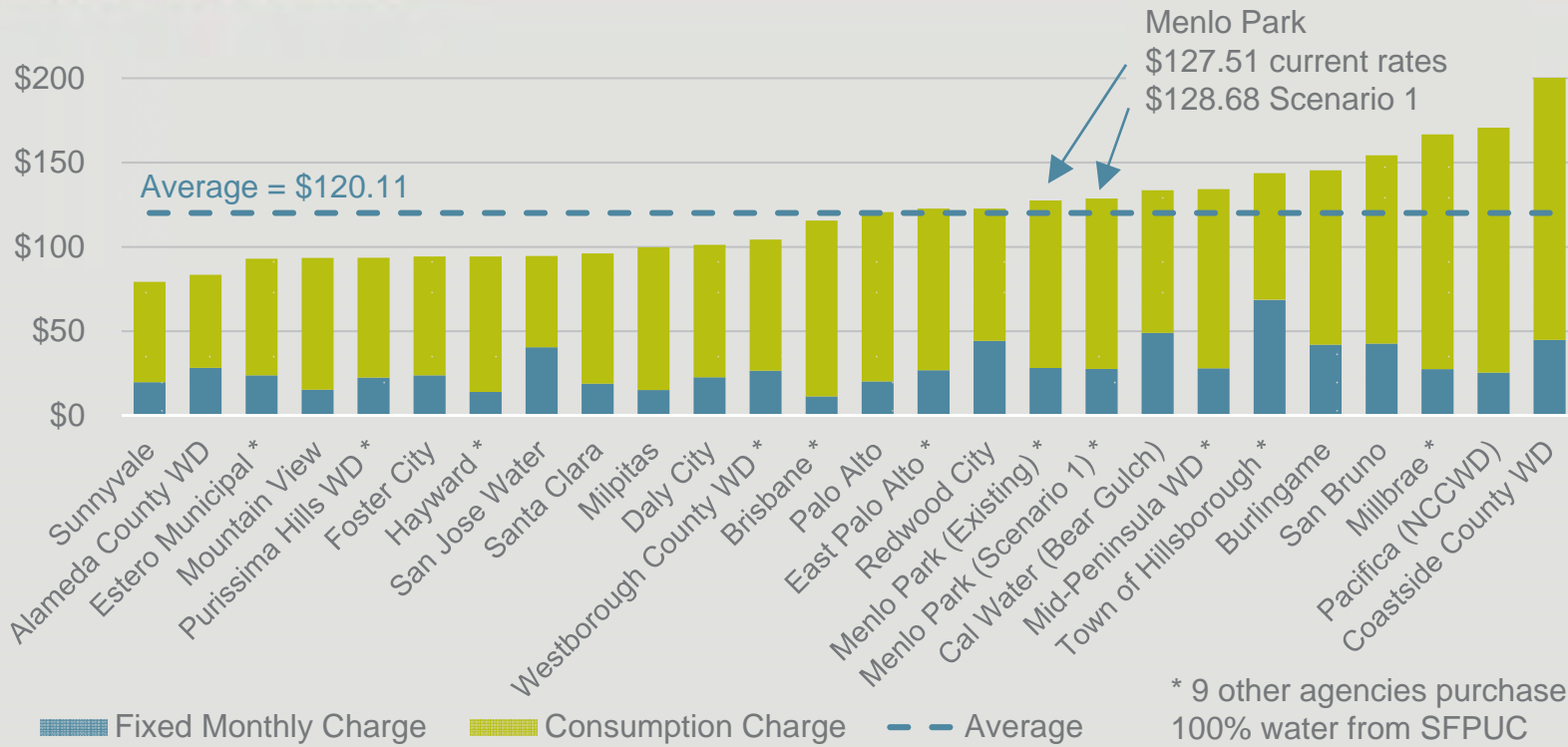






# RATE SURVEY COMPARISON

## 12 CCF, 5/8" METER





## PROPOSITION 218 NOTICE



- Notice will include the max proposed rates, the rate structure the date/time of the public hearing, and instructions for how to protest the rates
- Notice must be mailed to all property owners at least 45 days before the public hearing (staff will mail to all property owners and to all mailboxes in the service area)
- Only property owners may protest the proposed rates
- Only one protest will be counted per parcel
- Rates cannot be increased if more than 50% of property owners submit written protests
- Includes “pass-through language”



## TIMELINE



- March 9 City Council reviews water rate study and authorizes initiation of the Prop. 218 notification process
- March 26 Update rate study report and Prop. 218 notice to match City Council direction, mail the Prop. 218 notice
- May 11 City Council public hearing to hear protests and adopt resolution setting new rates for the next five years
- July 1 New rates become effective and then adjust annually for the next five years on July 1



## REQUESTED DIRECTION

- Authorize initiation of the Proposition 218 notification process in preparation to adopt maximum rate increases for the next five years
  - Confirm preferred rate scenario
  - Confirm preferred capital facility surcharge option





**THANK YOU**



## RATE STUDY – SCENARIOS



- All scenarios result in a \$6.8M reserve balance in year 5 (target \$5.3M)

Scenario	Consumption charge	Revenues	Capital surcharge	Long-term debt
1	2-tiers	5.0% all years	Option A: Combine with consumption charge	\$23M year 5
2	3-tiers	5.0% all years		\$23M year 5
3	2-tiers	12.2% all years	Option B: Keep to partially fund annual capital projects	None
4	3-tiers	12.2% all years		None

LPH5



## DROUGHT SURCHARGES SCENARIOS 1 AND 2



Description <sup>1</sup>	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6 <sup>2</sup>
Required Water Reduction %	Up to 10%	Up to 20%	Up to 30%	Up to 40%	Up to 50%	Greater than 50%
FY 2022	\$0.58	\$1.30	\$2.22	\$3.46	\$5.18	\$7.77
FY 2023	\$0.60	\$1.35	\$2.29	\$3.52	\$5.21	\$7.66
FY 2024	\$0.62	\$1.37	\$2.32	\$3.53	\$5.16	\$7.45
FY 2025	\$0.57	\$1.27	\$2.12	\$3.21	\$4.63	\$6.58
FY 2026	\$0.58	\$1.28	\$2.14	\$3.20	\$4.58	\$6.42

1. The drought rates represent the max rate per stage. The actual drought surcharge will be calculated based on the actual water conservation target that must be met.
2. Stage 6 represents water conservation greater than 50%. The drought surcharge shown is for 60% reduction.

**Slide 25**

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**LPH5**

Slide deleted, added text to another slide to explain capital surcharge instead.

Lowe, Pam H, 3/8/2021



Agenda item G3  
Tricia Teason, Resident

I encourage the City Council to move forward with its Quiet Zone study to remedy noise pollution associated with train traffic near Linfield Oaks and other affected communities, while transitioning to quieter yet safer intersections.

## Agenda item G3 Ming Tsai, Resident

Dear City Council Members,

Thank you again on the efforts towards prioritizing 2021 plan, especially with late night meetings like the last one.

I am writing to urge the city to consider acquiring quad-gates, at all applicable intersections (e.g. Encinal, Glenwood and others), for enabling quiet zones as one of the top priorities in 2021.

Consider these factors:

- Conservative estimate shows close to 10% of the city residents will benefit from this. (Based on 2019 city census, and low estimate of 1000 households being impacted along the 2 mile corridor with 3 person in each unit.)
- The fact that more than half of all public comments/requests on Jan 30 meeting are urging is a reflection of the estimate above.
- As proven in Atherton's deployment, quad-gates are physically blocking barriers that actually REDUCE city's liability, as opposed to the current gate which are actually more dangerous.
- Atherton's QZ accidents reports/statistics have shown it's more effective in providing safety without horns, improving life quality drastically.
- Nearby residential units will have property value increased. It is fiscally sensible using gate estimates from director Nikki Nagaya's and that of increased tax/revenue for the city in the long run.
- With the estimated cost of 1-2m, this would mean using ~1% of this year's city's budget (175m last year) to benefit ~10% of the city permanently.

We kindly ask for the ability to see past the virtual/zoom meeting, online posts amid the pandemic, but imagine seeing ~3000 Menlo Park residents, suffering from the horn noise, physically in this planning meeting urging for this.

Thank you.

Agenda item G3  
Romin Thomson, Resident

please stop the horns.

## Agenda item G3 Lynne Bramlett, Resident

I consider the current goal-setting process broken. It starts with an assumption that 85 percent of staff priorities are fixed and Council only gets to decide for the remaining 15 percent. To me, it's more than time to examine the Staff service priorities.

As a framework for examining these priorities, please consider Maslow's hierarchy of human needs applied to our local government. From the bottom of the hierarchy upwards, the needs are: physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization. We are neglecting foundational needs while putting forth efforts at the higher levels.

At the physiological level, many residents are out of work and food and housing insecure. There are other problems that residents face and we need a way to survey them more systematically.

We are neglecting the safety level in the form of disaster preparedness. The U.S. Geological Survey estimates a probability of 98 percent that an earthquake of magnitude 6.0 or larger will occur before 2043. The probability of at least one earthquake of magnitude 6.7 or larger in the San Francisco Bay region is 72 percent, and for at least one earthquake of magnitude 7.0 or larger it is 51 percent. The most likely fault to erupt is also the Hayward Fault, which would most impact the Belle Haven Community. Even a 6.0 earthquake can cause major damage. We have other threats from sea level rise and also increasing wildfires.

Despite known threats, we lack even the basics of the FEMA recommended disaster preparedness efforts in the form of recommended plans and mitigation efforts. We continue to miss out on grant funding for preparedness and mitigation because these areas are not our priority.

In contrast, you see a proposal to rebuild the Library and Community Services Department. First, I did not hear any member of the public advocate for this effort. Next, the Menlo Park residents can also obtain these services from nearby libraries. With due respect to the library, it's time to examine where the City is not meeting the basic needs of residents and to make those needs a priority. We could also increase the use of volunteers to fill gaps in the staff organization.

This coming year, please spend the time to establish: shared values, a shared vision and a set of shared goals. All this should be based on a broad public input process. Please return to using the National Community Survey from the National Research Center. This highly recommended survey process would give you actionable input and the ability to benchmark over time. The Community would also better see overall priorities and so the yearly goal-setting process would become a more proactive one leading to the City of Menlo Park continuously improving in a shared direction.

Agenda item G3  
Sue Connelly, Resident

It's really great to see that the City Council is trying to find ways to help mitigate the excessive length and frequency of the CalTrain and other trains using the tracks through Menlo Park. It has definitely increased substantially over the years, and the prospect of a Quiet Zone is heartening.

Thank you, City Council Members, for your votes to add the Quiet Zone study to the city's Priority List since this impacts so many residents.

Agenda item G3  
Elizabeth & Marsden Blois, Resident

Agenda item G3-2021

Dear City Council Members,

As 45+ year residents of Menlo Park, we strongly urge the Council to set the planning and implementation of Quiet Zones along the Caltrain corridor, particularly at Encinal and Glenwood (“Quiet Mile”), as a priority project this year. With the upcoming expansion of a Quiet Zone in Atherton to Watkins Ave, expansion further South would greatly benefit Menlo Park residents as well as those nearby in Atherton. It will make the train corridor quieter and more liveable for the many Menlo residents who live and now work at home near the tracks. Our understanding is that this can be done without downside or safety concerns. Thank you for your consideration!

Agenda item G3  
Janet Shockey, Resident

My husband and I have lived on Claremont Way for the past 49 years with our backyard backing up to the train tracks, just between the Palo Alto and Menlo Park train stations. This means we hear the train noise for both stations and cross streets. We join the comments to reduce the train noise--it has become an irritation as the noise seems to have increased.

## Agenda item G3 Resident

As a 15-year resident of Menlo Park, I believe that the establishment of Quiet Zones is a critical issue for residents and needs to be included as a focus for the 2021 agenda.

Field not completed.



Agenda item G3  
Phil Pang, Resident

Hello,  
A Quiet Zone at the Encinal Avenue Caltrain would immensely enhance the quality of life for the Menlo Park community by directly improving the daily ambient noise of those who live adjacent to the train path, and thus also by everyone who interacts with them. Please graciously consider investing in this valuable, concrete action that could make Menlo Park an even more pleasant town to live and shop in.

Agenda item G3  
Joy Pang, Resident

Happy Tuesday!

Please prioritize the consideration of an Encinal Ave Caltrain Quiet Zone this year. I strongly believe that this one action could positively impact the well-being of the majority of Menlo Park's residents. Our family has tried in multiple ways to improvise, adapt and overcome the train horns that sound myriad times a day. It's been particularly challenging with stay at home orders, and have had our physical, mental, and emotional health negatively affected by the blaring horns. Thank you sincerely, for your time and attention.

## Agenda item G3 Pam D Jones, Resident

### Item G3

Mayor Combs, Vice Mayor Nash, Council Member, and Staff,

As we move forward with the MPCC, it is important that a bottom-up approach is used rather than top-down. A top-down approach tends to direct input and recommendations to management's desired outcome. or dictate. My comments are on attachments C and D projects and strongly encourages current and former employee input. The people that work or worked in the various recreational services best understand the needs and desire of the community. Although the MPCC is for all residents of Menlo Park, it's primary focus will be on the residents in District 1 (Belle Haven/Bayside).

Everyone loves shiny new things. People who did not use the "old" facility may now used the new facilities. While we want to attract residents throughout the City, we are replacing facilities that were resident centered. It is also important to remember that this project from its inception was the result of several community members being proactive with Facebook.

#### Attachment C, Project #7

#7 Resident committee on the MPCC should include current and previous staff assigned to programs. The services must be community-centric. Nuances of previous program offers are found with current and previous staff.

#### Attachment D, Projects 28, 29, 30, 31, 32, and 33

#28 Transitional services plan update (senior center, youth center and community center) should include the number of previous staff who have been brought on board in at least a part-time capacity to assist with planning.

#29 Aquatics service delivery assessment for MPCC should include data on local residents who attempted to reserve lanes and why they were unable to do so. This may require a short survey of local residents.

#30 Senior center service delivery assessment for MPCC should include current and previous employees, along with volunteers that are active with the delivery of services.

#31 Youth center service delivery assessment for MPCC should include current and previous employees.

#32 Recreation service delivery assessment for MPCC should include data on local residents who attempted to use facilities and why they were unable to do so. This may require a short survey of local residents.